IMPORTANT NOTICE

NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY INTO THE UNITED STATES

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

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

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

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION WOULD BE MADE ON THE BASIS OF THE TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR (AS AMENDED AND RESTATED) THAT WILL BE DISTRIBUTED TO YOU PRIOR TO THE PRICING DATE AND NOT ON THE BASIS OF THE ATTACHED DOCUMENTS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

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 Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

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

Confirmation of Your Representation:

You have accessed the Offering Circular on the basis that you have confirmed your representation to the Issuer and the Joint Lead Managers (each as defined in the Offering Circular) that: (1) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and (2) you consent to delivery of the Offering Circular and any amendments or supplements thereto by electronic transmission. To the extent you purchase the securities described herein, you will be doing so in an offshore transaction pursuant to Regulation S under the Securities Act.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of jurisdiction in which you are located. You acknowledge that the access to the Offering Circular is intended for use by you only and you agree you will not forward or otherwise provide access to any other person.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither 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, directors, officers, employees, representatives, agents or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Lead Managers.

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

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

Actions that you may not take: You should not reply by e-mail to this electronic transmission and you may not purchase any Bonds by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

JINAN CITY CONSTRUCTION GROUP LIMITED COMPANY
(濟南城市建設集團有限公司)

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

CNY1,966,000,000 2.20 per cent. Bonds due 2031
Issue Price: 100.00 per cent.

The 2.20 per cent. bonds in the aggregate principal amount of CNY1,966,000,000 due 2031 (the "**Bonds**") will be issued by Jinan City Construction Group Limited Company (濟南城市建設集團有限公司) (the "**Issuer**" or the "**Company**"), a company incorporated under the laws of the PRC.

The Bonds will bear interest on their outstanding principal amount from and including 14 September 2026 (the "**Issue Date**") at the rate of 2.20 per cent. per annum and such interest will be payable semi-annually in arrear in equal instalments of CNY110.00 per Calculation Amount on 14 March and 14 September (each an "**Interest Payment Date**") in each year, commencing on 14 March 2027. All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and 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 within the PRC or any governmental or political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer is required to make any deduction or withholding by or within the PRC at a rate in excess of the rate applicable on 7 September 2026 (the "**Applicable Rate**") or any governmental or political subdivision or any authority therein or thereof having power to tax, then the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required to the extent described under "*Terms and Conditions of the Bonds — Taxation*".

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (*Negative Pledge*) of the terms and conditions of the Bonds (the "**Conditions**")) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations and subject to Condition 4(a) (*Negative Pledge*) of the Conditions, at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations.

The Issuer shall undertake to (i) submit or cause to be submitted to the Shandong Province Branch of SAFE an application for the registration of the Bonds within 15 Registration Business Days after the Issue Date in accordance with Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines promulgated by SAFE and which came into effect on 13 May 2013 and as amended on 4 May 2015 (the "**SAFE Registration**"), and (ii) use its best endeavours to complete the SAFE Registration and obtain a registration record from the Shandong Province Branch of SAFE (or any other document evidencing the completion of the SAFE Registration issued by SAFE) on or before the Registration Deadline (being 120 Registration Business Days after the Issue Date).

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) (the "**NDRC Measures**") issued by the National Development and Reform Commission of the PRC (the "**NDRC**", which for the purposes of the Offering Circular shall include any relevant local branch thereof) which came into effect on 10 February 2023, the Issuer has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 28 August 2026 evidencing such registration, and the Issuer undertakes to file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds with the NDRC within ten (10) Registration Business Days after the Issue Date in accordance with the NDRC Measures and any implementation rules as issued by the NDRC from time to time.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 14 September 2031 (the "**Maturity Date**"). The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (as defined in the Conditions) (which shall be irrevocable) and in writing to the Trustee and the CMU Lodging and Paying Agent (as defined in the Conditions), at their principal amount together with any unpaid interest accrued to (but excluding) the date fixed for redemption, if, the Issuer satisfies the Trustee immediately prior to the giving of such notice, that (i) the Issuer has or will become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, such laws or regulations, which change or amendment becomes effective on or after 7 September 2026, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. Following the occurrence of a Relevant Event (as defined in the Conditions), each holder of Bonds (each a "**Bondholder**") will have the right, at such Bondholder's option, to require the Issuer to redeem all, but not some only, of that Bondholder's Bonds on the Put Settlement Date (as defined in the Conditions) at 101 per cent. (in the case of a redemption for a Change of Control (as defined in the Conditions)) or 100 per cent. (in the case of a redemption for a Non-Registration Event (as defined in the Conditions)) of their principal amount, together in each case with accrued and unpaid interest up to (but excluding) the relevant Put Settlement Date. See "*Terms and Conditions of the Bonds — Redemption and Purchase*".

For a more detailed description of the Bonds, see "*Terms and Conditions of the Bonds*" beginning on page 52 of this Offering Circular. The Bonds will be issued in denominations of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.

Investing in the Bonds involves risks. See "*Risk Factors*" beginning on page 12 of this Offering Circular for a discussion of certain factors to be considered in connection with an investment in the Bonds.

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

Application will be made for the listing of the Bonds by way of debt issues on the Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the "**MOX**").

This document is for distribution to professional investors (as defined in Section 11 of the Guideline on Provision and Distribution of Financial Products (Circular 033/B/2010-DSB/AMCM)) ("**MOX Professional Investors**") only. Investors should not purchase the Bonds in the primary or secondary markets unless they are MOX Professional Investors and understand the risks involved. The Bonds are only suitable for MOX Professional Investors.

The MOX 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 MOX Professional Investors only have been reproduced in this document. The listing of the Bonds on the MOX is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer or the quality of disclosure in this document. The MOX takes no responsibility for the contents of this document, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Potential investors should exercise caution before making investment decisions. The requirements in relation to the MOX Professional Investors above and in this Offering Circular shall be construed as relating to offers and sales of the Bonds in Macau only.

The Issuer has been assigned a corporate credit rating of "Baa1" by Moody's Investor Service, Inc. ("**Moody's**") and "BBB+" by Fitch Rating Services ("**Fitch**"). The Bonds will not be rated. 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 assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Issuer may adversely affect the market price of the Bonds.

The Bonds will be represented initially by beneficial interests in a global certificate (the "**Global Certificate**") in registered form 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 Moneymarkets Unit Service (the "**CMU**" or the "**Clearing System**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. Except as described in the Global Certificate, definitive certificates for the Bonds will not be issued in exchange for interests in the Global Certificate. See "*Summary of Provisions relating to the Bonds in Global Form*".

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Guotai Junan International	**Shenwan Hongyuan (H.K.)**	**China Securities International**	**TF International**

Joint Lead Managers and Joint Bookrunners

BOCOM International	**CEB International**	**Changjiang Securities (HK)**	**China CITIC Bank International**
China Galaxy International	**China Industrial Securities International**	**China International Capital Corporation**	**China Zheshang Bank Co., Ltd. (Hong Kong Branch)**
CITIC Securities	**CMB International**	**CMBC Capital**	**CMS International**
CNCB Capital	**Guodu Securities (Hong Kong)**	**Haitong Bank**	**Haitong International**
Hua Xia Bank Co., Limited Hong Kong Branch	**ICBC International**	**Industrial Bank Co., Ltd. Hong Kong Branch**	**Ping An Securities (Hong Kong) Company Limited**
Shanghai Pudong Development Bank Hong Kong Branch	**Soochow Securities (Hong Kong)**	**SunRiver International Securities Group Limited**	**Zhongtai International**

Offering Circular dated 7 September 2026

NOTICE TO INVESTORS

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

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

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

This Offering Circular has been prepared by the Issuer solely for use in connection with the proposed offering of the Bonds described in this Offering Circular. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, Guotai Junan Securities (Hong Kong) Limited, Shenwan Hongyuan Securities (H.K.) Limited, China Securities (International) Brokerage Company Limited, TFI Securities and Futures Limited, BOCOM International Securities Limited, CEB International Capital Corporation Limited, Changjiang Securities Brokerage (HK) Limited, China CITIC Bank International Limited, China Galaxy International Securities (Hong Kong) Co., Limited, China Industrial Securities International Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited, China Zheshang Bank Co., Ltd. (Hong Kong Branch), CLSA Limited, CMB International Capital Limited, CMBC Securities Company Limited, China Merchants Securities (HK) Co., Limited, CNCB (Hong Kong) Capital Limited, Guodu Securities (Hong Kong) Limited, Haitong Bank, Macau Branch, Haitong International Securities Company Limited, Hua Xia Bank Co., Limited

Hong Kong Branch, ICBC International Securities Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Ping An Securities (Hong Kong) Company Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Soochow Securities International Brokerage Limited, SunRiver International Securities Group Limited and Zhongtai International Securities Limited (collectively, the "**Joint Lead Managers**") to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see "*Subscription and Sale*". By purchasing the Bonds, investors represent and agree to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Bonds. Distribution of this Offering Circular to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised in connection with the issue, offer or sale of the Bonds to give any information or to make any representation concerning the Issuer, the Group or the Bonds 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 Joint Lead Managers, the Trustee or the Agents (as defined in the Conditions) or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates 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 Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer or the Group since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof or, as the case may be, the date upon which this Offering Circular has been most recently amended or supplemented. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them to subscribe for or purchase the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

None of the Joint Lead Managers, the Trustee or the Agents nor any of their respective directors, officers, employees, representatives, agents, advisers, affiliates and any person who controls any of them has separately verified the information contained in this Offering Circular. None of the Joint Lead Managers, the Trustee or the Agents nor any of their respective directors, officers, employees, representatives, agents, advisers, affiliates and any person who controls any of them makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information contained in this Offering Circular or any information supplied in connection with the Bonds. 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 any of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, advisers, affiliates and any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer and the Group and the merits and risks involved in investing in the Bonds. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them accepts any responsibility for the contents of this Offering Circular and assume no responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement made or purported to be made by a Joint Lead Manager, the Trustee or an Agent, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them or on its behalf, in connection with the Issuer, the Group or the issue and offering of the Bonds. Each of the Joint Lead Managers, the Trustee and the Agents and each of their respective directors, officers, employees, representatives, agents, advisers and affiliates and each 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 or the Agents or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them undertakes to review the results of operations, financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents, or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them.

IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY OF THE JOINT LEAD MANAGERS (EXCEPT FOR CHINA CITIC BANK INTERNATIONAL LIMITED AND HAITONG BANK, MACAU BRANCH) APPOINTED (THE "STABILISATION MANAGERS") (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER) MAY OVER-ALLOT AND EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGERS (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGERS) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGERS (OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGERS) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Singapore Securities and Futures Act 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 Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Any of the Joint Lead Managers or their respective affiliates may purchase the Bonds 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 Bonds and/or other securities of the Issuer or its subsidiaries or associates at the same time as the offer and sale of the Bonds 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 Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). Furthermore, investors in the Bonds may include entities affiliated with the Group.

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

The Trustee and the Agents shall not be responsible for nor have any liability for the recitals, statements, warranties or representations of any other party contained in the Trust Deed or the Agency Agreement (each as defined in the Conditions) or any other document entered into by such other parties in connection with the Bonds.

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 Bonds including certain Joint Lead Managers are "capital market intermediaries" (together, the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

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

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

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

WARNING

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

INDUSTRY AND MARKET DATA

Market data and certain industry forecasts and statistics used throughout this Offering Circular have been obtained from both public and private sources including, among others, internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable and accurate but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, advisers or affiliates or any person who controls any of them makes any representation as to the correctness, accuracy or completeness of that information. Such information may not be consistent with other information compiled within or outside the PRC. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. Accordingly, such information should not be unduly relied upon.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains consolidated financial information of the Issuer as at and for the years ended 31 December 2023, 2024 and 2025, which has been extracted from the audited consolidated financial statements of the Issuer as at and for the years ended 31 December 2024 and 2025 (the "**Audited Financial Statements**"). The Audited Financial Statements were prepared and presented in accordance with the Accounting Standards for Business Enterprises in the PRC ("**PRC GAAP**") as promulgated by the Ministry of Finance of the PRC ("**MOF**") from time to time. The consolidated financial information of the Issuer as at and for the years ended 31 December 2023 and 2024 has been audited by Pan-China Certified Public Accountants LLP (天健會計師事務所(特殊普通合夥)) ("**Pan-China CPA**"), the Issuer's independent auditors in 2023 and 2024, whereas the consolidated financial information of the Issuer as at and for the year ended 31 December 2025 has been audited by Shandong Jiancheng Certified Public Accountants LLP (山東健誠會計師事務所(特殊普通合夥)) ("**Shandong Jiancheng CPA**"), the Issuer's independent auditors in 2025.

PRC GAAP differs in certain respects from the International Financial Reporting Standards ("**IFRS**"). The Issuer has not prepared any reconciliation of such consolidated financial information between PRC GAAP and IFRS. For a discussion of certain differences between PRC GAAP and IFRS, see "*Summary of Certain Differences Between PRC GAAP and IFRS*".

The Group has issued corporate bonds in the domestic capital markets in the PRC. According to applicable PRC securities regulations on debt capital markets, the Group is required to publish its quarterly, half year and annual financial information to satisfy its continuing disclosure obligations relating to its corporate bonds issued in the domestic capital markets. The quarterly and half year financial information published by the Group in the PRC is normally derived from the Group's management accounts and has not been audited or reviewed by independent auditors. As such, such financial information published in the PRC should not be relied upon by potential purchasers to provide the same quality of information associated with any audited information. See "*Risk Factors — Risks Relating to the Group and its Business — Investors should not place any reliance on the financial information which is unreviewed or unaudited*."

According to the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (Fa Gai Wai Zi [2018] No. 706) (國家發展改革委財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知(發改外資[2018]706號)) ("**Circular 706**") jointly issued by the NDRC and the MOF on 11 May 2018, any public interest assets such as public schools, public hospitals, public cultural facilities, parks, public squares, office buildings of government departments and public institutions, municipal roads, non-toll bridges, non-operating water conservancy facilities, no-charge pipe network facilities and other public interest assets and the usage rights of reserve land ("**Public Interest Assets**") cannot be counted towards the Group's assets for the purposes of issuing medium- and long-term foreign debt. As at 31 December 2025, the value of the Group's Public Interest Assets amounted to approximately RMB31.4 billion, representing approximately 7.5 per cent. of the Group's total assets and 27.7 per cent. of the Group's total net assets, respectively. See "*Risk Factors — Risks Relating to the Group and its Business — Any public interest assets of the Group should not be taken into account when the Group's business, financial condition, results of operations and prospects are assessed.*" for further information.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to the "**PRC**", "**China**" and "**mainland China**" are to the People's Republic of China (and for the purpose of this Offering Circular only, excluding Hong Kong, Macau and Taiwan), and all references to the "**United States**" and "**U.S.**" are to the United States of America, all references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China; all references to "**Macau**" are to the Macau Special Administrative Region of the People's Republic of China; all references to "**Renminbi**", "**RMB**" and "**CNY**" are to the lawful currency of the PRC, and all references to "**USD**", "**U.S.$**" and "**U.S. dollar(s)**" are to the lawful currency of the United States.

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

Unless the context otherwise requires, references to "**2023**", "**2024**" and "**2025**" in this Offering Circular are to the years ended 31 December 2023, 2024 and 2025, respectively.

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

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

- "**CSRC**" refers to the China Securities Regulation Commission (中國證券監督管理委員會);

- "**GDP**" refers to gross domestic product;

- "**GFA**" refers to gross floor area;

- "**Jinan Municipal Government**" refers to the Jinan Municipal People's Government (濟南市人民政府) of the PRC;

- "**Jinan SASAC**" refers to the State-owned Assets Supervision and Administration Commission of Jinan Municipal People's Government (濟南市人民政府國有資產監督管理委員會) of the PRC or its successor;

- "**MOF**" refers to the Ministry of Finance of the PRC;

- "**MOFCOM**" refers to the Ministry of Commerce of the PRC;

- "**mu**" refers to "畝", a traditional Chinese unit of land measurement;

- "**NDRC**" refers to the National Development and Reform Commission of the PRC or its competent local counterparts;

- "**NPC**" refers to the National People's Congress of the PRC;

- "**PBOC**" refers to the People's Bank of China, the central bank of the PRC;

- "**PRC Government**" refers to the central government of the PRC and its political subdivisions, including provincial, municipal and other regional or local government entities, and instrumentalities thereof, or where the context requires, any of them;

- "**SAFE**" refers to the State Administration of Foreign Exchange of the PRC or its competent local counterparts;
- "**SAT**" refers to the State Administration of Taxation of the PRC;
- "**SCNPC**" refers to the Standing Committee of the NPC;
- "**State Council**" refers to the State Council of the PRC;
- "**sq.m.**" refers to square metres;
- "**sq.km.**" refers to square kilometres; and
- "**VAT**" refers to value-added tax.

FORWARD-LOOKING STATEMENTS

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

These forward-looking statements speak only as at the date of this Offering Circular. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any of the opinions or forward-looking statements 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 opinion or statement was based.

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

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

- other factors, including those discussed in "*Risk Factors*".

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

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SUMMARY

OVERVIEW

The Group is a key developer in Jinan responsible for the construction, engineering and operation of urban infrastructure projects. The Company was incorporated in June 2017 pursuant to the approval of the Jinan Municipal Government as one of the six state-owned conglomerates which in aggregate consolidated 188 state-owned enterprises controlled by the Jinan Municipal Government. Being the largest one among the six, the Group has been focusing on municipal construction, land development and real estate development activities within Jinan, especially in the West New City Area (西部新城) and the Binhe New District (濱河新區). As at the date of this Offering Circular, the Company is 91.852 per cent. directly owned by Jinan SASAC and 8.148 per cent. indirectly owned by Shandong Provincial Department of Finance (山東省財政廳).

The Group primarily conducts its business within Jinan, the capital city and the political, economic, cultural and financial centre of Shandong Province. Leveraging its abundant natural resources, well-developed transportation system and completed industrial value chains, Jinan has undergone rapid urban development in recent years. The Group, acting as one of the primary government-designated platforms through which the Jinan Municipal Government implements its blueprint for Jinan's urban development, is dedicated to promoting and facilitating Jinan's continuous urbanisation and economic growth, especially in the West New City Area and the Binhe New District. As an attestation to its achievements, the Group has received a number of awards for its construction projects over the years, including the "China Civil Engineering Zhan Tianyou Award (中國土木工程詹天佑獎)", the highest honour for civil engineering projects in China. The Group's primary businesses are as follows:

- *Engineering and Construction*. The Group primarily constructs two types of projects under its engineering and construction business, namely market-oriented construction projects and entrusted construction projects. For market-oriented construction projects, the Group sources business opportunities from the open market and adopts the general contracting business model to construct the projects. For entrusted construction projects, the Group constructs these projects as commissioned by the Government of Starting Area of Jinan City (濟南市起步區政府), and maintains possession of the projects it has constructed and receives long-term income from the operation of such projects. For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's engineering and construction business was RMB27,831.8 million, RMB29,645.9 million and RMB29,105.4 million, respectively, representing 77.2 per cent., 75.9 per cent. and 74.2 per cent., respectively, of the Group's total operating revenue for the same periods.

- *Land Development*. The Group's land development business primarily involves conditioning of land parcels as planned by the Jinan Municipal Government and the Jinan Land and Resources Bureau (濟南市國土資源局) and transforming such land parcels into a condition ready for secondary real property development. The land development process involves facilitating the conveyancing of relevant land parcels, resettlement of current residents, demolition of existing buildings, land clearance, and construction of supporting facilities. The Group's land development business is primarily conducted within the areas of Jinan designated by the Jinan Municipal Government and the Jinan Land and Resources Bureau, including the North Lake Area (北湖片區), the Huashan Area (華山片區), the University and Technology Park Area (大學科技園片區) and the West Railway Station Area (西客站片區). For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's land development business was RMB1,134.4 million, RMB1,247.2 million and RMB1,806.0 million respectively, representing 3.1 per cent., 3.2 per cent. and 4.6 per cent., respectively, of the Group's total operating revenue for the same periods.

- *Real Estate Development*. The Group's real estate development business primarily involves development and sale of residential and commercial housing in Jinan. The Group develops real estate projects on its own and in collaboration with other reputable real estate developers. For the years ended 31 December 2023, 2024 and 2025, the operating revenue generated from the Group's real estate development business was approximately RMB2,938.2 million, RMB2,828.9 million and RMB3,128.7 million, respectively, representing 8.2 per cent., 7.2 per cent. and 8.0 per cent., respectively, of the Group's total operating revenue for the same periods.

- *Other Primary Businesses*. The Group also engages in other businesses, which include sale of petroleum products, leasing and property management services, project management, supervision and inspection services, operation and maintenance services and toll operations. For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's other primary businesses was RMB4,076.3 million, RMB5,314.9 million and RMB5,147.4 million, respectively, representing 11.3 per cent., 13.6 per cent. and 13.1 per cent., respectively, of the Group's total operating revenue for the same periods.

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

	For the year ended 31 December					
	2023		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions)		(RMB in millions)		(RMB in millions)	
Primary business	**35,980.8**	**99.8**	**39,036.9**	**99.9**	**39,187.6**	**99.9**
Engineering and construction	27,831.8	77.2	29,645.9	75.9	29,105.4	74.2
Land development	1,134.4	3.1	1,247.2	3.2	1,806.0	4.6
Real estate development	2,938.2	8.2	2,828.9	7.2	3,128.7	8.0
Other primary businesses(1)	4,076.3	11.3	5,314.9	13.6	5,147.4	13.1
Ancillary businesses(2)	**54.5**	**0.2**	**42.8**	**0.1**	**41.7**	**0.1**
Total operating revenue	**36,035.3**	**100.0**	**39,079.7**	**100.0**	**39,229.4**	**100.0**

Notes:

(1) Other primary businesses include (i) sale of petroleum products, (ii) leasing and property management services, (iii) project management, supervision and inspection services, (iv) operation and maintenance services, (v) toll operations and (vi) commercial trading.

(2) Ancillary businesses include water supply, sale of agricultural products, sale of steel, brewing, accommodation and catering, conference service and operation of parking lots and tour buses.

For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's business operation was RMB36,035.3 million, RMB39,079.7 million, and RMB39,229.4 million, respectively. As at 31 December 2023, 2024 and 2025, total assets of the Group were RMB368,471.6 million, RMB390,560.6 million and RMB418,314.1 million, respectively.

COMPETITIVE STRENGTHS

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

- Strong Support from the Group's Controlling Shareholder

- Leading Position and Unparalleled Market Share in Jinan in the Infrastructure Construction and Urban Development Sectors

- Diversified Business Portfolio with Synergy Emerging among Different Business Segments
- Sufficient Funding and Diversified Financing Channels
- Sound Internal Control Framework and Shareholder Oversight
- Strong and Experienced Management Team

BUSINESS STRATEGIES

In accordance with the Jinan Municipal Government's strategic plan to deepen the investment and financing reform, improve the overall management and operational capabilities for state-owned assets and state-owned capital, and build a comprehensive investment and financing platform (深化投融資體制改革、提升國有資產、國有資本統籌運營能力、做大做強投融資平台), the Group aims to maintain its leading position in the infrastructure construction and urban development sector in Jinan while leveraging on innovation and capital strength to further diversity its business portfolio. To achieve such goal, the Group intends to focus on the following business strategies.

- Continuing its Focus on the Infrastructure Construction and Urban Development Sector and Realise Sustainable Growth
- Further Diversifying its Business Portfolio and Deepening its Reform
- Further Diversifying the Group's Funding Sources

RECENT DEVELOPMENT

Interim Results as at and for the Six Months Ended 30 June 2026

As at 30 June 2026, compared to that as at 31 December 2025, the Group's other equity instrument investments decreased, primarily attributable to the disposal of certain such investments; the Group's short-term borrowings increased, primarily attributable to new borrowings in the past six months. For the six months ended 30 June 2026, compared to the same period in the preceding year, the Group's operating revenue decreased, primarily attributable to decrease in the Group's engineering and construction business; the Group's selling expenses increased, primarily caused by the newly acquired subsidiaries acquired by the Group in the second half of 2025; the Group's other income decreased, primarily attributable to decrease in government subsidies received; the Group's credit impairment loss increased, primarily attributable to increase in provision for impairment; the Group's net profit decreased, primarily attributable to increase in credit impairment loss; the Group incurred other comprehensive loss, primarily attributable to fair value change in other equity instrument investments.

Such financial information has not been subject to an audit or review by the Group's independent auditors and should not be relied upon by investors to provide the same quality of information associated with audited or reviewed financial information. Potential investors must exercise caution when using such financial information to evaluate the Group's financial condition and results of operations. The financial information as at and for the six months ended 30 June 2026 does not form a part of this Offering Circular and should not be taken as an indication of the Group's expected financial condition or results of operations as at and for the full financial year ending 31 December 2026. See "*Risk Factors — Risks Relating to the Group and Its Business — Investors should not place any reliance on the financial information which is unreviewed or unaudited*".

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE ISSUER

The following tables set forth the Issuer's summary consolidated financial information for the periods indicated. The consolidated financial information as at and for the years ended 31 December 2023, 2024 and 2025 set forth below has been extracted from and should be read in conjunction with the Audited Financial Statements and the notes thereto, which have been included elsewhere in this Offering Circular. The Audited Financial Statements were prepared and presented in accordance with PRC GAAP. The consolidated financial information of the Issuer as at and for the years ended 31 December 2023 and 2024 has been audited by Pan-China CPA, the Issuer's independent auditors in 2023 and 2024, whereas the consolidated financial information of the Issuer as at and for the year ended 31 December 2025 has been audited by Shandong Jiancheng CPA, the Issuer's independent auditors in 2025.

The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the Audited Financial Statements, including the notes thereto. Historical results of the Group are not necessarily indicative of results that may be achieved for any future period.

SUMMARY STATEMENT OF FINANCIAL POSITION

	As at 31 December		
	2023	2024	2025
	(Audited)	(Audited)	(Audited)
		(RMB in millions)	
Current assets			
Cash and bank balances	21,907.7	22,445.2	18,392.8
Held-for-trading financial assets	80.5	90.3	772.6
Notes receivable	168.5	362.0	433.7
Accounts receivable	19,763.7	24,095.5	18,858.1
Receivables financing	184.8	384.0	959.1
Prepayments	7,758.9	9,240.3	6,744.1
Other receivables	8,038.7	12,600.0	11,382.7
Inventories	115,696.0	112,762.0	133,008.4
Contract assets	9,832.2	9,667.1	13,205.2
Other current assets	3,915.9	3,781.3	5,803.5
Total current assets	**187,347.0**	**195,427.6**	**209,560.1**
Non-current assets			
Long-term receivables	11,694.5	11,649.0	11,186.2
Long-term equity investments	4,902.8	8,839.0	7,779.7
Other equity instrument investments	9,170.5	8,067.7	7,848.0
Other non-current financial assets	1,123.0	2,518.9	6,482.1
Investment property	16,894.9	16,920.3	23,424.7
Fixed assets	4,585.2	4,531.3	4,627.0
Construction in progress	73,986.4	85,974.7	91,287.6
Productive biological assets	0.6	0.6	0.6
Right-of-use assets	101.0	80.2	95.0
Intangible assets	8,162.6	8,398.1	8,009.1
Research and development cost	5.4	4.9	0.6
Goodwill	96.4	99.9	140.0
Long-term prepayments	268.5	237.9	188.0
Deferred tax assets	519.7	522.3	535.0
Other non-current assets	49,613.2	47,288.2	47,150.3
Total non-current assets	**181,124.6**	**195,132.9**	**208,753.9**
Total assets	**368,471.6**	**390,560.6**	**418,314.1**
Current liabilities			
Short-term borrowings	12,915.7	14,049.5	20,853.8

	As at 31 December		
	2023	2024	2025
	(Audited)	(Audited)	(Audited)
		(RMB in millions)	
Notes payable	2,052.0	2,959.0	2,239.3
Accounts payable	21,475.0	24,105.5	23,566.1
Advances received	159.0	161.1	196.8
Contact liabilities	20,567.1	11,812.1	14,728.1
Employee benefits payable	1,120.7	1,165.4	1,336.3
Taxes and rates payable	210.9	762.7	308.0
Other payables	11,623.7	12,200.0	9,156.2
Non-current liabilities due within one year	29,654.1	28,982.4	40,264.3
Other current liabilities	6,134.6	5,438.1	6,106.8
Total current liabilities	**105,912.6**	**101,635.8**	**118,755.4**

	As at 31 December		
	2023	2024	2025
	(Audited)	(Audited) (RMB in millions)	(Audited)
Non-current liabilities			
Insurance policy reserve	3.7	14.9	7.8
Long-term borrowings	75,652.5	76,784.9	94,392.5
Bonds payable	38,397.1	60,340.4	48,384.4
Lease liabilities	72.1	59.2	75.8
Long-term payables	45,129.8	43,728.2	41,371.8
Estimated liabilities	446.9	261.8	84.0
Deferred income	1,280.3	1,402.5	1,374.2
Deferred tax liabilities	418.3	314.1	307.1
Other non-current liabilities	963.0	450.0	403.1
Total non-current liabilities	**162,363.7**	**183,356.0**	**186,400.8**
Total liabilities	**268,276.3**	**284,991.9**	**305,156.2**
Owners' equity			
Share capital	36,893.6	36,919.2	37,012.5
Other equity instruments	21,934.8	20,977.1	21,318.2
Capital reserve	23,909.1	28,628.3	31,906.6
Other comprehensive income	479.3	856.7	840.2
Special reserve	172.0	180.2	199.9
Surplus reserve	115.8	115.8	115.8
General Risk Reserve	–	1.8	2.1
Undistributed profits	11,255.2	11,473.2	11,418.0
Total equity attributable to the parent company	94,759.7	99,152.3	102,813.3
Minority interests	5,435.5	6,416.4	10,344.6
Total equity	**100,195.3**	**105,568.7**	**113,157.9**
Total liabilities and equity	**368,471.6**	**390,560.6**	**418,314.1**

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	For the year ended 31 December		
	2023	2024	2025
	(Audited)	(Audited)	(Audited)
		(RMB in millions)	
Operating revenue	36,035.3	39,079.7	39,229.4
Premiums earned	1.1	1.9	2.7
Total operating revenue	**36,036.4**	**39,081.6**	**39,232.0**
Operating costs	(31,464.1)	(34,948.8)	(35,084.9)
Handling charges and commission expenditures	(0.0)	(0.0)	(0.0)
Net provision of insurance policy reserve	7.1	(11.2)	7.1
Taxes and surcharges	(464.3)	(436.5)	(444.0)
Selling expenses	(236.8)	(241.7)	(268.3)
Administrative expenses	(1,118.1)	(1,209.3)	(1,223.8)
Research and development expenses	(679.0)	(661.6)	(672.0)
Financial expenses	(1,050.9)	(1,044.8)	(1,316.2)
Other income	67.7	74.0	70.8
Investment income	330.6	663.6	1,306.2
Gains on changes in fair value	5.4	(355.4)	(46.5)
Credit impairment loss	(280.8)	(202.1)	(396.6)
Assets impairment loss	(76.0)	(1,370.3)	(12.8)
Gains on asset disposal (or less: Losses)	2.0	(0.1)	(1.0)
Operating profit	**1,079.2**	**(662.7)**	**1,150.0**
Non-operating revenue	31.9	1,880.9	159.0
Non-operating expenditures	(38.7)	14.8	18.8
Profit before tax	**1,072.4**	**1,203.4**	**1,290.2**
Income tax expenses	(238.6)	(205.9)	(218.9)
Net profit	**833.8**	**997.5**	**1,071.3**
Net profit attributable to owners of parent company (or less: net loss)	816.6	989.0	1,002.0
Net profit attributable to non-controlling shareholders (or less: net loss)	17.3	8.5	69.3
Other comprehensive income, net of tax	**(111.9)**	**494.8**	**(208.7)**
Total comprehensive income	**722.0**	**1,492.3**	**862.6**
Items attributable to the owners of the parent company	704.7	1,483.9	793.3
Items attributable to non-controlling shareholders	17.3	8.5	69.3

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

	For the year ended 31 December		
	2023	2024	2025
	(Audited)	(Audited)	(Audited)
		(RMB in millions)	
Net cash flows from operating activities	(5,154.8)	(5,136.3)	(5,083.2)
Net cash flows from investing activities	(14,475.4)	(14,767.5)	(15,361.7)
Net cash flows from financing activities	22,089.4	20,365.1	16,300.4
Effect of foreign exchange rate changes on cash and cash Equivalents	(11.5)	8.1	(12.3)
Net increase/(decrease) in cash and cash equivalents	2,447.7	469.4	(4,156.8)
Plus: cash and cash equivalents at the beginning of the period	18,246.1	20,693.9	21,163.3
Closing balance of cash and cash equivalents	20,693.9	21,163.3	17,006.5

THE OFFERING

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

Issuer	Jinan City Construction Group Limited Company (濟南城市建設集團有限公司).
Legal Entity Identifier of the Issuer	300300SQHQM8CIF0XP50
The Bonds	CNY1,966,000,000 2.20 per cent. bonds due 2031. The Issuer undertakes to submit or caused to be submitted to the Shandong Province Branch of the SAFE an application for the registration of the Bonds within 15 Registration Business Days after the Issue Date in accordance with Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines promulgated by SAFE and which came into effect on 13 May 2013 and as amended on 4 May 2015 (the "**SAFE Registration**"). The Issuer shall use its best endeavours to complete the SAFE Registration and obtain a registration record from the Shandong Province Branch of SAFE (or any other document evidencing the completion of the SAFE Registration issued by SAFE) on or before the Registration Deadline (being 120 Registration Business Days after the Issue Date).
Issue Price	The Bonds will be issued at 100.00 per cent. of their principal amount.
Form and Denomination	The Bonds will be issued in registered form in the specified denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.
Issue Date	14 September 2026.
Maturity Date	14 September 2031.
Interest	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 2.20 per cent. per annum, payable semi-annually in arrear in equal instalments of CNY110.00 per Calculation Amount on 14 March and 14 September in each year (each an "**Interest Payment Date**") commencing on 14 March 2027. If interest is required to be calculated for a period of less than a complete Interest Period, the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months and 30 days each and, in the case of an incomplete month, the number of days elapsed.

Status of the Bonds	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (*Negative Pledge*) of the Conditions) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations and subject to Condition 4(a) (*Negative Pledge*) of the Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Negative Pledge	The Bonds will contain a negative pledge provision as further described in Condition 4(a) (*Negative Pledge*) of the Conditions.
Use of Proceeds	See "*Use of Proceeds*".
Events of Default	The Bonds will contain certain events of default as further described in Condition 9 (*Events of Default*) of the Conditions.
Cross-Default	The Bonds are subject to a cross-default provision in respect of present or future indebtedness for or in respect of moneys borrowed or raised or any guarantee and/or indemnity thereof of the Issuer or any of its Subsidiaries which in aggregate equals or exceeds U.S.$35,000,000 or its equivalent, as further described in Condition 9(c) (*Cross-Default*) of the Conditions.
Taxation	All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and 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 within the PRC or any governmental or political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer is required to make any deduction or withholding by or within the PRC at a rate in excess of the rate applicable on 7 September 2026 (the "**Applicable Rate**") or any governmental or political subdivision or any authority therein or thereof having power to tax, then the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required to the extent described under "*Terms and Conditions of the Bonds — Taxation*".
Final Redemption	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.

Redemption for Relevant Events .	Following the occurrence of a Relevant Event, the holder of any Bond will have the right (the "**Relevant Event Put Right**"), at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Settlement Date at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a Non-Registration Event) of their principal amount, together in each case with accrued and unpaid interest up to (but excluding) the relevant Put Settlement Date, as further described in Condition 6(c) (*Redemption for Relevant Events*) of the Conditions.
Redemption for Taxation Reasons	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders, in accordance with Condition 16 of the Conditions (which shall be irrevocable) and in writing to the Trustee and the CMU Lodging and Paying Agent, at their principal amount together with any unpaid interest accrued to (but excluding) the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that: (i) the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in the Conditions) as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, such laws or regulations, which change or amendment becomes effective on or after 7 September 2026, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, as further described in "*Terms and Conditions of the Bonds — Redemption and Purchase — Redemption for Taxation Reasons*".
Further Issues	The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects save for the issue date, the first payment of interest on them and the deadlines for making and completing the NDRC Post-issue Filing and the SAFE Registration and the corresponding notices) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds, as further described in "*Terms and Conditions of the Bonds — Further Issues*".
Trustee	CNCBI Trustee Limited.
CMU Lodging and Paying Agent, Registrar and Transfer Agent . .	China CITIC Bank International Limited.

Clearing Systems	The Bonds will be represented by beneficial interests in the Global Certificate substantially in the form scheduled to the Trust Deed, 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 CMU, and will be exchangeable for definitive certificates only in the circumstances set out therein. Beneficial interests in the Global Certificate will be shown on and transfers thereof will be effected only through records maintained by the CMU. Except as described in the Global Certificate, definitive certificates for the Bonds will not be issued in exchange for beneficial interests in the Global Certificate.
Clearance and Settlement	The Bonds have been accepted for clearance through CMU with a Common Code of 349995565, the HK ISIN of HK0001326781 and the CMU Instrument Code of KWHKFB26035.
Notices and Payment	So long as the Bonds are represented by the Global Certificate and the Global Certificate is held by or on behalf of the Operator, any notice to the holders of the Bonds 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 the Conditions. Indirect participants will have to rely on the CMU participants (through whom they hold the Bonds, in the form of interests in the Global Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.
Governing Law	English law.
Jurisdiction	The courts of Hong Kong are to have exclusive jurisdiction.
Listing	Application will be made to the MOX for the listing of, and permission to deal in, the Bonds by way of debt issues to MOX Professional Investors only. Admission to the listing of the Bonds on the MOX shall not be taken as an indication of the merits of the Issuer or the Bonds.
Selling Restrictions	The Bonds will not be registered under the Securities Act or under any state securities laws of the United States and will be subject to customary restrictions on transfer and resale. See "*Subscription and Sale*".
Issuer's Corporate Rating	The Issuer has been assigned a corporate credit rating of "Baa1" by Moody's and "BBB+" by Fitch. The Bonds will not be rated. 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 assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Issuer may adversely affect the market price of the Bonds.

RISK FACTORS

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

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

RISKS RELATING TO THE GROUP AND ITS BUSINESS

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

The Group's businesses and assets are highly concentrated in Jinan, Shandong Province, focusing mainly on engineering and construction, land development and real estate development. Therefore, its business, financial condition, results of operations and prospects have been and will continue to be heavily dependent on the level of economic development in Jinan in particular and the PRC in general. The PRC's economy has experienced rapid growth in the past 40 years. However, there has been a slowdown in its growth rate in recent years. According to the National Statistics Bureau of the PRC, the annual growth rate of the PRC's GDP slowed down from 7.3 per cent. in 2014 to 6.1 per cent. in 2019 and further to 2.3 per cent. in 2020. While the PRC economy gained strength in 2021 with a GDP growth rate of 8.1 per cent., it slowed down to 5.0 per cent. in 2025 amid a more challenging domestic and international environment. The slowdown in growth of the PRC's economy in recent years was primarily attributable to the outbreak of Coronavirus Disease 2019 ("**COVID-19**") in late 2019. The PRC Government has recently taken several measures with the intention of promoting the economic growth in the PRC, but there can be no assurance that such measures will be effective. Other factors beyond the Group's control may also negatively affect the growth of the PRC's economy. Any future slowdown may create a credit-tightening environment, increase the Group's financing costs, negatively affect the local government's fiscal income and investment in fixed assets or reduce governmental subsidies to the Group.

The national economic condition of China materially affects the regional economic condition of its regions. According to the Jinan Statistics Bureau, Jinan's gross regional product (the "**GRP**") increased from RMB577.1 billion in 2014 to RMB1,421.0 billion in 2025. Although Jinan recorded a GRP annual growth rate of 7.2 per cent. in 2021, it further slowed down to 5.4 per cent. in 2025. The level of economic development in China and Jinan may not grow at their historical rates. Any slowdown in the economic development in Jinan may affect the local government's city development plan, which may have an adverse effect on the Group's business, financial condition, results of operations and prospects.

The Issuer is a state-owned enterprise controlled by Jinan SASAC, a government organ of the Jinan Municipal Government. The Group is tasked to implement urban development plans of the Jinan Municipal Government to engage in engineering and construction, land development and real estate development projects in Jinan, and the Group's business and prospects are therefore heavily affected by the budget and spending of the Jinan Municipal Government on such projects. For example, some of the Group's engineering and construction and land development projects are conducted according to the project development agreements the Group enters into with relevant governmental authorities in Jinan, and the Group's cash flow from these projects is partially derived from the funds paid by such governmental authorities, such as Jinan Finance Bureau (濟南市財政局).

There are many factors affecting the amount, timing and priority of the Jinan Municipal Government's budget and spending on engineering and construction, land development and real estate development, such as national and regional policies affecting the development of different industries as well as fiscal and monetary policies. Government budget and spending are also affected by government income, which in turn is affected by general economic conditions. Any slowdown in the economic growth in the PRC or, in particular, Jinan may adversely affect the financial condition and fiscal income of the Jinan Municipal Government, which may in turn cause the Jinan Municipal Government to reduce its budget and spending on urban development projects. In such case, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

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

The PRC Government has in recent years issued multiple regulations intended to restrict the ability of local governments to use state-owned enterprises to incur debt that should be directly incurred by government bodies. These regulations include the Opinion of the State Council on Enhancing the Administration of Fiscal Debts of Local Governments (Guo Fa [2014] No. 43) (國務院關於加強地方政府性債務管理的意見(國發[2014]43號)) ("**Circular 43**") released on 21 September 2014, the Circular on Further Regulating the Debt Financing Behaviours of Local Government (Cai Yu [2017] No. 50) (關於進一步規範地方政府舉債融資行為的通知(財預[2017]50號)) ("**Circular 50**") jointly issued by the MOF, the NDRC, the Ministry of Justice of the PRC, the PBOC, the China Banking Regulatory Commission (reorganised into the China Banking and Insurance Regulatory Commission) and the China Securities Regulatory Commission on 26 April 2017, the Circular on Firmly Curbing Local Governments' Illegal Financing Activities in the Name of Government Procurement of Services (Cai Yu [2017] No. 87) (關於堅決制止地方以政府購買服務名義違法違規融資的通知(財預[2017]87號)) ("**Circular 87**") issued by the MOF on 28 May 2017, the Guidelines on Further Strengthening the Prevention and Resolution of Risks from Local Government Implicit Debt by Banking and Insurance Institutions (Yin Bao Jian [2021] No. 15) (銀行保險機構進一步做好地方政府隱性債務風險防範化解工作的指導意見(銀保監發[2021]15號)) ("**the Circular 15**") issued by the China Banking and Insurance Regulatory Commission (the "**CBIRC**") on 28 May 2017, the Notice on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (Cai Jin [2018] No. 23) (關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知(財金[2018]23號)) ("**Circular 23**") issued by the MOF on 28 March 2018, Circular of further enhancing the capability of corporate bonds to serve the real economy and strictly preventing local debt Risks (Fa Gai Ban Cai Jin [2018] No. 194) (關於進一步增強企業債券服務實體經濟能力嚴格防範地方債務風險的通知(發改辦財金[2018]194號)) ("**Circular 194**"), Circular 706, the Guiding Opinion on Strengthening the Asset and Liability Constraints of State-Owned Enterprises (中共中央辦公廳、國務院辦公廳《關於加強國有企業資產負債約束的指導意見》) (the "**Joint Opinion**") jointly issued by the General Office of the Central Committee of the Communist Party of China and the State Council on 13 September 2018, the Circular on Filing Requirements with respect to Application for Foreign Debt Issuance by Local State-owned Enterprises (Fa Gai Ban Wai Zi [2019] No. 666) (國家發展改革委辦公廳關於對地方國有企業發行外債申請備案登記有關要求的通知(發改辦外資[2019]666號)) ("**Circular 666**") issued by the General Office of NDRC on 6 June 2019 and the Circular on Issuing the Guiding Opinions on Strengthening the

Risk Control of the Debts of Local State-owned Enterprises (關於印發《關於加強地方國有企業債務風險管控工作的指導意見》的通知(國資發財評規[2021]118號)) ("**Circular 18**") issued by the State-owned Assets Supervision and Administration Commission of the State Council on 28 February 2021, the Circular on Financial Institutions Supporting Financing Platforms to Resolve Debt Risks (Guo Ban [2023] No. 35) (關於金融機構支持融資平台化解債務風險的通知(國辦發[2023]35號)) ("**the Circular 35**") issued by the State Council on September 2023, the Trial Measures for Classified Management of Government Investment Projects in Key Provinces (Guo Ban [2023] No. 47) (重點省份類加強政府投資專案管理辦法(試行)(國辦[2023]47號)) ("**the Circular 47**") issued by the State Council on December 2023, the Circular on Further Coordinating Local Debt Risk Resolution (Guo Ban [2024] No. 14) (關於進一步統籌做好地方債務風險化解工作的通知(國辦[2024]14號)) ("**the Circular 14**") issued by the State Council on February 2024, the Circular on Optimizing Financial Support for Local Government Platform Debt Risk Resolution (Yin Fa [2024] No. 134) (優化金融支持地方政府平台債務風險化解的通知(銀發[2024]134號)) ("**the Circular 134**") issued by the PBOC on July 2024, the Circular on Regulating the Exit of Financing Platform Companies (Yin Fa [2024] No. 150) (關於規範退出融資平台公司的通知(銀發[2024]150號)) ("**the Circular 150**") issued by the PBOC on August 2024, the Circular on Strict Debt Discipline and Financial Support for Financing Platform Debt Risk Resolution (Yin Fa [2024] No. 226) (關於嚴肅化債紀律做好金融支持融資平台債務風險化解的通知(銀發[2024]226號)) ("**the Circular 226**") issued by the PBOC on December 2024 (Circular 43, Circular 50, Circular 87, Circular 15, Circular 23, Circular 194, Circular 706, the Joint Opinion, Circular 666 and Circular 18, Circular 35, Circular 47, Circular 134, Circular 150 and Circular 226, together, the "**Debt Control Circulars**").

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

The Group believes that the PRC Government will continue to implement the Debt Control Circulars to control local government debts. Accordingly, the Group should rely on the cash flow generated from its operations and external borrowings to finance its operations and to satisfy its liquidity needs for servicing its outstanding indebtedness. Pursuant to the terms of the Bonds and as required by the Debt Control Circulars, neither Jinan SASAC, the Jinan Municipal Government nor any other PRC governmental entity has any obligation to repay any amount under the Bonds and will not provide a guarantee of any kind for the Bonds. The Bonds are solely to be repaid by the Issuer, and the obligations of the Issuer under the Bonds and the Trust Deed shall solely be fulfilled by the Issuer as independent legal persons. The liabilities of Jinan SASAC and the Jinan Municipal Government are limited to its equity contribution in the Issuer. If the Issuer does not fulfil its obligations under the Bonds or the Trust Deed, the Bondholders will only have recourse against the Issuer, but not Jinan SASAC, the Jinan Municipal Government or any other PRC governmental entity.

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

Jinan SASAC and the Jinan Municipal Government can exert significant influence over the Group, and may not act in the best interests of the Group.

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

In addition, Jinan SASAC and the Jinan Municipal Government may also exert significant influence on the Group's major business decisions and strategies, including the scope of their operations, investment decisions and dividend policies. There is no assurance that Jinan SASAC and the Jinan Municipal Government would always make decisions in the Group's best interests or with the aim of maximising the Group's profits. For example, Jinan SASAC may influence the Group's business and strategies in a manner beneficial to Jinan as a whole but not necessarily in the Group's best interests. The Jinan Municipal Government could also change its policies, plans, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the PRC's economic, political and social environment and its projections of population and employment growth. Any such change may have a material adverse effect on the Group's business, financial conditions, results of operations and prospects. See also "*Description of the Group — Relationship with the Jinan Municipal Government*".

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

As a state-owned enterprise controlled by Jinan SASAC, the Group has received financial support and certain preferential treatment from Jinan SASAC and the Jinan Municipal Government, such as favourable policies and tax treatments, government grants and subsidies, asset transfers and capital injections. However, there is no assurance that Jinan SASAC and the Jinan Municipal Government will continue to provide the above-mentioned support to the Group or that the existing or other types of government support will not be adjusted or terminated due to any change in government policies or otherwise. If any favourable policies or government support currently available to the Group is reduced or discontinued in the future, the Group's business, financial condition, results of operations and prospects would be materially and adversely affected. See also "*Description of the Group — Relationship with the Jinan Municipal Government*".

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

According to the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (Fa Gai Wai Zi [2018] No. 706) (國家發展改革委財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知(發改外資[2018]706號)) (the "**Joint Circular 706**"), any public interest assets such as public schools, public hospitals, public cultural facilities, parts, public squares, office buildings of government departments and public institutions, municipal roads, non-toll bridges, non-operating water conservancy facilities, no-charge pipe network facilities and other public interest assets and the usage rights of reserve land ("**Public Interest Assets**") cannot be counted towards the Group's assets for the purposes of issuing medium and long-term foreign debt. As at 31 December 2025, the Group's Public Interest Assets amounted to approximately RMB31.4 billion, representing approximately 7.5 per cent. of the Group's total assets and 27.7 per cent. of the Group's total net assets, respectively. Potential investors should note that such amount of the Group's Public Interest Assets has not been audited by any auditor and as such potential investors must exercise caution when using or placing any reliance on such amount.

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

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

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

The Group's business may be affected by force majeure events, natural disasters and outbreaks of contagious diseases, including the COVID-19 pandemic, which may in turn significantly reduce demand for the Group's services and have an adverse effect on its financial condition and results of operations.

Adverse weather conditions, such as extreme cold weather, snow, typhoons, flooding and heavy or sustained rainfall and natural disasters such as earthquakes, landslides or mudslides, may prevent the Group from conducting its infrastructure construction and property development businesses or otherwise affect its productivity, which may prevent the Group from completing its projects on schedule, delay its receipt of payment and possibly cause the Group to incur increased operating expenses. Climatic conditions that are unusually severe or intense and occur at abnormal times or last longer than usual could therefore have a material adverse effect on the Group's business, results of operations, financial condition and prospects. During periods of curtailed activity due to adverse weather conditions, the Group may continue to incur operating expenses, but its operating income may be delayed or reduced.

If any of the Group's assets are damaged by severe weather or any other disaster, accident, catastrophe or other event, the Group's operations may be significantly interrupted. In addition, severe and prolonged contagious disease outbreaks, such as COVID-19, could result in a widespread health crisis, and the business activities and operations in the affected regions operated by the Group could be severely affected.

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

Most of the Group's engineering and construction, land development and real estate development projects are based in a single geographical region.

Substantially all of the Group's current and anticipated engineering and construction, land development and real estate development projects are located in Jinan, Shandong Province. Any material region-wide adverse events may negatively impact the demand for such projects in Jinan, which would in turn affect the operating revenue and profitability of the Group. Such adverse events include, but are not limited to, changes in economic conditions and the regulatory environment, changes in the government's development plans and policies, slowdown in the engineering and construction, land development and real estate development sectors, decrease in investor confidence within the region in which the Group operates, significant natural disasters and man-made incidents. Due to the concentration of its business operations in Jinan, the Group may not be able to effectively manage any potential losses arising from these adverse events, which may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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

The Group's business requires and will continue to require substantial capital expenditure. For the years ended 31 December 2023, 2024 and 2025, the Group made capital expenditures of RMB12.3 billion, RMB10.8 billion and RMB13.8 billion, respectively. The Group has historically satisfied its capital requirements with cash flows generated from its operating activities, bank loans and other borrowings and equity contributions from its shareholders.

The ability of the Group to generate sufficient operating cash flow is affected by a number of factors, such as the Group's ability to manage and implement its business plans, changes in general market conditions, the regulatory environment, governmental policies and the competition in certain sectors in which the Group operates. Any material adverse change in these factors may cause the Group to experience a capital shortfall. There is no assurance that the Group's operations are or will be able to generate sufficient cash flow to satisfy its cash need at all times, if at all.

Insufficient cash flow generated from the Group's operating activities will increase the reliance on external financing. As at 31 December 2025, the Group had total credit facilities of approximately RMB262.5 billion, of which approximately RMB117.5 billion had not been utilised. The Group's ability to access and raise sufficient capital through different sources depends upon a number of factors, such as the PRC's economic condition, relationships with key commercial banks, prevailing conditions in capital markets, regulatory requirements and the Group's financial condition. Some of these factors are beyond the Group's control and there is no assurance that the Group will be able to procure sufficient funds in a timely manner or to obtain external financing on commercially acceptable terms, or at all. In these cases, the Group may not be able to fund the capital expenditure necessary to implement its business plans and strategies, which may in turn have a material and adverse effect on its business, financial condition, results of operations and prospects.

The Group faces risks associated with contracting with public bodies.

As a key entity undertaking engineering and construction, land development and real estate development in Jinan, a substantial part of the Group's business activities is conducted with various governmental authorities and their controlled entities in Jinan. A large portion of the Group's cash flow is generated from payments made by the relevant governmental authorities, such as Jinan Finance Bureau. As such, the Group is exposed to certain inherent risks relating to dealing with public bodies. The local government's ability to meet its payment obligations for the projects that the Group undertakes largely depends on the fiscal revenue of local government, the policies and regulations promulgated by higher level governments or authorities as well as many other factors which are generally beyond the Group's control.

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

The Group has historically experienced negative cash flows from operating activities and investing activities.

The Group has historically recorded negative cash flows from its operating activities and its investing activities. For the years ended 31 December 2023, 2024 and 2025, the Group recorded negative cash flows from its operating activities of RMB5,154.8 million, RMB5,136.3 million, and RMB5,083.2 million respectively. The Group's historical negative cash flows from operating activities were primarily attributable to increase in the costs of land development and construction, and at the same time decrease in the number of land transfers due to government policy changes. In addition to historical negative cash flows from operating activities, the Group also recorded historical negative cash flows from its investing activities. For the years ended 31 December 2023, 2024 and 2025, the Group recorded a negative cash flows from its investing activities of RMB14,475.4 million, RMB14,767.5 million and RMB15,361.7 million respectively. The Group's historical negative cash flows from investing activities were primarily attributable to the long investment cycle of the Group's municipal development projects. There is no assurance that the Group will not experience negative cash flows in the future. If negative operating cash flows are recorded again in the future, the working capital of the Group may be constrained, which may materially and adversely affect the business, financial condition and results of operations of the Group.

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

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

The Group relies on bank loans and proceeds from bond issuances to satisfy a portion of its capital requirements and the Group has had a significant amount of outstanding indebtedness. As at 31 December 2025, the Group's total indebtedness (comprising short-term borrowings, non-current liabilities due within one year, other current liabilities, long-term borrowings, bonds payable and long-term payables) amounted to RMB251.4 billion, representing 60.1 per cent. of the Group's total assets as at the same date. Of the total indebtedness the Group incurred as at 31 December 2025, RMB67.2 billion would become due within 12 months. In addition, as at 31 December 2025, the total amount of the Group's outstanding guarantees for third parties was approximately RMB5,980.0 million, representing 1.4 per cent. of the Group's total assets as at the same date.

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

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

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

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

As at 31 December 2023, 2024 and 2025, the Group's accounts receivable amounted to RMB19,763.7 million, RMB24,095.5 million and RMB18,858.1 million, respectively, representing 5.4 per cent., 6.2 per cent. and 4.5 per cent. of the Group's total assets, respectively. As at 31 December 2023, 2024 and 2025, the Group's other receivable amounted to RMB8,038.7 million, RMB12,600.0 million and RMB11,382.7 million, respectively, representing 2.2 per cent., 3.2 per cent. and 2.7 per cent., respectively, of the Group's total assets. These accounts receivable and other receivable represent amounts due to the Group by the Group's customers and by certain government bodies.

There are inherent risks associated with the ability and willingness of the Group's customers to make timely payments on these accounts receivable and other receivable. As at 31 December 2023, 2024 and 2025, provisions for the Group's accounts receivable amounted to RMB1,451.8 million, RMB1,809.8 million and RMB2,246.6 million, respectively, and provisions for the Group's other receivable amounted to RMB734.8 million, RMB229.2 million and RMB181.2 million, respectively. These provisions may not be sufficient to cover actual credit loss in the event of any failure by the Group's customers to make timely payments, which could materially and adversely affect the Group's liquidity and in turn affect its business, financial conditions or results of operations.

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

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

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

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

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

As at 31 December 2023, 2024 and 2025, the Group's inventories amounted to RMB115.7 billion, RMB112.8 billion and RMB133.0 billion, respectively, representing 31.4 per cent., 28.9 per cent. and 31.8 per cent. of the Group's total assets, respectively. The Group's inventories comprise primarily costs for land development and real estate development, which are recognised as inventories. Any decrease in the market demand and the corresponding unanticipated drop in the sales of the land or real estate that the Group developed or the services that the Group provided could cause the Group's inventories to accumulate or depreciate in value, which may adversely affect the Group's businesses, financial condition, results of operations and prospects. In addition, costs for land development and real estate development, which are recognised as inventories on the Group's consolidated balance sheet, are illiquid assets and might not be sold for cash in a timely manner. This may limit the Group's ability to respond to changing economic, financial and investment conditions. The Group's ability to sell these inventories, to a large extent, relies on the market demand for the land and real estate it develops. These factors may in turn be affected by the controlling measures of the PRC Government on urban development and real property investment and the PRC Government's macroeconomic and monetary policies, which are beyond the Group's control. Any failure to effectively manage the Group's inventory level will have a material impact on the Group's cash flow and adversely affect its ability to carry on ordinary business activities and to serve its outstanding debt, such as the Bonds, which in turn could materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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

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

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

Some of the Group's engineering and construction and land development projects are conducted under a business model where the Group undertakes project construction and the local government is responsible for the payment of the relevant costs and expenses. For such projects, the payments are usually made in instalments over a relatively long period, and sometimes a portion of the agreed payment is paid only after the relevant examination and inspection are completed and the project or a phase of the project is approved for use. On the other hand, the Group will incur costs, such as material, equipment and labour costs, from the beginning of the project and before reaching any project milestones warranting payment from the local government, and thus bears the risk of pre-paying costs and expenditures for each project. Therefore, any delay or default in the payments to the Group may increase the Group's cash flow pressure which will in turn increase its financial vulnerability and adversely affect its financial condition and results of operations. As at the date of this Offering Circular, the Group has not experienced any significant delay in payments by local governments in accordance with the agreed payment terms. The newly revised PRC Companies Law was promulgated by the National People's Congress on 29 December 2023, and will take effect on 1 July 2024 (the "**New Companies Law**"). The New Companies Law introduces deadlines for limited liability company shareholders to fully pay subscribed capital within five years from its date of incorporation. For existing companies predating the effective date of New Companies Law, adjustments to deadlines are required. Implementation rules for such existing companies will be formulated by the State Council. The Issuer guarantees that, after the New Companies Law comes into effect, they will adjust the contribution timetable in accordance with the requirements of relevant laws and regulations and modify the articles of association accordingly. However, there is no assurance that all payments will continue to be made in a timely manner, or that no events of default will occur in the future.

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

The Issuer has a number of subsidiaries operating in different industries. Through these subsidiaries, the Group engages in engineering and construction, land development, real estate development and other business operations within Jinan. As such, the Group is exposed to risks associated with conducting multiple businesses and operating through a large number of subsidiaries.

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

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

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

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

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

The Group may dispose of its subsidiaries or assets in the future, which may affect the Group's financial condition and results of operations.

The Group may undergo certain organisational restructuring from time to time, which may involve disposal by the Issuer of certain subsidiaries or assets, or affect whether certain subsidiaries of the Issuer will be consolidated in the Issuer's consolidated financial statements, or otherwise affect the consolidation scope of the Group. There can be no assurance that any such organisational restructuring may not have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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

The Group has substantial indebtedness outstanding. As at 31 December 2025, the Group's total interest-bearing indebtedness (comprising short-term borrowings, non-current liabilities due within one year, other current liabilities, long-term borrowings, bonds payable and long-term payables) amounted to RMB251.4 billion, representing 60.1 per cent. of the Group's total assets, of which RMB67.2 billion would become due within 12 months. Most of the Group's indebtedness bears interests that accrue to benchmark lending rates published by the PBOC which is now required to converted into the loan prime rate (the "**LPR**") published by National Interbank Funding Centre as authorised by PBOC. Any material fluctuation in the LPR may have a material impact on the Group's interest expenses and payables under its bank loans and other borrowings and in turn affect its results of operations. The PRC Government from time to time adjusts interest rates corresponding to the implementation of the PRC Government's economic and monetary policies. Any material fluctuation in the LPR could have a material impact on the Group's interest payables under its bank loans and in turn affect its results of operations. The Group's future loan facilities may also carry interest rates based on the LPR and subject to market conditions. There is no assurance, as a result of any increase in the PBOC benchmark rate, LPR or otherwise, the Group will be able to service its existing bank borrowings as they become due or obtain sufficient additional bank borrowings going forward on commercially acceptable terms, or at all, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's engineering and construction business faces increasingly intense competition, which may lead to a decrease in the Group's market share and profitability.

Although the Group's engineering and construction business currently enjoys a relatively high local market share, the Group faces increasing competition where the Group competes with other major domestic construction enterprises and developers. Many of the Group's competitors have greater financial resources, marketing capabilities and brand recognition than the Group does.

The Group's market share depends on its ability to anticipate and respond to many factors, including competitors' pricing strategy, change in customer preferences, funding and financing resources, introduction of new or improved technology, and products or services in the related industries or markets. The Group's existing or potential competitors may provide similar products or services with comparable or even better quality at the same or even lower prices, or be more adaptable to industry trends or market changes than the Group does, in which case the Group's business and market share may be adversely affected. Furthermore, increased competition may lead to lower prices, which in turn may result in decreases in the Group's profit margins and therefore adversely affect the Group's business, financial condition and results of operations.

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

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

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

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

Changes in government policies on zoning and urban planning and in the land use right granting plans in Jinan may adversely affect the Group's land development business.

Government authorities may, without prior notice to the Group, implement changes to the existing policies on zoning and urban planning in Jinan, or delay or change its plans to grant land use rights with respect to any land parcels in Jinan, which may adversely affect the Group's land development business.

The Group primarily conducts its land development business on the land parcels designated by the Jinan Municipal Government for redevelopment in accordance with its urban development plans, and the Group generates operating revenue by receiving land development fees upon the completion and successful granting of the land use rights by the Jinan Bureau of Natural Resources and Planning (濟南市自然資源和規劃局). Any adjustment in zoning or urban planning may affect the value of the land parcels that the Group develops, and in turn affect the land use right premium upon granting. As the land development fees to be received by the Group have historically been determined as a fixed percentage of the relevant land use right premium received by the Jinan Municipal Government, such zoning and urban changes may reduce the land development fees payable to the Group. Furthermore, changes in the land use right granting plans in Jinan, including the timing of the granting, the number of the land parcels for granting and the land parcels to be prioritised for granting, may affect the timing when the Group receives payment from Jinan Municipal Government. Any delay in the granting of land use rights with respect to the land parcels developed by the Group may result in a delay for the Group to generate operating revenue from such land parcels. In any such cases, the Group's land development business and the operating revenue generated therefrom may be adversely affected.

The Group's land development business is exposed to certain risks associated with relocation of current residents and businesses.

Some of the Group's land development projects involve the resettlement of current residents and businesses. The Group develops and in some cases provides substitute properties to such displaced residents as compensation for their relocation. If any resident or business is dissatisfied with the compensation or the substitute properties and refuses to relocate, the local government may seek to resolve the dispute through negotiation to reach a mutually acceptable relocation compensation arrangement, or apply to the relevant land authority for its determination on whether the relocation compensation and relocation timetable are in compliance with PRC law. The relevant land authority will, upon application by the local government, make a decision as to the proper relocation compensation and timetable. There is no assurance that the relocation of current residents or businesses will proceed smoothly or that an agreement will be reached. Any delays in such relocation process may result in delays in the Group's development schedules and/or increases in the Group's development costs, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group engages in public interest projects which may have a material and adverse effect on the Group's financial condition and results of operations.

As a state-owned enterprise, the Group engages and participates in projects which are motivated by public interests and social welfare development, such as participating in the operation of Art Museum (美術館) and Mass Art Centre (群眾藝術館) of the Shandong Provincial Capital Culture and Art Centre (山東省會藝術文化中心). Such operation may not be commercially viable and the Group may not be able to recover its investment or achieve financial returns in a commercially desirable timeframe, or at all. The Group has received financial allocation or capital injections, cash or other assets, and may receive other financial support (other than credit support) from government for such government-sponsored projects. However, such financial support may not always be available due to the government's liquidity, budgeting priority and other considerations. In addition, such financial support may not be sufficient to cover the Group's investment. Furthermore, the Group has limited resources, and engagement in such projects may reduce its ability to participate in other profit generating projects. There can be no assurance that the Group's business, financial condition and results of operations will not be adversely affected as a result.

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

Since 2005, the PRC Government has from time to time introduced various measures to curtail real estate speculation in response to concerns over, among other things, the increases in property investments and real estate prices and the overheating of the real estate market. For example, according to the Notice of the General Office of the State Council on Issues Relating to Further Improving the Control of the Real Estate Market (國務院辦公廳關於進一步做好房地產市場調控工作有關問題的通知) dated 26 January 2011, the Notice of the General Office of the State Council on Further Improving the Regulation and Control of the Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知) dated 26 February 2013, the Notice on Improving the Regulation and Management of the Real Estate Market and Further Improving the Prevention and Disposal of Illegal Fund-raising in the Real Estate Area (關於加強房地產市場監管進一步做好防範和處置房地產領域非法集資工作的通知) dated 28 March 2016, the Notice of the General Office of Jinan Municipal People's Government on Further Improving the Regulation and Control of the Real Estate Market (濟南市人民政府辦公廳關於進一步加強房地產市場調控工作的通知) dated 2 October 2016, the Notice of the General Office of Jinan Municipal People's Government on Further Strengthening Regulation to Promote the Continuously Steady and Healthy Development of the Real Estate Market (濟南市人民政府辦公廳關於進一步加大調控力度促進房地產市場持續平穩健康發展的通知) dated 26 December 2016, the Notice of the General Office of Jinan Municipal People's Government on Further Improving Regulatory Measures to Promote the Steady and Healthy Development of the Real Estate Market in Jinan (濟南市人民政府辦公廳關於進一步完善調控措施促進我市房地產市場平穩健康發展的通知) dated 19 April 2017, the Notice of the General Office of Shandong Provincial People's Government on Further Improving the Regulation and Control of the Real Estate Market (山東省人民政府辦公廳關於進一步加強房地產市場調控工作的通知) dated 26 July 2017, the Implementation Opinions of the General Office of Jinan Municipal People's Government on Promoting Reform and Development of the Construction Industry (濟南市人民政府辦公廳關於推進建築業改革發展的實施意見) dated 10 December 2017, the Notice of the Jinan Municipal People's Government on Issuing the Implementation Plan for Reform of the System of Review and Approval of Engineering Construction Projects in Jinan City (濟南市人民政府關於印發濟南市工程建設項目審批制度改革實施方案的通知) dated 23 July 2019, the Notice of the General Office of Jinan Municipal People's Government on Issuing the Measures for Construction and Operation Management of Rental Housing on State-owned Construction Lands (For Trial Implementation) (濟南市人民政府辦公廳關於印發濟南市國有建設用地租賃住房建設和運營管理辦法(試行)的通知) dated 15 June 2020, the Notice of the Jinan Bureau of Housing and Urban-Rural Development on Issues Regarding Qualification Management of Real Estate Development Enterprises (濟南市住房和城鄉建設局關於房地產開發企業資質管理有關問題的通知) dated 23 July 2020 and the Implementation Opinions of the General Office of Jinan Municipal People's Government on Promoting High Quality Development of the Construction Industry (濟南市人民政府辦公廳關於促進建築業高品質發展的實施意見) dated 16 September 2020. The PRC Government firmly restrained speculative demands and strengthened market supervision to better control the overheating of the PRC real estate development market. Such measures may limit real estate developers' access to capital resources, reduce market demand for their properties and increase their operating costs in is no assurance that the PRC Government will not adopt additional and more stringent measures to further dampen the growth of the real estate sector, which could slow down real estate development in the PRC. This may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Since September 2021, there has been negative news relating to certain PRC real estate developers including defaults on their indebtedness as a result of various economic measures imposed by the PRC government with an aim of cooling the overheated real estate market and corporate deleveraging in the PRC, including strengthened supervision over PRC real estate developers and tightened credit requirements. This has had a negative impact on, and resulted in increased volatility in, the PRC real estate industries, and has negatively impacted property prices and transaction volumes and resulted in an oversupply of residential and commercial properties. As a result, the PRC government has recently promulgated certain stimulus measures to support and revive the PRC real estate market and certain real estate property developers, but there is no guarantee that any such measures could achieve their intended effect.

The Group's real estate development business is subject to claims under statutory quality warranties.

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

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

The Group relies on its quality control systems to ensure the safety and quality of its projects. Therefore, it needs to maintain an effective quality control system. The effectiveness of the Group's quality control system depends significantly on a number of factors, including a timely update of the quality control system to suit the ever-changing business needs, the availability of related training programmes as well as its ability to ensure that the Group's and the contractors' employees adhere to its quality control policies and guidelines. There is no assurance that the quality of the Group's projects will always meet the required standard. Any failure or deterioration of the Group's quality control systems could result in defects in its projects, which in turn may subject the Group to contractual, product liability and other claims. Any such claims, regardless of whether they have any merit, could cause the Group to incur significant costs, harm its business reputation and result in significant disruption to its operations. Furthermore, if any of such claims are ultimately successful, the Group could be required to pay substantial monetary damages or penalties. Although the Group believes that its quality control systems have functioned properly, there is no assurance that failures in its quality control systems will not occur in the future, and any such failure could have an adverse effect on the Group's business and operations.

The Group may face delays and cost overruns with the engineering and construction, land development and real estate development projects, which may adversely affect its results of operations.

There are a number of construction, financing, operating and other risks associated with the Group's engineering and construction, land development and real estate development projects. Projects that the Group undertake typically require substantial capital expenditures during the construction or development phase and can take a substantial period of time to complete. The time taken and the costs involved in completing these projects can be adversely affected by many factors, including shortages of materials, equipment and labour costs, adverse weather conditions, natural disasters, terrorism, labour disputes, disputes with sub-contractors, accidents, changes in governmental priorities and other unforeseen circumstances, many of which are out of the Group's control. Any of these could give rise to delays in the completion of the Group's projects. The Group's cost to complete its projects is also affected by changes in the price of labour and raw materials, which is often beyond the Group's control. Under such circumstances, the Group may be required to make additional investment, incur additional expenditures, or experience liabilities, reduced efficiency and lower financial returns, which may in turn materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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

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

The Group is exposed to general risks associated with the ownership and management of investment properties.

A portion of the Group's operating revenue is derived from leasing and property management services, which are held as investment properties. As such, the Group is also subject to risks related to the ownership and management of commercial real property for leasing including, amongst other things, competition for tenants, changes in market rents, inability to renew leases or re-let space as existing leases expire, inability to collect rent from tenants due to bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in the financial statements, increased operating costs and the need to renovate, repair and relet space periodically and to pay the associated costs. The financial performance of the Group's leasing and property management services business may be adversely affected by any of the foregoing factors. In addition, changes to local, regional and national economic conditions may cause companies to downsize and even close their operations in the PRC, resulting in a decrease in the demand and rental rates of the Group's properties. The current and any continuing weak economic environment have also contributed and may continue to contribute to a more cautious view being taken by tenants towards the size of leased space and the rental rates upon renewal of commercial tenancies, which could have an adverse effect on the business, financial condition and results of operations of the Group's commercial real property leasing business.

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

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

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

In addition, unless otherwise prohibited by the PRC Labour Contract Law or objected to by the employees themselves, the employer is also required to enter into non-fixed-term employment contracts with employees who have previously entered into fixed-term employment contracts for two consecutive terms. In addition, under the Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which became effective on 1 January 2008, employees who have worked continuously for more than one year are entitled to paid annual leave ranging from five to fifteen days, depending on the length of the employees' working experience. Employees who consent to waive such vacation at the request of employers shall be compensated an amount equal to three times their normal daily salaries for each vacation day being waived. Under the National Leisure and Tourism Outline 2013-2020 (國民旅遊休閒綱要2013-2020) which became effective on 2 February 2013, all workers must receive paid annual leave by 2020. As a result of the PRC Labour Contract Law, the Regulations on Paid Annual Leave for Employees and the National Leisure and Tourism Outline 2013-2020, the Group's labour costs (inclusive of those incurred by contractors) may increase.

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

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

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

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

- operating limitations imposed by environmental or other regulatory requirements;
- defective quality of the properties it develops;
- work-related personal injuries;
- on-site production accidents;
- construction interruptions caused by operational errors, electricity outages, raw material shortages, equipment failure and other production risks;
- credit risks relating to the performance of customers or other contractual third parties;
- disruption in the global capital markets and the economy in general;
- loss on investments;
- environmental or industrial accidents; and
- catastrophic events such as fires, earthquakes, explosions, floods or other natural disasters.

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

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

The Group is required to comply with extensive environmental, safety and health regulations in the PRC. Failure to comply with such regulations may result in fines or suspension or revocation of the Group's licences or permits to conduct its business. Given the volume and complexity of these regulations, compliance may be difficult or involve significant financial and other resources to establish efficient compliance and monitoring systems. There is no assurance that the Group will be able to comply with all applicable requirements or obtain these approvals and permits on a timely basis, if at all. As at the date of this Offering Circular, the Group has not experienced any significant non-compliance with applicable safety regulations or requirements. In addition, PRC laws and regulations are constantly evolving. There is no assurance that the PRC Government will not impose additional or stricter laws or regulations, which may increase compliance costs of the Group. Any failure to comply with the current or future environmental, safety and health regulations may materially and adversely affect the Group's business, financial condition and results of operations.

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

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

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

The occurrence of any of these events could lead to unexpected losses to the Group and adversely affect its operating revenue and financial condition.

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

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

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

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

- hiding unauthorised or unsuccessful activities, resulting in unknown and unmanaged risks or losses;

- intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to the Group in deciding whether to make investments or dispose of assets;

- improperly using or disclosing confidential information;
- recommending products, services or transactions that are not suitable for the Group's customers;
- misappropriation of funds;
- conducting transactions that exceed scope of authorisation;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products;
- engaging in unauthorised or excessive transactions to the detriment of the Group's customers;
- making or accepting bribes;
- conducting any inside dealing; or
- otherwise not complying with applicable laws or the Group's internal policies and procedures.

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

The Group may be subject to legal, litigation and regulatory proceedings.

The Group may from time to time be involved in disputes with governmental entities, indigenous residents, contractors, suppliers, employees and other third-party service providers during the course of its daily operations. Claims may be brought against members of the Group for a number of reasons, such as defective or incomplete work, personal injuries, property damage, breach of warranty or delay in completion and delivery of projects.

In addition, the Group may bring claims against project contractors for additional costs incurred as a result of the contractors' underperformance or non-performance, project defects or default by the contractors. If the disputes or claims are not resolved or settled through negotiation or mediation, the Group may be involved in lengthy and costly litigation or arbitration proceedings, which may distract the Group's financial and managerial resources. In the event that the Group prevails in those legal proceedings, there is no assurance that the judgment or awards will be effectively enforced. If a judgment or award is rendered against the Group, the amounts payable by the Group may not be fully covered by the Group's insurance, and the amounts could differ from the provisions made by the Group based on its estimates. Any material charges associated with claims brought against the Group and material write downs associated with the Group's claims could have a material adverse impact on its financial condition, results of operations and cash flow.

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

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

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

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

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

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

The current independent auditors of the Issuer, Pan-China CPA, are registered members of the Chinese Institute of Certified Public Accountants. Although the Group's auditors have significant audit experience in the PRC, they have limited international capital markets experience. Prospective investors should consider this factor prior to making any investment decision.

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

The Issuer from time to time publishes annual, semi-annual and/or quarterly consolidated financial information in the PRC to satisfy its continuing disclosure obligations relating to its debt securities issued in the PRC according to applicable PRC regulations and rules of the stock exchanges on which the relevant securities are listed. The semi-annual and/or quarterly consolidated financial information of the Issuer is derived from the Group's management accounts and normally is not audited or reviewed by independent auditors. Such financial information does not form part of this Offering Circular, and should not be referred to or relied upon by potential investors to provide the same quality of information associated with any audited or reviewed financial information. The Issuer is not responsible to holders of the Bonds for the financial information from time to time published in the PRC and therefore investors should not place any reliance on any such financial information. The Issuer's published financial information in the PRC may be adjusted or restated by the Issuer to address retrospective impacts of subsequent changes in applicable accounting standards, the Issuer's accounting policies and/or applicable laws and regulations affecting the Group's financial reporting, to reflect the subsequent comments given by the independent auditors during the course of their audit or review or to correct errors in its published financial statements. Such adjustment or restatement may cause discrepancies between the financial information with respect to a particular period or date published in the past on the one hand and the financial information with respect to the same period or date subsequently published in the PRC or the relevant financial information (if any) contained in this Offering Circular on the other hand.

Public corporate disclosure about the Issuer may be limited.

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

RISKS RELATING TO THE PRC

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

Substantially all of the Group's assets are located in the PRC and substantially all of the Group's operating revenue is derived from its operating activities in the PRC. Therefore, the performance of the PRC economy affects, to a significant degree, the Group's business, results of operations and financial condition.

The PRC's economy differs from the economies of most developed countries in many respects, including the structure of the economy, level of government involvement, level of development, growth rate, control of capital investment, control of foreign exchange and allocation of resources. The PRC's economy has been transitioning from a planned economy to a more market-oriented economy. For the past four decades, the PRC Government has implemented economic reform measures to emphasise the utilisation of market forces in economic development. Economic reform measures, however, may be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country. As a result, the Group may not continue to benefit from all, or any, of these measures. In addition, the Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have an adverse effect on the Group's current or future businesses, financial condition and results of operations.

While the economy of the PRC experienced rapid growth over the past 40 years, the slowdown in the growth of the PRC's GDP in recent years has raised market concerns that the historic rapid growth of the economy of the PRC may not be sustainable. In March 2016, Moody's changed the PRC Government's credit rating outlook to "negative" from "stable", which highlighted the country's surging debt burden and casted doubt on the government's ability to enact reforms. In May 2017, Moody's downgraded the sovereign credit rating of the PRC from Aa3 to A1 and changed its outlook to "stable" from "negative", reflecting Moody's expectation that economy-wide debt in the PRC will continue to rise as potential growth slows. In September 2017, Standard & Poor's downgraded the sovereign credit rating of the PRC from AA- to A+, citing its concerns over the level of economic and financial risks within the PRC. In April 2024, Fitch Ratings revised outlook on China to negative and kept its rating on Chinese sovereign bonds at "A+". This reflects concerns over China's public finances and economic challenges associated with transitioning from property-focused growth towards a more sustainable model. Recently, the Chinese government has introduced a series of fiscal and monetary policies, including lowering the reserve requirement ratio for most banks and cutting policy interest rates. New monetary policy tools have been created to support the stable development of the stock market, promote the establishment of a system for long-term investment, and implement measures to facilitate mergers and acquisitions, all aimed at stimulating economic development. However, it cannot be guaranteed that these policies will achieve the desired favourable development outcomes.

The future performance of the PRC's economy is not only affected by the economic and monetary policies of the PRC Government, but has been, and in the future will continue to be, materially affected by geopolitical, economic and market conditions, including factors such as the liquidity of the global financial markets, the level and volatility of debt and equity prices, interest rates, currency and commodities prices, investor sentiment, inflation, and the availability and cost of capital and credit. Although the International Monetary Fund's forecast for global economic growth is 3.2 per cent. in 2024 and 3.3 per cent. in 2025, there are a number of uncertainties ahead. For example, the ongoing trade dispute between the PRC and the United States and the increase in tariffs that the United States has imposed and may further impose on Chinese imports have contributed to increased market volatility, weakened business and consumer confidence and diminished expectations for economic growth around the world. The United Kingdom and the European Union and China have been involved in disputes over trade barriers. There are uncertainties as to when and whether the trade disputes will be resolved and the trade barriers implemented and lifted. In Europe, the United Kingdom's exit from the European Union took place on 31 January 2020. There is also substantial uncertainty relating to the impact of the United Kingdom's withdrawal from the European Union on the economic conditions of other parts of the world, such as the PRC's, including but not limited to further decreases in global stock exchange indices, increased foreign exchange volatility (in particular a further weakening of the pound sterling and euro against other leading currencies) and a possible economic recession involving more countries and areas. The military conflict between Russia and Ukraine since late February 2022 and the recent conflict between the US and Iran, conflict between Israel and Hamas and conflict between Israel and Hezbollah in the Middle East could also lead to disruption, instability and volatility in global markets and industries and could adversely impact macroeconomic conditions and give rise to regional instability.

The United States, the United Kingdom and other governments and jurisdictions have imposed severe economic sanctions against and export controls over Russia and Russian interests, removed Russia from the SWIFT system, and threatened additional sanctions and controls. The impact of these measures and Russia's retaliatory responses to such measures on the global financial markets remain to be seen.

The implications of the abovementioned events for the world and the Group are threefold. First, a rise in global trade protectionism will negatively impact the trade-dependent economies in Asia. Second, the interplay of U.S. fiscal and monetary policies, and the reversal of quantitative easing programmes in the U.S. and Europe may lead to more volatile global capital flows, which could in turn impact global growth. Third, financial market volatility and increased uncertainty may have a broader global economic impact that may in turn have a material adverse effect on the Group's businesses, financial condition and results of operations. Economic growth in the PRC has also historically been accompanied by periods of high inflation. Increasing inflation rates were caused by many factors beyond the Group's control, such as rising production and labour costs, high lending levels, changes in national and international governmental policies and regulations as well as movements in exchange rates and interest rates. It is impossible to accurately predict future inflationary trends. If inflation rates rise beyond the Group's expectations, the Group may be unable to increase the price of its services and products sufficiently to cover its increasing operating costs. Further inflationary pressures within the PRC may have a material adverse effect on the Group's businesses, financial condition or results of operations.

Recently, concerns have arisen over deflationary pressures in the PRC as a result of weak domestic demand and a slowing economy. Inflation rates within the PRC have been on a downward trend in recent years. A prolonged period of deflation may result in falling profits, closure of plants and shrinking employment and incomes by companies and individuals, any of which could adversely affect the Group's businesses, financial condition or results of operations. To the extent that uncertainty regarding the economic outlook negatively impacts consumer confidence and consumer credit factors globally, the Group's businesses and results of operations could be materially and adversely affected.

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

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

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

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

The operations of the Group may be affected by rising inflation rates in the PRC.

Inflation rates in the PRC have been on a sharp uptrend in recent years. The PRC Government has undertaken numerous contractionary policies, including raising interest rates and reserve requirement ratios, and curbing bank lending, to slow down excessive economic growth and control price hikes. Increases in inflation rates are due to many factors beyond the Group's control, such as rising food prices, rising production and labour costs, high lending levels, changes in the PRC and foreign governmental policy and regulations, and movements in exchange rates and interest rates. According to the National Bureau of Statistics of the PRC, consumer price inflation in the PRC was 0.2 per cent., 0.2 per cent. and 0.0 per cent. in 2023, 2024 and 2025, respectively. The Group can give no assurance that inflation rates will not continue to increase in the future. If inflation rates rise beyond the Group's expectations, the costs of its business operations, including wages and employee benefits, may become significantly higher than it has anticipated, and it may be unable to pass on such higher costs to consumers in amounts that are sufficient to cover those increased operating costs. Furthermore, the PRC Government has promulgated new laws and regulations to enhance labour protection in recent years, such as the Labour Contract Law and the Social Insurance Law. As the interpretation and implementation of these new laws and regulations are still evolving, the Group's employment practice may not be at all times be deemed in compliance with the new laws and regulations, and the Group may incur significant compliance costs in the future. As a result, further inflationary pressures and the possibility of incurring significant compliance costs and labour dispute liabilities within the PRC may have a material adverse effect on the Group's business, financial condition and results of operations, as well as its liquidity and profitability.

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

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

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

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

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

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

The Conditions and the transaction documents are governed by English law and the Issuer has submitted to the exclusive jurisdiction of the Hong Kong courts. The Issuer and most of its subsidiaries are incorporated in the PRC. A substantial portion of the Group's assets are located in the PRC. In addition, most of the Group's directors, supervisors and executive officers reside within the PRC and the assets of the Group's directors and officers may be located within the PRC. Moreover, it is understood that the enforcement of foreign judgments in the PRC is still subject to uncertainties. In addition, the mechanisms for enforcement of rights under the corporate governance framework to which the Group is subject are also relatively undeveloped and untested. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with China or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with many countries, including Japan, the United States and the United Kingdom. Therefore, it may not be possible to effect service of process outside the PRC upon most of the Group's directors, supervisors and senior management, including for matters arising under applicable securities law, and it may be difficult for investors to enforce any judgments obtained from foreign courts against the Issuer, its subsidiaries, any of their respective directors, supervisors or senior management in the PRC.

On 18 January 2019, the Supreme People's Court of China (the "**SPC**") and the government of Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and

Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "**2019 Arrangement**"). According to the Hong Kong Government Gazette dated 10 November 2023, the Mainland Judgements in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645) (the "**Judgement Ordinance**") and the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Rules (the "**Judgement Rules**") has come into operation on 29 January 2024. The Judgement Ordinance and the Judgement Rules complement the specific implementation of the 2019 Arrangement in Hong Kong. On 25 January 2024, the PRC Supreme Court promulgated the Arrangement of the Supreme Court of the People's Republic of China on Reciprocal Recognition and Enforcement of Judgments on Civil and Commercial Cases between Courts of the Mainland and the Hong Kong Special Administrative Region (Fa Shi [2024] No. 2) (最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排(法釋[2024]2號)) (the "**2019 Arrangement Judicial Interpretation**") as a judicial interpretation, which has been effective since 29 January 2024. Unless the place of residence of both the plaintiff and the defendant are in the PRC and Hong Kong has no actual connection to the dispute, effective judgements of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgements have agreed to submit to the exclusive jurisdiction of Hong Kong courts. However, recognition and enforcement of a Hong Kong court judgement could be refused if the PRC courts consider that the enforcement of such judgement is contrary to the social and public interest of the PRC or the fundamental principles of the PRC law or meets other circumstances specified by the 2019 Arrangement Judicial Interpretation. Meanwhile, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area.

Since the entry into force of the 2019 Arrangement and 2019 Arrangement Judicial Interpretation are new developments, there may still be uncertainty for investors to effect service of process against the Group's assets or directors or members of its senior management outside the PRC (if any) and/or to seek recognition and enforcement for Hong Kong judgments in the PRC.

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

Under the 2019 Arrangement, where the Hong Kong court has given a legally effective judgment in a civil and commercial matter, any party concerned may apply to the relevant People's Court of the Mainland for recognition and enforcement of the judgment, subject to the provisions, limits, procedures and other terms and requirements of the 2019 Arrangement and the Judicial Interpretation. The recognition and enforcement of a Hong Kong court judgment could be refused if the relevant People's Court of the Mainland consider that the enforcement of such judgment is contrary to the basic principles of law of the Mainland or the social and public interests of the Mainland or meets other circumstances specified by the 2019 Arrangement and Judicial Interpretation. While it is expected that the relevant People's Courts of the Mainland will recognise and enforce a judgment given by a Hong Kong court and governed by English law, there can be no assurance that Bondholders can successfully effect service of process against the Issuer or the Issuer's directors or members of its senior management in the PRC and/or to seek recognition and enforcement for judgments rendered by a Hong Kong court in the PRC as there is no established practice in this area.

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

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

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

Facts, forecasts and other statistics in this Offering Circular relating to the PRC, its economy or the relevant industry in which the Group operates have been directly or indirectly derived from official government publications and certain other public industry sources and although the Group believes such facts and statistics are accurate and reliable, it cannot guarantee the quality or the reliability of such source materials. They have not been prepared or independently verified by the Issuer, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, agents, advisors or representatives or any person who controls any of them, and, therefore, the Issuer, the Trustee or the Agents or any of their respective affiliates, officers, employees, directors, agents, advisors or representatives or any person who controls any of them makes no representation as to the completeness, accuracy or fairness of such facts or other statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be incomplete, inaccurate or unfair or may not be comparable to statistics produced for other economies or the same or similar industries in other countries and should not be unduly relied upon. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such facts or other statistics.

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

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

RISKS RELATING TO THE BONDS

The PRC Government (including but not limited to the Jinan Municipal Government and Jinan SASAC) shall under no circumstances have any obligation arising out of or in connection with the Bonds or the transaction documents in relation to the Bonds, which are solely to be fulfilled by the Issuer.

The PRC Government (including but not limited to the Jinan Municipal Government and Jinan SASAC) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds. This position has been reinforced by Circular 23, Circular 706 and Circular 666. See "*— Risks Relating to the Group and its Business — PRC regulations on the administration of local government debt may have a material adverse effect on the Group's financing and business models*." above.

Neither the PRC Government, the Jinan Municipal Government nor Jinan SASAC have any payment or other obligation under the Bonds or the transaction documents relating to the Bonds. Investments in the

Bonds are on the credit risk of the Issuer rather than that of the PRC Government (including but not limited to the Jinan Municipal Government and Jinan SASAC). The Bonds are solely to be repaid by the Issuer as an obligor and the obligations of the Issuer under the Bonds shall solely be fulfilled by the Issuer as an independent legal person. In the event that the Issuer does not fulfil its obligations under the Bonds, investors will only be able to claim as an unsecured creditor against the Issuer and its assets, and not any other person, including the PRC Government, the Jinan Municipal Government and Jinan SASAC. The Bondholders shall have no recourse to the PRC Government (including but not limited to the Jinan Municipal Government and Jinan SASAC) in respect of any obligation arising out of or in connection with the Bonds and the transaction documents relating to the Bonds. See "*— Risks Relating to the Group and its Business — Any public interest assets of the Group should not be taken into account when the Group's business, financial condition, results of operations and prospects are assessed.*" As Circular 23, Circular 706 and the Circular 666 are relatively new and given the limited volume of published decisions related to these circulars, the interpretation and enforcement of these laws and regulations involve uncertainties.

As the NDRC Measures are relatively new and the specific practices for their implementation and enforcement by the NDRC are still evolving, there may be uncertainties regarding their interpretation and application, which could adversely affect the enforceability and/or effective performance of the Bonds.

According to the NDRC Measures, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities with a term of more than one year issued or incurred outside the PRC with the NDRC prior to the issue of the securities or drawings under the loans ("**Pre-issuance Registration**"), report of the information on the issuance of the Bonds within 10 working days after closing ("**Post-issuance Filing**") and file or cause to be filed with the NDRC the requisite information and documents within the prescribed time frame after the Issue Date in accordance with the NDRC Measures, and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time. The Issuer has completed the Pre-issuance Registration on 18 September 2024 and as at the date of this Offering Circular, remains valid and in full force and effect.

The NDRC Measures and its interpretation may involve significant uncertainty, which may adversely affect the enforceability and/or effective performance of the Bonds. Pursuant to the NDRC Measures, enterprises that have not completed examination and registration formalities are not allowed to borrow foreign debts. If the relevant information is not reported in accordance with the provisions in the NDRC Measures, the Issuer and its principal responsible persons shall be interviewed or publicly warned as the case may be. There remain uncertainties regarding the NDRC Measures' interpretation, implementation and enforcement by the NDRC and, in particular, there is a risk that the NDRC could in the future amend the rules relating to the NDRC Measures or the interpretation thereof (including with retroactive effect), which may affect the legal remedies and protections available to investors, and can materially and adversely affect the value of their investment. In addition, the administration of the NDRC Measures may be subject to a certain degree of executive and policy discretion by the NDRC. There is also risk that the registration approval with the NDRC may be revoked or amended in the future or that future changes in PRC laws and regulations may have a negative impact on the performance or validity and enforceability of the Bonds in the PRC. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions.

If the Issuer fails to complete the SAFE Registration within the prescribed time period, the Issuer may be subject to fines or other penalties imposed by SAFE. In addition, failure to complete the SAFE Registration may result in delays or restrictions on the remittance of funds (including payments of principal and interest under the Bonds) outside the PRC, as domestic banks may require evidence of the SAFE Registration to process such cross-border remittances.

Pursuant to the Conditions, the Issuer will undertake to register or cause to be registered with the Shandong Province Branch of SAFE the Bonds within 15 Registration Business Days after the Issue Date in accordance with the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines promulgated by SAFE and which came into effect on 13 May 2013 (the "**SAFE Registration**").

There is no assurance that the Issuer will be able to complete the SAFE Registration within the prescribed timeframe or at all. Under the Conditions, Bondholders may require the Issuer to redeem their Bonds in the event that the Bonds is not registered within a specified timeframe. Bondholders who do not exercise such redemption option should note that before the SAFE Registration is completed, it is uncertain whether the Bonds can be enforced in the PRC.

Although a failure to register the Bonds does not render the Bonds ineffective or invalid under PRC laws, SAFE may impose penalties on the Issuer if the Issuer fails to complete the SAFE Registration. Further, there may be hurdles at the time of remittance of funds as domestic banks may require evidence of SAFE registration in connection with the Bonds in order to effect such remittance. Prior to the performance or discharge of its obligations under the Bonds, the Issuer is also required to complete a verification process with banks for each remittance under the Bonds.

The interpretation of the Administrative Measures for Foreign Debt Registration and the SAFE Guidelines may involve significant uncertainty, and may adversely affect the practical enforceability of the Bonds. In addition, the administration of the Administrative Measures for Foreign Debt Registration and SAFE Guidelines may be subject to a certain degree of executive and policy discretion by SAFE.

The Bonds will be unsecured obligations.

As the Bonds will be unsecured obligations of the Issuer, the repayment of the Bonds may be compromised if:

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

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

The Bonds will be effectively subordinated to all of the Group's secured debt.

The Bonds are general senior unsecured obligations. The Bonds will be effectively subordinated to all secured indebtedness of the Group to the extent of the value of the assets securing such indebtedness. In addition, the Trust Deed constituting the Bonds and the Conditions will, subject to some limitations, permit the Group to incur additional secured indebtedness in connection with bank and other financing arrangements.

In the event of bankruptcy, liquidation, reorganisation or other winding up, the assets that secure the Group's secured indebtedness will be available to pay obligations on the Bonds only after all secured indebtedness, together with accrued interest, has been repaid. If the Group is unable to repay its secured indebtedness, the lenders could foreclose on substantially all of its assets which serve as collateral. Under such circumstances, the secured lenders would be entitled to be repaid in full from the proceeds of the liquidation of those assets before those assets would be available for distribution to other creditors, including holders of the Bonds. Holders of the Bonds will participate in the proceeds of the liquidation of the Group's remaining assets rateably with holders of the Group's unsecured indebtedness that is deemed to be of the same class as the Bonds, and potentially with all of the Group's other general creditors.

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

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

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

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

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

- have sufficient knowledge and experience to make a meaningful evaluation of the relevant Bonds, the merits and risks of investing in the relevant Bonds and the information contained or incorporated by reference 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 relevant Bonds and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Bonds;

- understand thoroughly the terms of the relevant Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

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

The Issuer has outstanding debt securities and may issue additional Bonds in the future.

The Issuer is not restricted from raising additional capital in addition to the Bonds through such means and in such manner as it may consider necessary. For example, the Issuer has outstanding bonds in aggregate principal amount of CNY2,000 million due July 2029, outstanding guaranteed bonds in aggregate principal amount of CNY1,243 million due March 2028, outstanding guaranteed bonds in aggregate principal amount of U.S.$506.0 million due November 2027, outstanding bonds in aggregate principal amount of CNY2,000 million due January 2027, outstanding guaranteed bonds in aggregate principal amount of CNY2,000 million due December 2026, outstanding guaranteed bonds in aggregate principal amount of U.S.$305.0 million due September 2026. In addition, the Issuer may from time to time without the consent of the Bondholders create and issue further bonds which are consolidated to form a single series with the outstanding Bonds (see "*Terms and Conditions of the Bonds — Further Issues*"). There can be no assurance that such past or future issuances or capital raising activities will not adversely affect the market price of the Bonds.

The Bonds constitute a new issue of securities for which there is no existing trading market.

The Bonds are a new issue of securities for which there is currently no trading market. There can be no assurance as to the liquidity of the Bonds or that an active trading market will develop. If such a market were to develop, the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. Although application will be made to the MOX for the listing of the Bonds, the Issuer cannot guarantee that such listing of the Bonds on the MOX will create an active trading market for the Bonds. None of the Joint Lead Managers are obliged to make a market in the Bonds, and if any Joint Lead Manager does so, it may discontinue such market-making activity at any time at its discretion. Further, the Bonds may be allocated to a limited number of investors, in which case liquidity may be limited. In addition, Bondholders should be aware of the prevailing and widely reported global credit market conditions (which continue as at the date of this Offering Circular), whereby there could potentially be a general lack of liquidity in the secondary market for instruments similar to the Bonds. Such potential lack of liquidity may result in investors suffering losses on the Bonds in secondary resales even if there is no decline in the performance or the assets of the Group. It is not possible to predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Bonds and instruments similar to the Bonds at that time. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders of the Bonds will only be able to resell their Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act.

The Issuer will follow the applicable corporate disclosure standards for debt securities listed on the MOX, which standards may be different from those applicable to debt securities listed in certain other places.

The Issuer will be subject to reporting obligations in respect of the Bonds to be listed on the MOX. The disclosure standards imposed by the MOX may be different from those imposed by securities exchanges in other places. As a result, the level of information that is available may not correspond to the level that holders of the Bonds are accustomed to.

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

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

Changes in market interest rates may adversely affect the value of the Bonds and international financial markets and global economic conditions may adversely affect the market price of the Bonds.

The Bonds will carry a fixed interest rate. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates. As the Bonds will carry a fixed interest rate, the trading price of the Bonds will consequently vary with the fluctuations in interest rates. If Bondholders sell the Bonds they hold before the maturity of such Bonds, they may receive an offer less than their investment.

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

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

The Bonds will be redeemed at their principal amount upon their maturity, or following the occurrence of a Change of Control (as defined in the Conditions), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all of such holder's Bonds at 101 per cent. of their principal amount, together with accrued and unpaid interest on the amount of Bonds being redeemed to but excluding the date of redemption. In addition, following the occurrence of a Non-Registration Event (as defined in the Conditions), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all of such holder's Bonds at their principal amount, together with accrued and unpaid interest to but excluding the date of redemption. If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all. There is also no assurance that the Issuer would have sufficient liquidity at such time to make the required redemption of the Bonds. The ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay or redeem tendered Bonds could constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's or the Group's other indebtedness.

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

The Issuer may redeem the Bonds at its option, in whole but not in part, at a redemption price equal to their principal amount, together with any interest accrued up to, but excluding, the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer has or will become obliged to pay Additional Tax Amounts (as defined in the Conditions), as further described in Condition 6(b) (*Redemption for Taxation Reasons*). If the Issuer redeems the Bonds prior to their maturity date, investors may not receive the same economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive on redemption in similar securities. In addition, the Issuer's ability to redeem the Bonds may reduce the market price of the Bonds.

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

If any member of the Group (including the Issuer) is unable to comply with its current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the relevant member of the Group, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of the debt agreements of the Group, and the Bonds, contain (or may in the future contain) cross-acceleration or cross-default provisions. As a result, the default by the relevant member of the Group under one debt agreement may cause the acceleration of repayment not only of such debt but also other debt of the Group, including the Bonds, or result in a default under its other debt agreements, including the Bonds. If any of these events occur, there can be no assurance that the assets and cash flows of the relevant member of the Group or the Group would be sufficient to repay all of its indebtedness in full, or that it would be able to find alternative financing. Even if alternative financing could be obtained, there can be no assurance that it would be on terms that are favourable or acceptable to the Group. Any of these factors could materially and adversely affect the Group's ability to satisfy its obligations under outstanding financial obligations, including the Bonds.

The Issuer's subsidiaries, jointly controlled entities and associated companies are subject to restrictions on the payment of dividends and the repayment of intercompany loans or advances to the Issuer, its jointly controlled entities and associated companies.

As a holding company, the Issuer depends on the receipt of dividends and the interest and principal payments on intercompany loans or advances from its subsidiaries, jointly controlled entities and associated companies to satisfy its obligations, including its obligations under the Bonds. The ability of the Issuer's subsidiaries, jointly controlled entities and associated companies to pay dividends and make payments on intercompany loans or advances to their shareholders is subject to, among other things, distributable earnings, cash flow conditions, restrictions contained in the articles of association of these companies, applicable laws and restrictions contained in the debt instruments of such companies. There can be no assurance that the Issuer's subsidiaries, jointly controlled entities and associated companies will have distributable earnings or will be permitted to distribute their distributable earnings to it as it anticipates, or at all. In addition, dividends payable to it by these companies are limited by the percentage of its equity ownership in these companies. Some portfolio companies may conclude that it is in the best interest of their shareholders to retain earnings, if any, for use in the operation and expansion of their businesses. The shareholders or the board of directors of a portfolio company (as the case may be) have the power to determine whether to pay dividends based on conditions then existing, including the company's earnings, financial condition and capital requirements, as well as economic and other conditions the shareholders or the board may deem relevant. In particular, the Issuer does not maintain complete control over its jointly controlled entities or associates in which it might hold a minority interest. Further, if any of these companies raise capital by issuing equity securities to third parties, dividends declared and paid with respect to such shares would not be available to the Issuer to make payments on the Bonds. These factors could reduce the payments that the Issuer receives from its subsidiaries, jointly controlled entities and associated companies, which would restrict its ability to meet its payment obligations under the Bonds.

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

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including those Bondholders who did not attend and vote at the relevant meeting and those Bondholders who voted in a manner contrary to the majority. There are corresponding provisions for written resolutions of the Bondholders and for passing of resolutions by electronic consent, which also permit defined majorities to bind all Bondholders including those Bondholders who did not participate and those who opposed the resolution. There is a risk that the decision of the majority of holders of the Bonds may be adverse to the interests of the individual holders of the Bonds.

The Conditions also provide that the Trustee may (but shall not be obliged to), without the consent of the holders of the Bonds, agree to any modification (other than in respect of a Reserved Matter (as defined in the Conditions)) of, or to the waiver or authorisation of any breach or proposed breach of, or any failure to comply with the Conditions, the Trust Deed and/or the Agency Agreement which in the opinion of the Trustee will not be materially prejudicial to the interests of the holders of the Bonds, or may agree to any modification of the Bonds, the Trust Deed or the Agency Agreement which in the opinion of the Trustee is of a formal, minor or technical nature or is to correct a manifest error or to comply with any mandatory provision of applicable law.

In addition, the Trustee may, without the consent of the holders of the Bonds, authorise or waive any proposed breach or breach of the Bonds, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of certain Reserved Matters) if, in the opinion of the Trustee, the interests of the holders of the Bonds will not be materially prejudiced thereby.

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

In certain circumstances (including, without limitation, giving of notice to the Issuer pursuant to Condition 9 (*Events of Default*) of the Conditions and taking action pursuant to Condition 13 (*Enforcement*) of the Conditions), the Trustee may (at its sole discretion) request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of the Bondholders. The Trustee shall not be obliged to take any such actions if not first indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions and/or steps can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take actions and/or steps and/or institute such proceedings, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed constituting the Bonds 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 Bondholders to take such actions directly.

Third parties may be hindered or prevented from enforcing their rights with respect to the assets of the Issuer because of the doctrine of sovereign immunity or state secret privilege.

As at the date of this Offering Circular, the Issuer is controlled by the PRC Government indirectly through Jinan SASAC. All of the assets relating to the operation of the Issuer's business are either owned or controlled by the Issuer itself or by its subsidiaries. Where a third party brings a legal action against the Issuer, its subsidiaries or their assets based on a contract dispute with them, the legal proceeding, particularly the enforcement of judgments or any arbitral awards with respect to the assets of the Issuer and its subsidiaries in China, may be subject to the law and legal systems and the jurisdiction of PRC courts or tribunal. While the Issuer can be sued in its own capacity in a civil proceeding in a court or tribunal, there is no assurance that the assets of the Issuer will not be immune from enforcement proceedings on the grounds of sovereign immunity or state secret privilege. If such immunity or privilege is invoked to dismiss judgments from the court or tribunal, it may be difficult for the third-party plaintiffs (such as holders of the Bonds) to enforce their contractual rights against the Issuer, its subsidiaries or their assets in China.

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

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

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

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

The Issuer is a PRC resident enterprise for PRC tax purposes which is subject the Issuer to PRC income taxes on its worldwide income and interest payable by the Issuer to foreign investors in respect of the Bonds may be subject to withholding taxes under PRC tax laws.

Under the Enterprise Income Tax Law of the PRC (the "**EIT Law**") effective on 1 January 2008 and as amended on 24 February 2017 and 29 December 2018, respectively, and its implementing rules, enterprises established outside the PRC whose "de facto management bodies" are located in the PRC are considered "resident enterprises" for PRC tax purposes. See "*Taxation — 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. The Issuer is a resident enterprise by virtue of its incorporation under PRC Laws. The income tax on the payment of interest 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. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-PRC resident enterprise Bondholders. The tax so charged on interests paid on the Bonds to non-PRC Bondholders 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 "**Avoidance Of Double Taxation Arrangement**") will be 7 per cent. of the gross amount of the interest pursuant to the Avoidance Of Double Taxation Arrangement and relevant interpretation of the Avoidance Of Double Taxation Arrangement formulated by SAT. To enjoy this preferential tax rate of 7 per cent., the Issuer could apply, on behalf of the Bondholders, to the SAT for the application of the tax rate of 7 per cent. in accordance with the Avoidance Of Double Taxation Arrangement on the interest payable in respect of the Bonds.

Similarly, pursuant to the Individual Income Tax Law of the PRC (the "**IIT Law**"), which was amended on 30 June 2011 and 31 August 2018 and effective on 1 January 2019, and its implementation regulations, the Issuer is a PRC tax resident enterprise and the Issuer is obliged to withhold such individual income tax on payments of interests to non-resident individual holders of the Bonds. Any capital gain realised by a non-resident individual holder from transfer of the Bonds may also be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent., provided that there are no tax treaties between the PRC and those countries which exempt or reduce such withholding tax.

On 25 December 2024, the Standing Committee of the National People's Congress promulgated the Value-Added Tax Law of the PRC (中華人民共和國增值稅法) (the "**VAT Law**"), which came into effect on 1 January 2026. The State Council subsequently promulgated the Implementation Regulations of the Value-Added Tax Law of the PRC (中華人民共和國增值稅法實施條例) (the "**VAT Implementation Regulations**"), which also came into effect on 1 January 2026. The VAT Law and the VAT Implementation Regulations provide the current statutory framework for VAT in the PRC. Under the relevant rules, financial services include loan services, and loan services include the provision of funds to another person in return for interest income. Under VAT Law, financial services, including loan services (interest income), direct charge financial services (fees, commissions, etc.), insurance services and the transfer of financial instruments, are subject to VAT at the rate of 6 per cent. Pursuant to Article 4 of the VAT Law, a service is deemed to be provided within the PRC if (i) the service is consumed within the territory of the PRC (the "**destination principle**"), or (ii) the seller is a domestic entity or individual. In the event that the seller is a foreign entity or individual without a business establishment in the PRC, Article 15 of the VAT Law provides that the purchaser of the services shall act as the withholding agent, unless the foreign taxpayer appoints a domestic agent to declare and pay VAT with authorisation from the State. Accordingly, in the absence of applicable exemptions, the interest and other interest like earnings received by a non-PRC resident Bondholder from the Issuer will be subject to PRC VAT at the rate of 6 per cent. The Company will be obligated to withhold VAT of 6 per cent. for payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. However, there is uncertainty as to whether gains derived from a sale or exchange of Bonds consummated outside of the PRC between non-PRC resident Bondholders will be subject to PRC VAT. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. The VAT Law and its implementing regulations are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties. However, despite the withholding of the PRC tax by the Issuer, the Issuer has agreed to pay additional amounts to Bondholders so that Bondholders would receive the full amount of the scheduled payment, as further set out in "*Terms and Conditions of the Bonds*".

Pursuant to the Conditions, where the Issuer is required under applicable laws to withhold PRC tax from interest payments made to the Bondholders in respect of the Bonds, the Issuer will be required to pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding been required. The requirement to pay such additional amounts will increase the cost of servicing interest payments on the Bonds, and could have a material adverse effect on the Issuer's ability to pay interest on, and repay the principal amount of, the Bonds, as well as its profitability and cash flows. It is unclear whether, if the Issuer is considered a PRC "resident enterprise", holders of the Bonds might be able to claim the benefit of income tax treaties or agreements entered into between the PRC and other countries or areas.

Gains on the transfer of the Bonds may become subject to income taxes under PRC tax laws.

Under the EIT Law, the IIT Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of the Bonds by non-PRC resident enterprise or individual holders may be subject to enterprise income tax or individual income tax in the PRC if such gain is income derived from sources within the PRC. However, uncertainty remains as to whether the gain realised from the transfer of the Bonds by non-PRC resident enterprise or individual holders would be treated as income derived from sources within the PRC and be subject to enterprise income tax or individual income tax in the PRC. This will depend on how the PRC tax authorities interpret, apply or enforce the EIT Law, the IIT Law and the relevant implementing rules. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) which was promulgated on 21 August 2006, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied.

Therefore, if a non-PRC resident enterprise or individual resident holders are required to pay PRC income tax on gains derived from the transfer of the Bonds (such enterprise income tax is currently levied at the rate of 10 per cent. of gains realised and such individual income tax is currently levied at the rate of 20 per cent. of gains realised (with deduction of reasonable expenses), unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC resident enterprise or individual resident holders of the Bonds reside that reduces or exempts the relevant enterprise income tax or individual income tax), the value of their investment in the Bonds may be materially and adversely affected.

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

The Bonds will initially be represented by a Global Certificate. Such Global Certificate will be registered in the name of, and lodged with a sub-custodian for, the Hong Kong Monetary Authority as the Operator of the CMU. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Bonds. The CMU will maintain records of the beneficial interests in the Global Certificate.

While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the CMU. While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the CMU for distribution to its accountholders in accordance with the CMU's rules and procedures. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the CMU to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

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

Bonds which have a denomination that is not an integral multiple of the minimum specified denomination may be illiquid and difficult to trade.

The denominations of the Bonds are CNY1,000,000 and integral multiples of CNY10,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of CNY1,000,000 that are not integral multiples of CNY1,000,000. In such a case, a Bondholder who, as a result of trading such amounts, holds a principal amount of less than CNY1,000,000 will not receive a definitive certificate in respect of such holding of Bonds (should definitive certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to one or more denominations. If definitive certificates are issued, Bondholders should be aware that Bonds with aggregate principal amounts that are not an integral multiple of CNY1,000,000 may be illiquid and difficult to trade.

The Issuer's corporate ratings may be downgraded or withdrawn in the future.

The Issuer has been assigned a corporate credit rating of "Baa1" by Moody's and "BBB+" by Fitch. The Bonds are not rated. In May 2017, Moody's downgraded the sovereign credit rating of the PRC from Aa3 to A1 and in December 2023, it changed its outlook to "stable" from "negative", reflecting Moody's expectation that economy-wide debt in the PRC will continue to rise as potential growth slows. In April 2024, Fitch Ratings revised outlook on China to negative and kept its rating on Chinese sovereign bonds at "A+". This reflects concerns over China's public finances and economic challenges associated with transitioning from property-focused growth towards a more sustainable model. As a result of this change in the sovereign rating outlook, Moody's has placed a number of PRC issuers, including the Issuer, on credit watch and there is no guarantee the other rating agencies would maintain their current ratings on the Issuer. There can be no assurance the economy of the PRC will maintain sustainable growth. Any slowdown in the PRC economy may increase the Group's exposure to material losses from its investments, decrease the opportunities for developing the Group's businesses, or reduce government subsidies to the Group, any of which may result in a material adverse effect on the Group's business, results of operations and financial condition. A rating is not a recommendation to buy, sell or hold the Bonds and may be subject to revision, qualification, suspension, reduction or withdrawn at any time. There can be no assurance that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. The Issuer is not obliged to inform Bondholders of any such revision, downgrade or withdrawal. Each rating should be evaluated independently of any other securities of the Issuer. A revision, qualification, suspension or withdrawal at any time of any rating assigned the Issuer may adversely affect the market price of the Bonds.

RISKS RELATING TO THE BONDS BEING DENOMINATED IN RENMINBI

The Bonds are denominated in Renminbi. Renminbi denominated bonds contain particular risks for potential investors.

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 Bonds.

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving the import and export of goods and services as well as other frequent routine foreign exchange transactions. 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 the 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 will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that any regulatory restrictions inhibit the ability of the Issuer to repatriate funds outside the PRC to meet its obligations under the Bonds, the Issuer will need to source Renminbi offshore to finance such obligations under the Bonds, 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 Bonds 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.

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

As a result of the restrictions imposed 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 on the clearing of Renminbi business (the "**Clearing Arrangements**") with financial institutions (each, a "**Renminbi Clearing Bank**") in a number of financial centres and cities, including but not limited to Hong Kong, London, Frankfurt and Singapore, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi-denominated financial assets outside the PRC remains limited.

There are restrictions imposed by the PBOC on Renminbi Clearing Bank, Renminbi Agent Bank, direct Renminbi business participating banks of CIPS and indirect Renminbi business participating banks of CIPS in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Although PBOC allows aforementioned banks to obtain liquidity support from the Bulk Payment System Account by means of capital injection, increase and decrease, or from the existing Trading Platform of National Inter-bank Borrowing Center by means of inter-bank borrowing, the Renminbi liquidity support may remain limited. In such cases, where the participating banks cannot source sufficient Renminbi through the above channels, the participating banks will need to source Renminbi from the offshore market 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 Bonds. To the extent the Issuer is required to source Renminbi outside the PRC to service the Bonds, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Remittance of proceeds into or outside of the PRC in Renminbi may be difficult.

In the event that the Issuer decides to remit some or all of the proceeds 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, they will not be revoked or amended in the future.

In the event that the Issuer does remit some or all of the proceeds into the PRC in Renminbi and the Issuer subsequently is not able to repatriate funds outside the PRC in Renminbi, the Issuer will need to source Renminbi outside the PRC to finance its respective obligations under the Bonds, and their abilities to do so will be subject to the overall availability of Renminbi outside the PRC.

Investment in the Renminbi denominated Bonds is subject to exchange rate risks.

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as other factors. In August 2015, the PBOC changed the way it calculates the mid-point price of Renminbi against the U.S. dollar, requiring the market-makers who submit for the PBOC's reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In May 2017, the PBOC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect China's actual economic performance. However, the volatility in the value of the Renminbi against other currencies still exists. The Issuer will make all payments of interest and principal with respect to the Bonds in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the Bonds entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of Renminbi against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. Accordingly, the value of the investment made by a holder of the Bonds in that foreign currency will decline.

Payments with respect to the Bonds may be made only in the manner designated in the Bonds.

All payments to investors in respect of the Bonds will be made solely for so long as the Bonds are represented by global certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi account maintained by or on behalf of the holder with a bank in Hong Kong in accordance with prevailing CMU rules and procedures. The Issuer is not required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft, or by transfer to a bank account in the PRC).

TERMS AND CONDITIONS OF THE BONDS

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

The CNY1,966,000,000 in aggregate principal amount of 2.20 per cent. bonds due 2031 (the "**Bonds**", which expression shall in these terms and conditions (these "**Conditions**"), unless the context otherwise requires, includes any further bonds issued pursuant to Condition 15 and to be consolidated and forming a single series with the Bonds) of Jinan City Construction Group Limited Company (濟南城市建設集團有限公司) (the "**Issuer**") are constituted by a trust deed (as amended, restated, replaced and/or supplemented from time to time, the "**Trust Deed**") dated 14 September 2026 (the "**Issue Date**") made between the Issuer and CNCBI Trustee Limited as trustee (in such capacity, the "**Trustee**", which expression shall include any successor trustee and all persons for the time being acting as trustee or trustees under the Trust Deed) for itself and the Bondholders (as defined below).

The Bonds are the subject of an agency agreement dated 14 September 2026 (as amended, restated, replaced and/or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, the Trustee, China CITIC Bank International Limited as CMU lodging and paying agent (the "**CMU Lodging and Paying Agent**", which expression shall include any successor CMU lodging and paying agent appointed from time to time in connection with the Bonds), as registrar (in such capacity, the "**Registrar**", which expression shall include any successor registrar appointed from time to time in connection with the Bonds) and as transfer agent (in such capacity, the "**Transfer Agent**", which expression shall include any additional or successor transfer agent appointed from time to time in connection with the Bonds) and any other agents appointed thereunder. In these Conditions, "**Paying Agents**" means any paying agent appointed from time to time under the Agency Agreement with respect to the Bonds and includes the CMU Lodging and Paying Agent, and "**Agents**" means the CMU Lodging and Paying Agent, any other Paying Agents, the Registrar, any Transfer Agent and any other agent or agents and their successor(s) appointed from time to time under the Agency Agreement with respect to the Bonds.

Certain provisions of these Conditions are summaries of the Trust Deed (which includes the form of the certificates evidencing the Bonds) and are subject to their detailed provisions. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions of the Agency Agreement applicable to them. So long as any Bond is outstanding (as defined in the Trust Deed), copies of the Trust Deed and the Agency Agreement are available for inspection by the Bondholders upon prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the CMU Lodging and Paying Agent during normal business hours (being 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) Monday to Friday except for public holidays) at the principal place of business for the time being of the Trustee, being at the Issue Date at 13/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong and at the specified office for the time being of 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, AUTHORISED DENOMINATION AND TITLE

The Bonds are issued in the specified denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof (each an "**Authorised Denomination**"). The Bonds are evidenced by registered certificates (the "**Certificates**") and, save as provided in Condition 3(b), each Certificate shall evidence the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by transfer and registration in the Register as described in Condition 3. The holder of any Bond shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any other interest in it, any writing on the Certificate (other than the endorsed form of transfer, duly completed) evidencing it or the alleged destruction, theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, "Bondholder", or in respect of a Bond, "holder" means the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first-named thereof).

*Upon issue, the Bonds will be represented by a global certificate (the "**Global Certificate**") substantially in the form scheduled to the Trust Deed. The Global 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**"), and will be exchangeable for definitive Certificates only in the circumstances set out therein. The Conditions are modified by certain provisions contained in the Global Certificate while any of the Bonds are represented by the Global Certificate. See "Summary of Provisions Relating to the Bonds in Global Form".*

*For so long as any of the Bonds are evidenced by the Global 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 Bonds (the "**accountholder**") (in which regard any certificate or other documents issued by the Operator as to the principal amount of such Bonds 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 Trustee, the Registrar, the Transfer Agents, the Paying Agents, the CMU Lodging and Paying Agent and the Operator as the holder of such principal amount of such Bonds for all purposes other than with respect to the payment of principal, premium (if any) or interest on the Bonds, the right to which shall be vested, as against the Issuer, the Registrar, the Transfer Agent, the CMU Lodging Agent and the Operator solely in the holder of the Global Certificate in accordance with and subject to its terms (and the expressions "**Bondholder**" and (in respect of any Bond) "**Holder**" and related expressions shall be construed accordingly).*

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

2 STATUS

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable laws and regulations and subject to Condition 4(a), at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

3 TRANSFERS OF BONDS AND ISSUE OF CERTIFICATES

(a) Register

The Issuer will cause a register (the "**Register**") of Bondholders to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement, on which shall be entered the names, addresses and details of the registered account (as defined in Condition 7(a)(iii)) of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers of the Bonds.

(b) Transfer

Subject to the Agency Agreement and Conditions 3(e) and 3(f), a Bond may be transferred (in whole or in part but in any case in an Authorised Denomination) by surrendering the Certificate issued in respect of that Bond, with the form of transfer on the back of the Certificate (or in the form obtainable from the Registrar or any Transfer Agent) duly completed and signed and any other evidence as the Registrar or the relevant Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed such form of transfer at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of only part of a holding of the Bonds evidenced by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred (which shall be in an Authorised Denomination) and a further new Certificate in respect of the balance of the holding not transferred (which shall be in an Authorised Denomination) shall be issued to the transferor. In the case of a transfer of the Bonds to a person who is already a holder of the Bonds, a new Certificate evidencing the enlarged holding shall only be issued against surrender of the Certificate evidencing the existing holding. No transfer of title to a Bond will be valid unless and until entered on the Register.

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

(c) Delivery of New Certificates

Each new Certificate to be issued upon transfer of the Bonds pursuant to Condition 3(b) shall be made available for delivery within seven business days (as defined below) of receipt of a duly completed form of transfer, surrender of the existing Certificate(s) and provision of any other evidence required by the Registrar or the relevant Transfer Agent as provided in Condition 3(b). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Certificate and evidence shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise in writing and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify.

In this Condition 3(c), "business day" means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) Formalities Free of Charge

Registration of a transfer of the Bonds and issuance of new Certificates will be effected without charge by or on behalf of the Issuer, the Registrar, or any Transfer Agent but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent (as the case may be) or the Issuer may require) in respect of any tax, duties or other governmental charges which may be imposed in relation to such transfer; (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied that the Regulations (as defined in Condition 3(f)) have been complied with.

(e) Closed Periods

No holder may require the transfer of a Bond to be registered (i) during the period of seven days ending on (and including) the due date for any payment of principal (or premium) in respect of that Bond; or (ii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)(ii)); (iii) during the period of seven days ending on (and including) any redemption date on which the Bonds have been called for redemption by the Issuer pursuant to Condition 6(b); or (iv) after a Put Exercise Notice (as defined in Condition 6(c)) in respect of such Bond has been deposited by such Bondholder pursuant to Condition 6(c).

(f) Regulations

All transfers of the Bonds and entries on the Register will be made subject to the detailed regulations (the "**Regulations**") concerning transfers of the Bonds, the initial form of which is scheduled to the Agency Agreement. The Regulations may be changed by the Issuer from time to time, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior written approval of the Trustee. A copy of the current Regulations will be made available by the Registrar to any Bondholder who requests one in writing and upon satisfactory proof of holding.

4 COVENANTS

(a) Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer will not, and the Issuer will ensure that none of its Subsidiaries will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds either (i) the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as shall be approved by an Extraordinary Resolution of the Bondholders.

(b) Undertakings relating to NDRC Post-issue Filing

The Issuer undertakes that it will file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds within ten (10) Registration Business Days 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) issued by the NDRC and effective on 10 February 2023 and any implementation rules as issued by the NDRC from time to time (the "**NDRC Post-issue Filing**").

(c) Undertakings relating to SAFE Registration

The Issuer undertakes to submit or cause to be submitted to the Shandong Province Branch of SAFE an application for the registration of the Bonds within 15 Registration Business Days after the Issue Date in accordance with Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines promulgated by SAFE and which came into effect on 13 May 2013 and as amended on 4 May 2015 (the "**SAFE Registration**"). The Issuer shall use its best endeavours to complete the SAFE Registration and obtain a registration record from the Shandong Province Branch of SAFE (or any other document evidencing the completion of the SAFE Registration issued by SAFE) on or before the Registration Deadline.

(d) Notification of Completion of the NDRC Post-issue Filing and the SAFE Registration

(A) The Issuer shall within ten Registration Business Days after submission of the NDRC Post-issue Filing, provide the Trustee with (i) a certificate in English (substantially in the form set out in the Trust Deed) signed by an Authorised Signatory of the Issuer confirming the completion of the NDRC Post-issue Filing and (ii) copies of the relevant documents evidencing such due filing with the NDRC (if any), each certified in English by an Authorised Signatory of the Issuer as a true and complete copy of the original.

(B) The Issuer shall, before the Registration Deadline and within ten Registration Business Days after the receipt of the registration certificate from SAFE (or any other document evidencing the completion of the SAFE Registration) provide the Trustee with (i) a certificate in English (substantially in the form set out in the Trust Deed) signed by an Authorised Signatory of the Issuer confirming the completion of the SAFE Registration and (ii) copies of the relevant documents evidencing the completion of the SAFE Registration issued by the Shandong Province Branch of SAFE including the particulars of such registration, each certified in English by an Authorised Signatory of the Issuer as a true and complete copy of the original (the items specified in (A) and (B) together, the "**Registration Documents**").

In addition, the Issuer shall, within five Registration Business Days after the documents comprising the Registration Documents are delivered to the Trustee, give notice to the Bondholders (substantially in the form set out in the Trust Deed and in accordance with Condition 16) confirming the completion of the NDRC Post-issue Filing and the SAFE Registration respectively.

The Trustee shall have no obligation or duty to monitor or ensure completion of the NDRC Post-issue Filing or the SAFE Registration are made as required by Conditions 4(b) and 4(c) or assist with the NDRC Post-issue Filing or SAFE Registration or to verify the accuracy, completeness, validity and/or genuineness of Registration Documents or any documents relating to the NDRC Post-issue Filing or SAFE Registration or procure that any Registration Documents or such other documents are translated into English or give notice to the Bondholders confirming the completion of the NDRC Post-issue Filing and the SAFE Registration, and shall not be liable to the Bondholders or any other person for not doing so, and may rely on the Registration Documents and such other documents conclusively without liability to any Bondholder or any other person for the accuracy, completeness, validity and/or genuineness of any matters or facts stated therein.

(e) Financial Information

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

(i) a copy of the relevant Audited Financial Reports within 150 days of the end of each Relevant Period prepared in accordance with PRC GAAP, audited by a nationally or internationally recognised firm of independent accountants, and if such statements shall be in the Chinese language, together with an English translation of the same translated by (aa) an internationally or nationally recognised firm of independent accountants or (bb) a professional translation service provider and checked by a nationally or internationally recognised firm of independent accountants, together with a certificate in English signed by an Authorised Signatory of the Issuer certifying that such translation is complete and accurate (on each of which the Trustee may conclusively rely without liability to any Bondholder or any other person); and

(ii) a copy of the Unaudited Financial Reports within 90 days of the end of each Relevant Period prepared on a basis consistent with the Audited Financial Reports, and if such statements shall be in the Chinese language, together with an English translation of the same translated by (aa) an internationally or nationally recognised firm of independent accountants or (bb) a professional translation service provider and checked by a nationally or internationally recognised firm of independent accountants, together with a certificate in English signed by an Authorised Signatory of the Issuer certifying that such translation is complete and accurate (on each of which the Trustee may conclusively rely without liability to any Bondholder or any other person).

The Trustee shall not be required to review the Audited Financial Reports, the Unaudited Financial Reports or any other financial report furnished or delivered to it as contemplated in this Condition 4(e) or otherwise and, if the same shall not be in the English language, shall not be required to request or obtain or arrange for an English language translation of the same, and the Trustee shall not be liable to any Bondholder or any other person for not doing so.

(f) Compliance Certificate

So long as any Bond remains outstanding (as defined in the Trust Deed), the Issuer shall send a Compliance Certificate to the Trustee (i) at the same time as the Audited Financial Reports are provided pursuant to Condition 4(f) and (ii) within 14 days of any written request by the Trustee. The Trustee may rely on any Compliance Certificate conclusively without further enquiry or investigation and without liability to any Bondholder or any other person for the accuracy, validity and/or genuineness of any matters or facts stated therein.

(g) Definitions

In these Conditions:

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

"**Authorised Signatory**" means any director or any other officer of the Issuer, who has been authorised by the Issuer to sign the certificates and other documents required or contemplated under these Conditions, the Trust Deed and the Agency Agreement on behalf of, and so as to bind the Issuer;

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

(i) no Relevant Event, Event of Default (as defined in Condition 9) or Potential Event of Default had occurred since the Certification Date of the last such certificate or (if none) the Issue Date or, if such an event had occurred, giving details of it; and

(ii) the Issuer has complied with all of its obligations and covenants under the Trust Deed and the Bonds or, if non-compliance has occurred, giving details of it;

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

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

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

"**Potential Event of Default**" means an event or circumstance which could, with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 9, become an Event of Default;

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

"**PRC GAAP**" means the Accounting Standards for Business Enterprises 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;

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

"**Registration Deadline**" means the day falling 120 Registration Business Days after the Issue Date;

"**Relevant Indebtedness**" means any present or future indebtedness which is issued outside the PRC with a maturity of more than one year and, which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market, which, for the avoidance of doubt, does not include bilateral loans, syndicated loans, club deal loans, any transferable loan facility or agreement (including any draw-down of any existing credit line or facility);

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

"**SAFE**" means the State Administration of Foreign Exchange of the PRC;

"**Subsidiary**" means, with respect to any person, (a) any corporation, association or other business entity of which more than 50 per cent. of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such person; or (b) any corporation, association or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person;

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

"**Voting Stock**" means, with respect to any person, capital stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person.

5 INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 2.20 per cent. per annum, payable semi-annually in arrear in equal instalments of CNY110.00 per Calculation Amount (as defined below) on 14 March and 14 September in each year (each an "**Interest Payment Date**") commencing on 14 March 2027.

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

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

Interest in respect of any Bond shall be calculated per CNY10,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of the interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest CNY0.01 (CNY0.005 being rounded upwards).

6 REDEMPTION AND PURCHASE

(a) Final Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 14 September 2031 (the "**Maturity Date**"). The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholders in accordance with Condition 16 (which shall be irrevocable) and in writing to the Trustee and the CMU Lodging and Paying Agent, at their principal amount together with any unpaid interest accrued to (but excluding) the date fixed for redemption, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that:

(i) the Issuer has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of the PRC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of, such laws or regulations, which change or amendment becomes effective on or after 7 September 2026, and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

Prior to the giving of any Tax Redemption Notice pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee:

(A) a certificate in English signed by any Authorised Signatory of the Issuer stating that the obligation referred to in (i) above of this Condition 6(b) cannot be avoided by the Issuer taking reasonable measures available to it, and

(B) an opinion, addressed to and in form and substance satisfactory to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Tax Amounts as a result of such change or amendments.

The Trustee and the Agents shall be entitled, without being liable to any Bondholders or any other person, to conclusively rely on such certificate and opinion without investigation and to accept such certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out in (i) and (ii) above, in which event they shall be conclusive and binding on the Bondholders.

(c) Redemption for Relevant Events

Following the occurrence of a Relevant Event, the holder of any Bond will have the right (the "**Relevant Event Put Right**"), at such holder's option, to require the Issuer to redeem all, but not some only, of such holder's Bonds on the Put Settlement Date (as defined below) at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a Non-Registration Event) of their principal amount, together in each case with accrued and unpaid interest up to (but excluding) the relevant Put Settlement Date. To exercise such right, the holder of the relevant Bond must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, substantially in the form set out in the Agency Agreement or for the time being current, obtainable from the specified office of any Paying Agent (a "**Put Exercise Notice**"), together with the

Certificate evidencing the Bonds to be redeemed, by not later than 30 days following a Relevant Event, or, if later, 30 days following the date upon which notice thereof is given to Bondholders by the Issuer. A Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Bonds the subject of the Put Exercise Notices delivered as aforesaid on the Put Settlement Date.

The "Put Settlement Date" in respect of any Bond for which such option is exercised shall be the 14th day (in the case of a redemption for a Change of Control) or the fifth day (in the case of a redemption for a Non-Registration Event) after the expiry of such period of 30 days as referred to above.

Not later than 14 days (in the case of a Change of Control) or five days (in the case of a Non-Registration Event) following the first day on which the Issuer becomes aware of a Relevant Event, the Issuer shall procure the delivery of a notice regarding such Relevant Event to the Bondholders (in accordance with Condition 16) and the Trustee in writing stating:

(i) the applicable Put Settlement Date;

(ii) the date of the Relevant Event and, briefly, the events causing, as applicable, the Change of Control or Non-Registration Event;

(iii) the date by which a Put Exercise Notice must be given;

(iv) the redemption amount;

(v) the names and addresses of all Paying Agents;

(vi) the procedures that holders must follow and the requirements that holders must satisfy in order to exercise the Relevant Event Put Right; and

(vii) that a Put Exercise Notice, once validly given, may not be withdrawn.

The Trustee and the Agents shall have no obligation or duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with any Relevant Event and shall not be required to monitor or to take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur, and shall not be liable to Bondholders, the Issuer or any other person for not doing so.

For the purpose of these Conditions:

(A) a "**Change of Control**" occurs when:

  (i) Jinan SASAC, the PRC Government and any other Person Controlled by the PRC Government, together cease to directly or indirectly hold or own 100.0 per cent. of the issued share capital of the Issuer; or

  (ii) the Issuer consolidates with or merges into or sells or transfers all or substantially all of its assets to any other Person or Persons, except where such Person(s) (in the case of assets sale or transfer) or the surviving entity (in the case of consolidation or merger) is/are Controlled by the PRC Government;

(B) "**Control**" means (where applicable), with respect to a Person, either (i) or (ii) below is satisfied:

(i) the ownership, acquisition or control of more than 50.1 per cent. of the voting rights of the issued share capital of such Person, whether obtained directly or indirectly or

(ii) the right to appoint and/or remove a majority of the members of the relevant Person's board of directors or other governing body,

whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; the term "Controlled" has meanings correlative to the foregoing;

(C) "**Jinan SASAC**" means the State-owned Assets Supervision and Administration Commission of the Jinan Municipal People's Government or its successor;

(D) a "**Non-Registration Event**" occurs when any of the Registration Conditions is not satisfied;

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

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

(G) "**Registration Conditions**" means the completion of the SAFE Registration on or prior to the Registration Deadline and the receipt by the Trustee of evidence thereof provided in the Registration Documents within the timeframe set forth in Condition 4(d); and

(H) a "**Relevant Event**" will be deemed to occur if:

(i) there is a Non-Registration Event; or

(ii) there is a Change of Control.

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

(d) Notice of Redemption

All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date, in such place and in such manner as specified in such notice in accordance with this Condition 6. If there is more than one notice of redemption given in respect of any Bond including any Tax Redemption Notice given by the Issuer pursuant to Condition 6(b) and any Put Exercise Notice given by a Bondholder pursuant to Condition

6(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail. Neither the Trustee nor any of the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under any notice of redemption and shall not be liable to Bondholders, the Issuer or any other person for not doing so.

(e) Purchase

The Issuer or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer or any such Subsidiary prior to surrender to the Registrar for cancellation pursuant to Condition 6(f), shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Bondholders or for the purposes of Condition 9, Condition 12(a) and Condition 13.

(f) Cancellation

All Certificates evidencing Bonds which are redeemed or purchased by or on behalf of the Issuer or its Subsidiaries may be surrendered to the Registrar for cancellation and, upon surrender thereof, all such Bonds may be cancelled forthwith. Any Certificates so surrendered for cancellation and may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

7 PAYMENTS

(a) Method of Payment:

(i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of the CMU Lodging and Paying Agent or any other Paying Agent if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(iii) below.

(ii) Interest on each Bond shall be paid to the Bondholders shown on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the "**Record Date**").

(iii) Payments on each Bond shall be made in Renminbi by transfer to the registered account of the relevant Bondholder. In these Conditions, a Bondholder's "**registered account**" means the Renminbi account maintained by or on behalf of such Bondholder with a bank in Hong Kong, the details of which appear on the Register at the close of business on the fifth Payment Business Day before the due date for payment.

*For so long as any of the Bonds are represented by the Global Certificate, payment of principal, premium (if any) or interest will be made to the person(s) for whose account(s) interests in the Global Certificate are credited as being held by the Operator at the close of business of 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. Such payment will discharge the Issuer's obligations in respect of that payment. 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 Bondholders, the Issuer, the CMU participants, the indirect participants or any other person in respect of any such payment.*

(iv) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

(b) **Payments subject to Fiscal Laws:** Payments will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) **Payment Initiation:** Payment instructions (for value on the due date or, if that date is not a Payment Business Day, for value on the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if that date is not a Payment Business Day, on the first following day which is a Payment Business Day), or, in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any CMU Lodging and Paying Agent or any other Paying Agent, on a Payment Business Day on which the CMU Lodging and Paying Agent and such other Paying Agent is open for business and on which the relevant Certificate is surrendered.

(d) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day or a day on which the bank where a registered account is maintained is open for receipt of such transfers, or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a transfer made in accordance with Condition 7(a)(ii) reaches the registered account of the Bondholder after the due date for payment.

(e) **Payment Business Days:** In this Condition 7, "Payment Business Day" means a day (other than a Saturday, a Sunday or a public holiday) on which (i) commercial banks and foreign exchange markets are generally open for business and settlement of Renminbi payments in Hong Kong and (if surrender of the relevant Certificate is required) the relevant place of presentation, and (ii) (in the case where the Global Certificate is held by or on behalf of the CMU) the CMU is operating and open for business.

8 TAXATION

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without set-off or counterclaim and 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 within the PRC or any governmental or political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

If the Issuer is required to make any deduction or withholding by or within the PRC at a rate in excess of the rate applicable on 7 September 2026 (the "**Applicable Rate**") or any governmental or political subdivision or any authority therein or thereof having power to tax, then the Issuer shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

(i) **Other connection:** to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the PRC other than the mere holding of the Bond; or

(ii) **Presentation or surrender more than 30 days after the Relevant Date:** in respect of which the Certificate evidencing it is presented or surrendered (where presentation or surrender is required) for payment more than 30 days after the Relevant Date except to the extent that the relevant Bondholder would have been entitled to such Additional Tax Amounts on presenting, or as the case may be, surrendering the Certificate evidencing such Bond for payment on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Bondholders in accordance with Condition 16 that, upon further presentation or, as the case may be, surrender of the Certificate evidencing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation or surrender.

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

If the Issuer becomes subject at any time to any taxing jurisdiction other than the PRC, references in Condition 6(b) and this Condition 8 to the PRC shall be construed as references to the PRC and/or such other jurisdiction (as the case may be).

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, assessments, charges, withholding, deduction or other payment referred to in this Condition 8 or in connection with the Bonds or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer or the Bondholders or any other person to pay such tax, duty, assessment, charges, withholding, deduction or other payment in any jurisdiction or be responsible to provide any notice or information in relation to the Bonds in connection with payment of such tax, duty, assessment, charges, withholding, deduction or other payment, including without limitation any notice or information that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, assessment, charge, withholding, deduction or other payment imposed by or in any jurisdiction.

9 EVENTS OF DEFAULT

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

An "**Event of Default**" occurs if:

(a) **Non-Payment:** there has been a failure to pay when due and payable (i) the principal or premium (if any) of the Bonds or (ii) interest on any of the Bonds and such failure continues for a period of seven days; or

(b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed (other than those referred to in Condition 9(a) or where it gives rise to a redemption of such Bonds pursuant to Condition 6(c)), which default is (i) in the opinion of the Trustee incapable of remedy or (ii) if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after the Trustee has given written notice thereof to the Issuer; or

(c) **Cross-Default:**

(i) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or

(ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or

(iii) the Issuer or any of its Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred in aggregate equals or exceeds U.S.$35,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by People's Bank of China on the day on which this Condition 9(c) operates); or

(d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not discharged or stayed within 30 days; or

(e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Principal Subsidiaries on the whole or any material part of the assets of the Issuer or the relevant Principal Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged or stayed within 30 days; or

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

(g) **Winding-up:** an order is made by a court of competent jurisdiction or an effective resolution is passed for the winding-up or dissolution of the Issuer or any of its Principal Subsidiaries (except for the voluntary solvent winding-up or dissolution of such a Principal Subsidiary), or the Issuer or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except (i) for the purpose of and followed by a reconstruction, dissolution, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Bondholders, (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Issuer or any of its Subsidiaries, or (iii) a disposal of or by a Principal Subsidiary on an arm's length basis where the proceeds (whether in cash or otherwise) from such disposal shall be transferred to or otherwise vested in the Issuer or any of its Subsidiaries; or

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

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

(j) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed; or

(k) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in the foregoing paragraphs (d) to (h) of this Condition 9.

The Trustee and the Agents shall not be required to take any steps to ascertain whether an Event of Default or any Potential Event of Default has occurred and shall not be responsible or liable to the Bondholders, the Issuer or any other person for any loss arising from any failure to do so.

For the purpose of this Condition 9, "**Principal Subsidiary**" at any time shall mean one of the Issuer's Subsidiaries:

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

(a) its revenue (or, in the case of one of the Issuer's Subsidiaries which has one or more Subsidiaries, consolidated revenue) attributable to the Issuer is at least five per cent. of the consolidated revenue of the Issuer and its Subsidiaries;

(b) its net profit (or, in the case of one of the Issuer's Subsidiaries which has one or more Subsidiaries, consolidated net profit) attributable to the Issuer is at least five per cent. of the consolidated net profit of the Issuer and its Subsidiaries; or

(c) its total assets (or, in the case of one of the Issuer's Subsidiaries which has one or more Subsidiaries, consolidated total assets) attributable to the Issuer are at least five per cent. of the consolidated total assets of the Issuer and its Subsidiaries;

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

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

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

10 PRESCRIPTION

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

11 REPLACEMENT OF CERTIFICATES

If any Certificate is mutilated or defaced or is alleged to have been lost, stolen or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority rules, at the specified office of the Registrar or any Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation given to the Bondholders, in each case, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity, pre-funding and otherwise as the Issuer, the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 MEETINGS OF BONDHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND ENTITLEMENT OF TRUSTEE

(a) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement. Such a meeting may be convened by the Trustee or the Issuer and shall be convened by the Trustee upon request in writing from Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding (as defined in the Trust Deed) and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding (as defined in the Trust Deed), or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed (each, a "**Reserved Matter**"), including consideration of proposals, *inter alia*, (i) to modify the maturity date of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 75 per cent., or at any such adjourned meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding (as defined in the Trust Deed). Any Extraordinary Resolution duly passed shall be binding on Bondholders, whether or not they were present at the meeting at which such resolution was passed.

The Trust Deed provides that (i) a resolution in writing signed or (ii) consent given by way of electronic consents through the relevant clearing system(s), in either case, by or on behalf of the Bondholders of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document, or several documents in the same form each signed by or on behalf of one or more Bondholders.

So long as the Bonds are evidenced by the Global Certificate, Extraordinary Resolutions may be passed by way of electronic consents through the relevant clearing system(s) by or *on behalf of the holders of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding (as defined in the Trust Deed).*

(b) Modification, Waiver and Authorisation

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to any modification (other than any modification relating to a Reserved Matter) of, or to the waiver or authorisation of any breach or proposed breach of, or any failure to comply with, any of these Conditions or any of the provisions of the Trust Deed and/or the Agency Agreement which in its opinion is not materially prejudicial to the interests of the Bondholders, or may agree, without any such consent as aforesaid, to any modification hereof or thereof which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provision of applicable law. Any such modification, waiver or authorisation shall be binding on the Bondholders and, unless the Trustee agrees otherwise, such modification, waiver or authorisation shall be notified to the Bondholders by the Issuer as soon as practicable thereafter in accordance with Condition 16.

(c) Entitlement of the Trustee

In connection with the exercise of its functions, rights, powers, authorities and/or discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer (save as provided in Condition 8) or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 ENFORCEMENT

The Trustee may, at its discretion and without further notice, (i) at any time after the Bonds become due and payable take such steps and/or actions and/or institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Agency Agreement and/or the Bonds, as the case may be, and/or (ii) take step and/or action and/or institute proceedings to protect or preserve the rights of the Bondholders, but it need not take any such steps and/or actions and/or proceedings unless:

(a) it shall have first been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds then outstanding (as defined in the Trust Deed), and

(b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Bondholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

The Trustee may refrain from taking any steps and/or actions and/or instituting any proceedings in any jurisdiction if, without limitation, the taking of such steps and/or actions and/or instituting any proceedings in that jurisdiction would, in its opinion, be contrary to any law of that jurisdiction, or otherwise render it liable to any person in that jurisdiction, or if, in its opinion it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

14 TRUSTEE AND AGENTS

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or pre-funded to its satisfaction before taking any action and relieved from responsibility in certain circumstances and to be paid its fees, costs, expenses, liabilities, indemnity payments and other amounts in priority to the claims of the Bondholders. In addition, the Trustee and each of the Agents and their respective affiliates are entitled to (a) enter into business transactions with the Issuer, any of its Subsidiaries and/or any entity relating to the Issuer (directly or indirectly) without accounting for any profit, (b) act as trustee for the holders of any other securities issued by, or relating to, the Issuer and any entity related to the Issuer, (c) exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders and (d) retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee and the Agents may rely conclusively without liability to Bondholders, the Issuer or any other person on any evaluation, report, affirmation, confirmation, certificate or information from or any advice or opinion of any legal counsel, accountants, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee, any Agent or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee and the Agents may accept and shall be entitled to rely conclusively without liability on any such evaluation, report, affirmation, confirmation, certificate, information, advice or opinion and, in such event, such report, confirmation, certificate, information, advice or opinion shall be binding on the Issuer and the Bondholders. The Trustee and the Agents shall not be responsible or liable to the Issuer, the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on any such evaluation, report, affirmation, confirmation, certificate, information, advice or opinion.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take or refrain from taking any action, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking or refrain from taking any such action, making any such decision or giving any such direction or certification, to seek directions from the Bondholders by way of Extraordinary Resolution or clarification of any directions or given as otherwise contemplated or permitted by the Trust Deed and/or the Bonds, and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including but not limited to legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee shall not be responsible or liable for any loss or liability incurred by the Issuer, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from taking such action, making such decision or giving such direction or certification as a result of seeking such direction, approval, instruction or clarification from the Bondholders or in the event that no direction or clarification is given to the Trustee by the Bondholders. None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer or any other person appointed by the Issuer in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely conclusively without liability on any direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of the Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

None of the Trustee or the Agents shall be under any obligation to ascertain whether any Event of Default, Potential Event of Default (as defined in the Trust Deed) or Relevant Event has occurred or may occur or to monitor the performance or compliance of the Issuer in the fulfilment of its obligations under the provisions of the Trust Deed, the Agency Agreement or these Conditions.

The CMU Lodging and Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and its specified offices are listed below. The CMU Lodging and Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the CMU Lodging and Paying Agent, the Registrar or the Transfer Agent and to appoint additional or other Paying Agents and/or Transfer Agents, provided that the Issuer shall at all times maintain (i) a CMU Lodging and Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed, in each case as approved by the Trustee.

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

15 FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects save for the issue date, the first payment of interest on them and the deadlines for making and completing the NDRC Post-issue Filing and the SAFE Registration and the corresponding notices) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. Any further bonds consolidated and forming a single series with the outstanding Bonds shall be constituted by a deed supplemental to the Trust Deed.

16 NOTICES

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

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held by or on behalf of the Operator, any notice to the holders of the Bonds 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 the Conditions. Indirect participants will have to rely on the CMU participants (through whom they hold the Bonds, in the form of interests in the Global Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants.

17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Bonds and the Trust Deed under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that it is expressly provided in these Conditions or the Trust Deed for the Act to apply to any of the terms herein or therein.

18 CURRENCY INDEMNITY

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

19 GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Trust Deed, the Agency Agreement and the Bonds and any issues or disputes arising out of or in connection with any of them (whether such disputes are contractual or non-contractual in nature, such as claims in tort, for breach of statute or regulation or otherwise) shall be governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed and the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed or the Agency Agreement ("**Proceedings**") may be brought in such courts. The Issuer has, in the Trust Deed, and the Agency Agreement, irrevocably submitted to the exclusive jurisdiction of such courts and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) Agent for Service of Process

The Issuer has irrevocably appointed in the Trust Deed Jinan Urban Construction International Investment Co., Limited at its registered office currently at Suites 904-5, 9th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong as its authorised agent in Hong Kong to receive service of process in any Proceedings in Hong Kong. Such service shall be deemed completed on delivery to Jinan Urban Construction International Investment Co., Limited (whether or not it is forwarded to and received by the Issuer). If for any reason Jinan Urban Construction International Investment Co., Limited ceases to be such an agent of the Issuer for the service of process in Hong Kong, the Issuer shall promptly appoint a new agent in Hong Kong to accept service of process on its behalf and shall deliver to the Trustee a copy of such agent's acceptance of that appointment within 30 days of such cessation, failing which the Trustee shall be entitled to appoint (at the expense of the Issuer) such an agent by written notice to the Issuer. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) Waiver of Immunity

The Issuer has 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.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

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

Terms defined in the Conditions set out in this Offering Circular have the meaning in the paragraphs below.

The Bonds will be represented by a Global 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 CMU.

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if the CMU or any other clearing system selected by the Issuer and notified in writing to the Trustee, the CMU Lodging and Paying Agent and the Registrar (an "**Alternative Clearing System**") through which the Bonds are held is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds evidenced by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of the Bonds.

PROMISE TO PAY

Under the Global Certificate, the Issuer promises to pay such principal, interest and such other sums and additional amounts (if any) as may be payable under the Terms and Conditions on the Bonds to the registered holder of the Bonds on such date or dates as the same may become payable in accordance with the Terms and Conditions.

Notwithstanding the provisions of the preceding paragraph, for so long as the Global Certificate is held by or on behalf of the Operator, payments of interest, premium or principal will be made to the CMU which will credit the same in accordance with the CMU Rules to the person(s) shown in the records of the Operator as the holder of a particular principal amount of Bonds (each an "**accountholder**") at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means a day on which the CMU is operating and open for business. Payment made in accordance with the CMU Rules as set out in the immediately preceding sentence shall discharge the obligations of the Issuer in respect of that payment.

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 and the CMU Lodging and Paying Agent shall have no liability to the Bondholders, the Issuer, the CMU participants, the indirect participants or any other person in respect of such payment. For these purposes, a notification from the Operator shall be conclusive evidence of the records of the CMU (save in the case of manifest error). Save in the case of final payment, no presentation of the Global Certificate shall be required for such purpose.

NOTICES

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held by or on behalf of the CMU, any notice to the holders of the Bonds may be given by delivery of the relevant notice to the CMU for communication by the CMU or, as the case may be, any Alternative Clearing System, to each relevant accountholder in substitution for notification as required by the Conditions rather than by mailing to the addresses in the Register as required by the Conditions. Indirect participants will have to rely on the CMU participants (through whom they hold the Bonds, in the form of interests in the Global Certificate) to deliver the notices to them, subject to the arrangements agreed between the indirect participants and the CMU participants any such notice shall be deemed to have been given to the Bondholders on the day on which such notice is delivered to the CMU or, as the case may be, any Alternative Clearing System.

MEETINGS

For the purposes of any meeting of Bondholders, the registered holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each CNY10,000 in principal amount of Bonds for which the Global Certificate is issued.

BONDHOLDER'S REDEMPTION

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

Notice of exercise received within the time limits specified in the Conditions by the CMU Lodging and Paying Agent from or on behalf of a holder of a book-entry interest in the relevant Bonds will be accepted by the Issuer as having been given by the holder as to the principal amount of Bonds in respect of which it is given (but without double counting), and whether or not the Global Certificate is presented for endorsement therewith.

ISSUER'S REDEMPTION

The option of the Issuer provided for in Condition 6(b) (*Redemption for Taxation Reasons*) shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by that the Conditions.

TRANSFERS

Transfer of beneficial interests in the Bonds will be effected through the records maintained by the CMU (or any Alternative Clearing System) and its participants in accordance with the rules and operating procedures of the CMU (or any Alternative Clearing System) and its direct and indirect participants.

CANCELLATION

On cancellation of any Bond represented by the Global Certificate that is required by the Terms and Conditions to be cancelled, the Issuer acknowledges that details of such cancellation shall be entered in the records of the relevant Clearing Systems in accordance with the rules and procedures of the CMU (or any Alternative Clearing System, as the case may be) and, upon any such entry being made, the principal amount of the Bonds recorded in the records of the relevant Clearing Systems and represented by the Global Certificate shall be reduced by the aggregate principal amount of the Bonds so cancelled.

TRUSTEE'S POWERS

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

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

USE OF PROCEEDS

The gross proceeds from the offering of the Bonds will be CNY1,966.0 million. After deducting commissions and other expenses payable in connection with the offering of the Bonds, the remaining proceeds from the offering of the Bonds will be used for refinancing the Group's existing offshore indebtedness.

CAPITALISATION AND INDEBTEDNESS OF THE ISSUER

The following table sets forth the consolidated total indebtedness (both current and non-current portions), total equity and total capitalisation of the Group as at 31 December 2025 (i) on an actual basis and (ii) on an adjusted basis to give effect to the issue of the Bonds before deducting the commissions and other estimated expenses payable by the Issuer in connection with the offering of the Bonds.

	As at 31 December 2025	
	Actual	**As adjusted**
	(RMB)	**(RMB)**
	(in millions)	
Current indebtedness:		
Short-term borrowings	20,853.8	20,853.8
Other current liabilities	6,106.8	6,106.8
Non-current liabilities due within one year	40,264.3	40,264.3
Total current indebtedness	**67,224.9**	**67,224.9**
Non-current indebtedness:		
Long-term borrowings	94,392.5	94,392.5
Bonds payable	48,384.4	48,384.4
Long-term payables	41,371.8	41,371.8
Bonds to be issued(2)	–	1,966.0
Total non-current indebtedness	**184,148.7**	**186,144.7**
Total indebtedness(3)	**251,373.6**	**253,339.6**
Total equity	**113,157.9**	**113,157.9**
Total capitalisation(4)	**364,531.5**	**366,497.5**

Notes:

(1) This amount represents the aggregate principal amount of the Bonds to be issued, before deducting the underwriting fees and commissions and other estimated expenses payable in connection with this offering.

(2) Total indebtedness equals the sum of total current indebtedness and total non-current indebtedness.

(3) Total capitalisation represents the sum of total indebtedness and total equity.

Since 31 December 2025, the Group continued utilising external financing in the ordinary course of business to finance its operation. 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.

As at the date of this Offering Circular, there has been no material change to the consolidated capitalisation and indebtedness of the Group since 31 December 2025 other than as described above.

DESCRIPTION OF THE GROUP

OVERVIEW

The Group is a key developer in Jinan responsible for the construction, engineering and operation of urban infrastructure projects. The Company was incorporated in June 2017 pursuant to the approval of the Jinan Municipal Government as one of the six state-owned conglomerates which in aggregate consolidated 188 state-owned enterprises controlled by the Jinan Municipal Government. Being the largest one among the six, the Group has been focusing on municipal construction, land development and real estate development activities within Jinan, especially in the West New City Area (西部新城) and the Binhe New District (濱河新區). As at the date of this Offering Circular, the Company is 91.852 per cent. directly owned by Jinan SASAC and 8.148 per cent. indirectly owned by Shandong Provincial Department of Finance (山東省財政廳).

The Group primarily conducts its business within Jinan, the capital city and the political, economic, cultural and financial centre of Shandong Province. Leveraging its abundant natural resources, well-developed transportation system and completed industrial value chains, Jinan has undergone rapid urban development in recent years. The Group, acting as one of the primary government-designated platforms through which the Jinan Municipal Government implements its blueprint for Jinan's urban development, is dedicated to promoting and facilitating Jinan's continuous urbanisation and economic growth, especially in the West New City Area and the Binhe New District. As an attestation to its achievements, the Group has received a number of awards for its construction projects over the years, including the "China Civil Engineering Zhan Tianyou Award (中國土木工程詹天佑獎)", the highest honour for civil engineering projects in China. The Group's primary businesses are as follows:

- *Engineering and Construction*. The Group primarily constructs two types of projects under its engineering and construction business, namely market-oriented construction projects and entrusted construction projects. For market-oriented construction projects, the Group sources business opportunities from the open market and adopts the general contracting business model to construct the projects. For entrusted construction projects, the Group constructs these projects as commissioned by the Government of Starting Area of Jinan City (濟南市起步區政府), and maintains possession of the projects it has constructed and receives long-term income from the operation of such projects. For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's engineering and construction business was RMB27,831.8 million, RMB29,645.9 million and RMB29,105.4 million, respectively, representing 77.2 per cent., 75.9 per cent. and 74.2 per cent., respectively, of the Group's total operating revenue for the same periods.

- *Land Development*. The Group's land development business primarily involves conditioning of land parcels as planned by the Jinan Municipal Government and the Jinan Land and Resources Bureau (濟南市國土資源局) and transforming such land parcels into a condition ready for secondary real property development. The land development process involves facilitating the conveyancing of relevant land parcels, resettlement of current residents, demolition of existing buildings, land clearance, and construction of supporting facilities. The Group's land development business is primarily conducted within the areas of Jinan designated by the Jinan Municipal Government and the Jinan Land and Resources Bureau, including the North Lake Area (北湖片區), the Huashan Area (華山片區), the University and Technology Park Area (大學科技園片區) and the West Railway Station Area (西客站片區). For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's land development business was RMB1,134.4 million, RMB1,247.2 million and RMB1,806.0 million respectively, representing 3.1 per cent., 3.2 per cent. and 4.6 per cent., respectively, of the Group's total operating revenue for the same periods.

- *Real Estate Development*. The Group's real estate development business primarily involves development and sale of residential and commercial housing in Jinan. The Group develops real estate projects on its own and in collaboration with other reputable real estate developers. For the years ended 31 December 2023, 2024 and 2025, the operating revenue generated from the Group's real estate development business was approximately RMB2,938.2 million, RMB2,828.9 million and RMB3,128.7 million, respectively, representing 8.2 per cent., 7.2 per cent. and 8.0 per cent., respectively, of the Group's total operating revenue for the same periods.

- *Other Primary Businesses*. The Group also engages in other businesses, which include sale of petroleum products, leasing and property management services, project management, supervision and inspection services, operation and maintenance services and toll operations. For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's other primary businesses was RMB4,076.3 million, RMB5,314.9 million and RMB5,147.4 million, respectively, representing 11.3 per cent., 13.6 per cent. and 13.1 per cent., respectively, of the Group's total operating revenue for the same periods.

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

	For the year ended 31 December					
	2023		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions)		(RMB in millions)		(RMB in millions)	
Primary business	**35,980.8**	**99.8**	**39,036.9**	**99.9**	**39,187.6**	**99.9**
Engineering and construction	27,831.8	77.2	29,645.9	75.9	29,105.4	74.2
Land development	1,134.4	3.1	1,247.2	3.2	1,806.0	4.6
Real estate development	2,938.2	8.2	2,828.9	7.2	3,128.7	8.0
Other primary businesses(1)	4,076.3	11.3	5,314.9	13.6	5,147.4	13.1
Ancillary businesses(2)	**54.5**	**0.2**	**42.8**	**0.1**	**41.7**	**0.1**
Total operating revenue	**36,035.3**	**100.0**	**39,079.7**	**100.0**	**39,229.4**	**100.0**

Notes:

(1) Other primary businesses include (i) sale of petroleum products, (ii) leasing and property management services, (iii) project management, supervision and inspection services, (iv) operation and maintenance services, (v) toll operations and (vi) commercial trading.

(2) Ancillary businesses include water supply, sale of agricultural products, sale of steel, brewing, accommodation and catering, conference service and operation of parking lots and tour buses.

For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's business operation was RMB36,035.3 million, RMB39,079.7 million, and RMB39,229.4 million, respectively. As at 31 December 2023, 2024 and 2025, total assets of the Group were RMB368,471.6 million, RMB390,560.6 million and RMB418,314.1 million, respectively.

COMPETITIVE STRENGTHS

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

Strong Support from the Group's Controlling Shareholder

The Company is controlled by Jinan SASAC, a government organ of the Jinan Municipal Government. Given the key role of the Group as one of the primary government-designated platforms through which the Jinan Municipal Government implements its strategic blueprint for Jinan's urban development, Jinan SASAC and the Jinan Municipal Government have, in the past, supported the Group's financial strengths, credit and comprehensive competitiveness in various forms, including capital and asset injections as well as financial subsidies and other grants.

The Group has received multiple rounds of capital injections in various forms from Jinan SASAC and Jinan Municipal Government. For example, Jinan SASAC transferred a number of key state-owned enterprises to the Group as capital contribution, including Jinan West City Investment Development Group Co., Ltd. (濟南西城投資開發集團有限公司) ("**West City Investment and Development Group**"), Jinan Binhe New District Construction and Investment Group Co., Ltd. (濟南濱河新區建設投資集團有限公司) ("**Binhe Construction and Investment Group**"), Jinan Municipal Public Assets Management and Operation Co., Ltd. (濟南市政公用資產管理運營有限公司) and Jinan City Urban Construction Group Co., Limited (濟南城建集團有限公司). As at the date of this Offering Circular, the Company has a registered capital of RMB45.0 billion. For more details, see "— *Group Structure*" and "— *History and Development*". Furthermore, for the years ended 31 December 2023, 2024 and 2025, government subsidies to the Group had amounted to approximately RMB60.6 million, RMB65.9 million, and RMB67.2 million, respectively.

Given the strategic importance of the Group's projects to the urban development of Jinan, the Jinan Municipal Government has made special provisions in its fiscal budgets for the past years to fund the development of the Group's projects. In addition, the Group has been granted the operation rights of a number of facilities and urban development projects it developed and constructed, so that the Group may generate long-term operating revenue from the operation of these projects. The Jinan Municipal Government has also granted the Group certain permissions and franchises, such as the permissions for outdoor advertisement and underground space development in designated areas. Although there can be no guarantee regarding future support, the strong support in the past from the Jinan Municipal Government has greatly increased the business stability and comprehensive competitiveness of the Group, which in turn contributes to the future growth of the Group.

Leading Position and Unparalleled Market Share in Jinan in the Infrastructure Construction and Urban Development Sectors

The Group is a leading enterprise and a key platform engaging in infrastructure construction and urban development businesses in Jinan. The Group possesses a wide variety of construction and urban development-related qualifications, covering all stages of infrastructure construction and urban development projects, which enables the Group to provide integrated services to customers. Through its years of operations, the Group also cumulated a deep bench of professional experts. Leveraging its extensive business scope as well as its well-rounded business qualifications, extensive operational experience and excellent professional teams, the Group has an unparalleled market share for its key businesses in Jinan and has undertaken a number of key infrastructure and urban development projects with strategic importance in the region. For example, the Group has undertaken the construction of the Jinan City Huanggang Road Across Yellow River Tunnel (濟南市黃崗路穿黃隧道), the Jinan City Aerospace Avenue Across Yellow River Tunnel (濟南市航太大道穿黃隧道), and the G104 Beijing-Pingtan Line Jinan Yellow River Highway Bridge Expansion (G104京嵐線濟南黃河公路大橋擴建).

Over the years, the Group has built a widely recognised reputation through its delivery of high-quality projects, which helps the Group to acquire business opportunities on the market. The Group has also entered into strategic cooperation arrangements with a number of well-known development and transportation companies, such as China Overseas Land & Investment Ltd. (中國海外發展有限公司) and Jinan Rail Transit Group Co., Ltd (濟南軌道交通集團有限公司), and certain major financial institutions to further grow its infrastructure construction and urban development business.

Diversified Business Portfolio with Synergy Emerging among Different Business Segments

The Group believes that a diversified business portfolio is a key factor enabling it to create synergies among different business segments and benefit its overall growth. The Group currently focuses primarily on its engineering and construction business and land development business. The Group also engages in other businesses, such as real estate development. For more details, see "— Description of the Group's Business". In recent years, the Group has expanded its businesses into other areas. For example, the Group operates the Shandong Jinan Elderly Care Centre (山東濟南養老服務中心), a retirement community with a total GFA of approximately 120,000.0 sq.m. and a total investment amount of approximately RMB1.0 billion, providing elderly care, medical services, rehabilitation exercise and social activities to elderly persons. The Group also owns the Shandong Jixi National Wetland Ecological Park (山東濟西國家濕地公園), an ecological leisure park integrating the functions of ecological preservation, science education, cultural exhibition, leisure and tourism. The diversified business portfolio has brought a diversified source of income and a steady growth in the Group's profit. The Group believes that the synergies emerging among its business segments will enable the Group to obtain commercial opportunities, minimise the risk of relying on a single business segment and continue to contribute to the Group's growth and development.

Sufficient Funding and Diversified Financing Channels

The Group has over the years cumulated abundant capital resources through its growing business operations and shareholder support. As at 31 December 2025, the Group's cash and bank balances amounted to RMB18.4 billion.

In addition to capital injections from its controlling shareholder and cash generated from its business operations, the Group has also established and maintained diversified financing channels, such as bank facilities and debt securities issuances, to satisfy its capital requirements. Over the years, the Group has cultivated stable relationships with numerous national policy banks, reputable commercial banks and other financial institutions in China, including China Development Bank, Agricultural Development Bank of China, Industrial and Commercial Bank of China, Agricultural Bank of China, Bank of China, China Construction Bank, Bank of Communications, China CITIC Bank, China Merchants Bank, China Everbright Bank and PingAn Bank. The Group has also entered into comprehensive strategic cooperation arrangements with China Construction Bank Shandong branch, Bank of Communications Shandong branch, Industrial and Commercial Bank of China Shandong Branch, Agricultural Bank of China Shandong branch and Qilu Bank, which have helped provide a solid foundation for the Group's access external financing. As at 31 December 2025, the Group had total credit facilities of approximately RMB262.5 billion, of which approximately RMB117.5 billion had not been utilised.

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, perpetual notes, super short-term commercial papers and special bonds (4項債) to fund its specific projects. The Company has been assigned credit ratings of AAA by China Chengxin Securities Rating Co., Ltd. (中誠信證券評估有限公司), "Baal" by Moody's and "BBB+" by Fitch. Such credit ratings have affirmed the Group's creditworthiness and further improved the Group's financing capabilities on the debt capital markets. The Group carefully manages the duration of its indebtedness to ensure its liquidity and sustainable funding. As at 31 December 2025, indebtedness due within one year (including short-term borrowings, non-current liabilities due within one year and other current liabilities) amounted to RMB67.2 billion, representing 22.0 per cent. of the Group's total indebtedness as at the same date. Leveraging on its diversified financing channels and excellent credit rating, the Group successfully satisfies its capital requirements at a low financing cost. As at 31 December 2025, the Issuer's non-standard financing cost range was between four to seven per cent., with a weighted financing cost of 3.7 per cent. The Group believes that its strong cash generating and financing capabilities will continue to provide adequate sources of funding for its daily operation, business development and debt repayments.

Sound Internal Control Framework and Shareholder Oversight

The Group greatly values the importance of a sound internal control framework, which the Group believes has contributed significantly 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 covering its budget management, financial control, financing management, project construction and data management, internal audits, provision of guarantees, related party transactions and other matters. For example, the Group centrally manages its liquidity and cash flow with an aim to fully utilise its capital while ensuring the security of its funds. The Group aims to keep its debt-to-asset ratio below 70 per cent. on a consolidated basis, and to keep its indebtedness due within one year at a level of no more than 20 per cent. of its total indebtedness.

In addition to the Group's internal control and management, Jinan SASAC, as the controlling shareholder of the Company, also participates in and closely monitors the Group's decision-making process for key projects, reviews the Group's development strategy and investment plans, and appoints and reviews the performance of the directors, supervisors and senior management of the Company. The Group's senior management and the relevant government authorities regularly have in-depth discussions regarding the Group's key investment projects, and essential appraisal procedures are conducted before investment decisions are made.

The Group believes that its comprehensive internal control framework and the close oversight from its controlling shareholder allow the Group to promptly identify and mitigate various risks emerging from its operations.

Strong and Experienced Management Team

The Group's directors and senior management personnel are highly experienced with a proven track record of performance. For details on the qualification, experience and credentials of the Company's directors and senior management, please see "*Directors, Supervisors and Senior Management*". With extensive management experience and in-depth industrial knowledge and insight, the Group's directors and senior management have been critical to its success and their strategic version and leadership have positioned the Group for continued growth. The Group believes that its management team, with a proven track record in delivering excellent operational and financial results, is equipped with the critical knowledge and skills required to take advantage of market opportunities, which are expected to continue to improve the Group's overall performance.

BUSINESS STRATEGIES

In accordance with the Jinan Municipal Government's strategic plan to deepen the investment and financing reform, improve the overall management and operational capabilities for state-owned assets and state-owned capital, and build a comprehensive investment and financing platform (深化投融資體制改革、提升國有資產、國有資本統籌運營能力、做大做強投融資平台), the Group aims to maintain its leading position in the infrastructure construction and urban development sector in Jinan while leveraging on innovation and capital strength to further diversity its business portfolio. To achieve such goal, the Group intends to focus on the following business strategies.

Continuing its Focus on the Infrastructure Construction and Urban Development Sector and Realise Sustainable Growth

As a key developer in Jinan responsible for the construction, engineering and operation of urban infrastructure projects, the Group intends to continue its focus on its core businesses, namely engineering and construction and land development. To meet such end, the Group intends to actively exploit its resources in terms of business scale, talent reserve, cooperative partnerships, government relations and brand image (規模資源、人才資源、合作夥伴資源、政府資源、品牌資源). In particular, the Group plans to introduce an innovative talent selection and cultivation regime to attract management and technology experts to accelerate its growth. By further growing its business in line with the urban development of Jinan, the Group intends to enhance its market competitiveness and achieve sustainable growth in the long run and further improve its ability to acquire new projects from the market.

Further Diversifying its Business Portfolio and Deepening its Reform

The Group believes that a diversified business portfolio is able to create synergy and benefit the Group's business. While the Group intends to maintain its existing competitiveness in the engineering and construction, land development and real estate development sectors, it plans to continue diversifying its business portfolio and to expand into industries that will provide synergies with the Group's primary businesses including concession operations, engineering consulting, culture and tourism, environment protection, asset operation, and investment and financial services. A diversified and integrated business portfolio is expected to enable the Group to further increase its capabilities to manage and integrate resources and acquire business opportunities in all stages and all aspects of the urban development process. Supported by the Group's extensive experience and strong execution ability, the Group believes it is well positioned to tap into these areas and transform into a comprehensive urban developer.

In addition, the Group adheres to the strategic plan of the Jinan Municipal Government to deepen the investment and financing reform, improve the overall management and operational capabilities for state-owned assets and state-owned capital, and build a comprehensive investment and financing platform. Specifically, the Group aims to further implement effective cost control measures, develop systematic and standardised management procedures, optimise resources management and improve capital efficiency. The Group believes that by further deepening its reform, the Group is able to improve its profitability and achieve sustainable growth in the long run.

Further Diversifying the Group's Funding Sources

The Group has established a prudent financing structure wherein it obtains financing primarily through bank facilities and debt securities offerings. The Group plans to maintain close relationships with financial institutions and capital market investors, in the meanwhile exploring additional funding resources, such as accessing new markets for debt offerings to further optimise its financing structure. The Group believes a diversified financing structure can help improve its financial stability and secure funding at larger scales and on more favourable terms, which in turn can strengthen its capability to manage and operate state-owned assets.

RECENT DEVELOPMENT

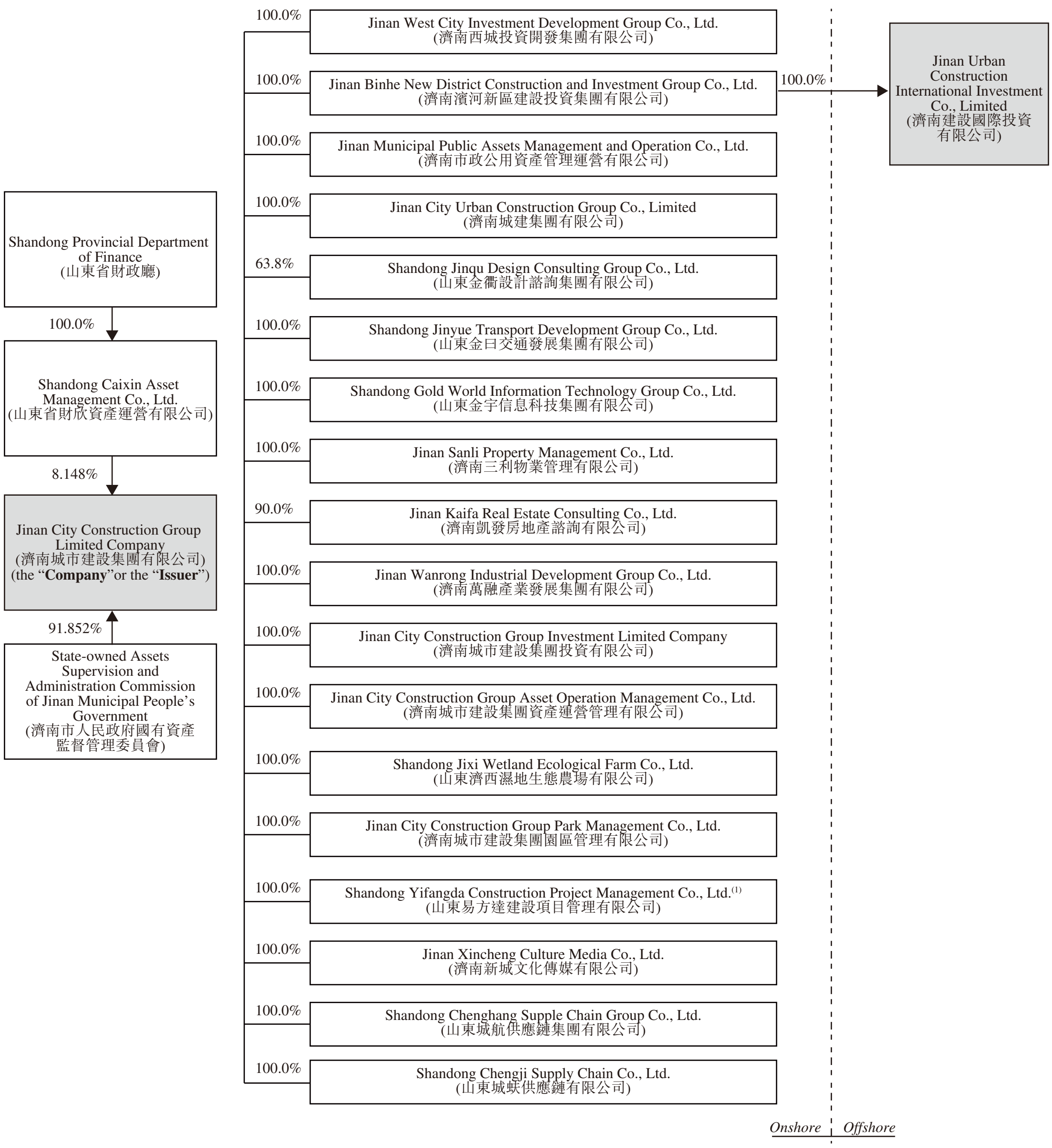
Interim Results as at and for the Six Months Ended 30 June 2026

As at 30 June 2026, compared to that as at 31 December 2025, the Group's other equity instrument investments decreased, primarily attributable to the disposal of certain such investments; the Group's short-term borrowings increased, primarily attributable to new borrowings in the past six months. For the six months ended 30 June 2026, compared to the same period in the preceding year, the Group's operating revenue decreased, primarily attributable to decrease in the Group's engineering and construction business; the Group's selling expenses increased, primarily caused by the newly acquired subsidiaries acquired by the Group in the second half of 2025; the Group's other income decreased, primarily attributable to decrease in government subsidies received; the Group's credit impairment loss increased, primarily attributable to increase in provision for impairment; the Group's net profit decreased, primarily attributable to increase in credit impairment loss; the Group incurred other comprehensive loss, primarily attributable to fair value change in other equity instrument investments.

Such financial information has not been subject to an audit or review by the Group's independent auditors and should not be relied upon by investors to provide the same quality of information associated with audited or reviewed financial information. Potential investors must exercise caution when using such financial information to evaluate the Group's financial condition and results of operations. The financial information as at and for the six months ended 30 June 2026 does not form a part of this Offering Circular and should not be taken as an indication of the Group's expected financial condition or results of operations as at and for the full financial year ending 31 December 2026. See "*Risk Factors — Risks Relating to the Group and Its Business — Investors should not place any reliance on the financial information which is unreviewed or unaudited*".

GROUP STRUCTURE

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



Note:

(1) The Company directly holds 65.0 per cent., and indirectly and beneficially holds 35.0 per cent. of the equity interest of Shandong Yifangda Construction Management Group Co., Ltd. through its controlling subsidiary, Jinan Xincheng Chuangzhan Equity Investment Fund Partnership (Limited Partnership) (濟南新城創展股權投資基金合夥企業(有限合夥)). The Company directly and indirectly holds 99.9 per cent. of the equity interest of Jinan Xincheng Chuangzhan Equity Investment Fund Partnership (Limited Partnership).

HISTORY AND DEVELOPMENT

In June 2017, the Company was established as a part of Jinan Municipal Government's efforts to consolidate and restructure a number of state-owned enterprises it controlled. Pursuant to the Circular on the Consolidation and Adjustment Plan for Municipal Investment and Financing Platforms in Jinan (Ji Zheng Fa [2017] No. 8) (關於印發濟南市市級投融資平台整合調整方案的通知(濟政發[2017]8號)) and the Circular on Consolidation of Municipal Investment and Financing Platforms and Promoting the Uniform Supervision of Municipal State-owned Assets in Jinan (Ji Zheng Zi [2017] No. 31) (關於印發整合調整市級投融資平台推進市屬經營性國有資產統一監管實施方案的通知(濟政字[2017]31號)), the Company was established by Jinan SASAC as a holding company to consolidate certain state-owned enterprises to achieve business synergies and optimise allocation of resources. As at the date of this Offering Circular, the Company has a registered capital of RMB45.0 billion.

The following table sets forth selected milestone events in the course of development of the Company and the Group:

Year	Milestone Events
2017	The Company was established by Jinan SASAC with an initial registered capital of RMB45.0 billion. In the same year, Jinan SASAC contributed RMB34.6 billion in the form of equity interests in a number of state-owned enterprises, including West City Investment and Development Group, Binhe Construction and Investment Group, Jinan Municipal Public Assets Management and Operation Co., Ltd. and Jinan Huanghe Luqiao Construction Group Co., Ltd. (濟南黃河路橋建設集團有限公司) and Jinan City Urban Construction Group Co., Limited.
	Upon its formation, the Group was in the process of constructing a number of key projects, such as land development and urban development projects in the North Lake Area, the Huashan Area, the University and Technology Park Area and the West Railway Station Area of Jinan, as well as the Jiluo Road Yellow River Tunnel Project (濟濼路穿黃隧道項目).
2018	The Group was awarded "Jinan Science and Technology Progress Award (濟南市科技技進步獎) by the Jinan Municipal Government for two of its technical applications.
	The Group commenced certain key projects in Jinan, such as Jinan Qilu Yellow River Bridge Project (齊魯黃河大橋項目) and Phoenix Yellow River Bridge Project (鳳凰黃河大橋項目), Yellow River Shelterbelt Upgrading Project (黃河防護林提升工程項目), Urban Village Relocation Housing Project (城中村安置房項目) and North Extension of Phoenix Road Engineering Project (鳳凰路北延工程).
2019	The Group was awarded "China Civil Engineering Zhan Tianyou Award", the highest honour for civil engineering projects in China, by China Civil Engineering Society Housing Construction Instruction Work Committee (中國土木工程學會住宅工程指驅動技術研究院工程試驗區項目), for its relocation housing project, Wujiapu Relocation Housing Project Phase I (吳家堡安置房一期).

The Group commenced the Engineering Pilot Area and the Science Research Area Project of Institute of Advanced Electromagnetic Drive Technology, Chinese Academy of Sciences Institute of Electro-technics (中國科學院電工研究所先進電磁驅動技術研究院工程試驗區項目), Xiaoqinghe Ecological Landscape Belt Renovation and Upgrading Project (小清河生態景觀帶改造提升工程) and Jinan New and Old Energy Conversion Pilot Area Detonation Zone Municipal Road Construction Project (濟南新舊動能轉換先行區引爆區市政道路工程).

The Group received "National Quality Project Award (國家優質工程獎)" for its tunnel and flyover project on the Jinan Second Ring South Road (濟南市二環南路).

2020 . . . . The Group was awarded "2019 Shandong Province Quality Architecture Structure Project (2019年度山東省建築工程優質結構工程) and "Taishan Cup (泰山杯)" for a number of transportation construction projects.

The Group won the first prize in the "Construction Engineering BIM Achievement Competition (山東省建設工程BIM成果競賽)", hosted jointly by Shandong Construction Union (山東省建工會) and Shandong Construction Industry Association (山東省建築業協會).

The Company was assigned a credit rating of AAA by China Chengxin Securities Rating Co., Ltd.

The Group initiated the Binzhou Road Middle School Project (濱州路中學項目), West Railway Station Zhangliu Area Municipal Road Project (西客站張劉片區市政道路項目), Huashan Area Municipal Side Way Project (華山片區城市支路道路工程) and Taiping Relocation Area Project (太平安置區項目).

The Company was assigned corporate ratings of "Baa2" by Moody's and "BBB+" by Fitch.

The Company issued guaranteed bonds with an aggregate principal amount of U.S.$200 million due 2021.

2021 . . . . The outlook of the Company's corporate rating by Moody's was changed from stable to positive.

The Company issued guaranteed bonds with an aggregate principal amount of U.S.$300.0 million due 2026.

8.148 per cent. of the shares of Company was transferred from Jinan SASAC to Shandong Caixin Asset Management Co., Ltd. (山東省財欣資產運營有限公司), a company wholly-owned by Shandong Provincial Department of Finance. After the transaction, the Company has been 91.852 per cent. directly owned by Jinan SASAC and 8.148 per cent. directly owned by Shandong Caixin Asset Management Co., Ltd.

The Company's independent auditor was changed to Pan-China CPA.

2022	The Company issued two tranches of bonds in the China (Shanghai) Pilot Free Trade Zone with an aggregate principal amount of CNY1,200.0 million which will be due in 2025.
2023	The Company issued guaranteed bonds with an aggregate principal amount of CNY2.0 billion due 2026.
2024	The Company issued two tranches of bonds with an aggregate principal amount of CNY4.0 billion due 2027.
	The Company issued guaranteed bonds with an aggregate principal amount of U.S.$506.0 million due 2027.
2025	The Company's independent auditor was changed to Shandong Jiancheng CPA.

RELATIONSHIP WITH THE JINAN MUNICIPAL GOVERNMENT

Jinan SASAC, a government organ of the Jinan Municipal Government, directly owns 91.852 per cent. of the Company's equity interest, and the Shandong Provincial Government, through Shandong Caixin Assets Operation Co., Ltd., a company wholly-owned by Shandong Provincial Department of Finance, indirectly owns 8.148 per cent. of the Company's equity interest. As a leading state-owned company based in Jinan, the Group has extensive connections with other entities directly or indirectly controlled by Jinan SASAC, the Jinan Municipal Government or the Shandong Provincial Government. Over the years, the Group has been commissioned by the Jinan Municipal Government and other government entities and agencies to participate in numerous operation projects covering the business segments of engineering and construction, land development and real estate development.

Notwithstanding the Group's extensive relationships with Jinan SASAC, the Jinan Municipal Government, the Shandong Provincial Government and other entities controlled by them, the various social and community functions performed by the Group, and the financial support received by the Group in the past, the Company is not part of any government. It is operationally and financially separated from Jinan SASAC, the Jinan Municipal Government and the Shandong Provincial Government. Its functions and departments are separated from those of the government and do not share any premises with Jinan SASAC, the Jinan Municipal Government and the Shandong Provincial Government. The directors and the senior management of the Company are not government officers. The Company has its own budget and financial reporting system, and its assets and liabilities are separated from those of Jinan SASAC, the Jinan Municipal Government and the Shandong Provincial Government. Jinan SASAC, as the controlling shareholder of the Company, is only responsible for the liability of the Company up to the limit of its equity contributions to the Company. Neither Jinan SASAC, the Jinan Municipal Government, the Shandong Provincial Government nor any other PRC governmental entity has any payment or other obligations under the Bonds or the Trust Deed, and they will not provide guarantee of any kind for the Bonds. The Bondholders do not have any recourse against Jinan SASAC, the Jinan Municipal Government, the Shandong Provincial Government, or any other PRC governmental entities in respect of any obligation arising out of or in connection with the Bonds or the Trust Deed. The Bonds are solely to be repaid by the Company, and the obligations of the Company under the Bonds and the Trust Deed shall solely be fulfilled by the Company as independent legal persons. Investments in the Bonds are on the credit risk of the Company, rather than that of Jinan SASAC, the Jinan Municipal Government, the Shandong Provincial Government, or any other PRC governmental entity. In the event that the Company does not fulfil its obligations under the Bonds or the Trust Deed, investors will only be able to claim as an unsecured creditor against the Company and its assets, and not any other person, including Jinan SASAC, the Jinan Municipal Government, the Shandong Provincial Government nor any other PRC governmental entity.

This position has been reinforced by Circular 23, Circular 706 and Circular 666. However, none of these Circulars prohibits the PRC Government from providing support (in various forms including capital injection and subsidies, but excluding credit support and injection of any kinds of public assets and land reserves as the Group's assets) to the Group in its ordinary course of business in compliance with PRC laws and regulations. The detailed description of the relationships between the Company, Jinan SASAC, the Jinan Municipal Government and the Shandong Provincial Government in this Offering Circular does not imply in any way any explicit or implicit credit support of these government organs or entities in respect of the Bonds, the repayment of which remains the sole responsibilities of the Company. See also the risk factors entitled "*A reduction or discontinuance of government support could materially and adversely affect the Group's business, financial condition, results of operations and prospects*" and "*Jinan SASAC and the Jinan Municipal Government can exert significant influence over the Group, and may not act in the best interests of the Group*" in the section entitled "*Risk Factors — Risks Relating to the Group and its Business*".

DESCRIPTION OF THE GROUP'S BUSINESS

Overview

The Group is a key developer in Jinan responsible for the construction, engineering and operation of urban infrastructure projects. The Company was incorporated in June 2017 pursuant to the approval of the Jinan Municipal Government as one of the six state-owned conglomerates which in aggregate consolidated 188 state-owned enterprises controlled by the Jinan Municipal Government. Being the largest one among the six, the Group has been focusing on municipal construction, land development and real estate development activities within Jinan, especially in the West New City Area and the Binhe New District. As at the date of this Offering Circular, the Company is controlled by Jinan SASAC, a government organ of the Jinan Municipal Government.

The Group has a diverse business portfolio and primarily engages in engineering and construction, land development, real estate development and other primary businesses, which include sale of petroleum products, leasing and property management services, project management, supervision and inspection services, operation and maintenance services and toll operations. In addition to its primary business segments, the Group also generates operating revenue from certain ancillary businesses.

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

	For the year ended 31 December					
	2023		2024		2025	
	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB in millions)		(RMB in millions)		(RMB in millions)	
Primary business	**35,980.8**	**99.8**	**39,036.9**	**99.9**	**39,187.6**	**99.9**
Engineering and construction	27,831.8	77.2	29,645.9	75.9	29,105.4	74.2
Land development	1,134.4	3.1	1,247.2	3.2	1,806.0	4.6
Real estate development	2,938.2	8.2	2,828.9	7.2	3,128.7	8.0
Other primary businesses(1)	4,076.3	11.3	5,314.9	13.6	5,147.4	13.1
Ancillary businesses(2)	**54.5**	**0.2**	**42.8**	**0.1**	**41.7**	**0.1**
Total operating revenue	**36,035.3**	**100.0**	**39,079.7**	**100.0**	**39,229.4**	**100.0**

Notes:

(1) Other primary businesses include (i) sale of petroleum products, (ii) leasing and property management services, (iii) project management, supervision and inspection services, (iv) operation and maintenance services, (v) toll operations and (vi) commercial trading.

(2) Ancillary businesses include water supply, sale of agricultural products, sale of steel, brewing, accommodation and catering, conference service and operation of parking lots and tour buses.

For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's business operation was RMB36,035.3 million, RMB39,079.7 million, and RMB39,229.4 million, respectively. As at 31 December 2023, 2024 and 2025, total assets of the Group were RMB368,471.6 million, RMB390,560.6 million and RMB418,314.1 million, respectively.

Engineering and Construction

Overview

The Group undertakes its engineering and construction business primarily through its subsidiaries, namely Jinan City Urban Construction Group Co., Limited, Jinan Jinyue Road Engineering Co., Ltd. (濟南金曰公路工程有限公司) and Jinan Urban Construction Energy Conversion Development Group Co., Ltd. (濟南城建動能轉換開發建設集團有限公司).

The Group holds various types of professional qualifications for its engineering and construction business, including municipal utilities construction general contracting qualification (top class) (市政公用工程施工總承包特級資質), highway engineering construction general contracting qualification (class 1) (公路工程施工總承包一級資質), bridge engineering specialised contracting qualification (class 1) (橋樑工程專業承包一級資質), highway pavement engineering specialised contracting qualification (class 1) (公路路面工程專業承包一級資質), highway roadbed engineering specialised contracting qualification (class 1) (公路路基工程專業承包一級資質), construction and engineering general contracting qualification (class 2) (建築工程施工總承包二級資質), water conservancy and hydropower engineering construction general contracting qualification (class 2) (水利水電工程施工總承包二級資質), tunnel engineering specialised construction qualification (class 2) (隧道工程專業承包二級資質), steel structure engineering specialised construction qualification (class 2) (鋼結構工程專業承包二級資質), environmental protection engineering specialised contracting qualification (class 2) (環保工程專業承包二級資質), municipal industry class A engineering design qualification (市政行業甲級工程設計資質), landscape architecture engineering specialised class A engineering design qualification (風景園程專項甲級工程設計資質), construction industry (construction engineering) qualification (class A) (建築行業(建築工程)甲級資質), highway traffic engineering and highway safety facilities specialised contracting qualification (class 2) (公路交通工程公路安全設施分項專業承包二級資質), special engineering (structure reinforcement) specialised contracting qualification (特種工程(結構補強)專業承包資質), pre-mixed concrete specialised contracting qualification (預拌混凝土專業承包資質), building decoration and decoration projects specialised contracting qualification (class 1) (建築裝修裝飾工程專業承包一級資質), foundation engineering specialised contracting qualification (class 2) (地基基礎工程專業承包二級資質), lifting equipment installation projects specialised contracting qualification (class 2) (起重設備安裝工程專業承包二級資質), urban and road lighting projects specialized contracting qualification (class 2) (城市及道路照明工程專業承包級資質), engineering supervision highway engineering specialised qualification (class A) (工程監理公路工程專業甲級), engineering design municipal drainage engineering specialised qualification (class B) (工程設計市政行業排水工程專業乙級), engineering design municipal water supply engineering specialised qualification (class B) (工程設計市政行業給水工程專業乙級), engineering design municipal bridge engineering specialised qualification (class B) (工程設計市政行業橋樑工程專業乙級) and engineering design municipal road engineering specialised qualification (class B) (工程設計市政行業道路工程專業乙級).

The Group primarily constructs two types of projects under its engineering and construction business, namely (i) market-oriented construction projects and (ii) entrusted construction projects. For market-oriented construction projects, the Group sources business opportunities from the open market, and adopts the general contracting business model to construct the projects. For entrusted construction projects, the Group constructs these projects as commissioned by the Government of Starting Area of Jinan City (濟南市起步區政府), and maintains possession of the projects it has constructed and receives long-term income from the operation of such projects.

For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's engineering and construction business was RMB27,831.8 million, RMB29,645.9 million and RMB29,105.4 million, respectively, representing 77.2 per cent., 75.9 per cent. and 74.2 per cent., respectively, of the Group's total operating revenue for the same periods.

Market-oriented Projects Construction

The Group conducts its market-oriented projects construction business primarily through its subsidiaries, namely Jinan City Urban Construction Group Co., Limited and Jinan Jinyue Road Engineering Co., Ltd. (濟南金曰公路工程有限公司). The Group sources market-oriented construction projects primarily from the open market, including through public biddings. For market-oriented construction projects, the Group adopts the general contracting business model to construct the projects.

Business Model

Under the general contracting business model, the Group is generally responsible for the construction and engineering, procurement of raw materials, management of the overall project construction progress, obtaining financing and delivering projects within an agreed timetable and in accordance with prescribed specifications. The Group centrally manages its general contracting projects through its engineering management department, and assigns a designated project manager for each of its general contracting projects. Prior to the commencement of a project, the Group usually receives a pre-payment of approximately 10.0 per cent. of the total contract value, and receives payment from the customer in accordance with the construction progress of the project. A small percentage of the total contract value is usually retained by the customers as quality assurance upon the completion, inspection and acceptance of a market-oriented project, and will be paid to the Group after the expiration of the quality assurance period, which usually lasts for two years from the completion, inspection and acceptance of the project.

Raw Material Procurement

The Group mainly procures steel, cement, asphalt, sand and gravel materials for the construction of its market-oriented projects.

Projects Settlement

The table below sets forth certain settlement information about the Group's market-oriented projects construction business for the year ended 31 December 2025:

Project Name	Settlement Income
	(RMB in millions)
Construction Section 3 of the Phase II Project of Yellow River Avenue for the Yellow River Sports Exhibition and Science & Technology Manufacturing Park in the Jinan Start-up Area for Growth Drivers Transformation 2024 (2024年濟南新舊動能轉換起步區黃河體育會展及科技智造園區基礎設施(黃河大道二期)工程施工三標段)	580.4
Construction Section 2 of the Phase II Project of Yellow River Avenue for the Yellow River Sports Exhibition and Science & Technology Manufacturing Park in the Jinan Start-up Area for Growth Drivers Transformation 濟南新舊動能轉換起步區黃河體育會展及科技智造園區基礎設施(黃河大道二期)工程施工(二標段)	568.1
Construction Phase I of PPP Project of Jinan Central Urban Area Combined Sewer System Renovation and Urban Flood Control of Daxin River and Juye River Drainage Zone (濟南市中心城區雨污合流管網改造和與巨野河排水分區PPP項目施工一標段)	362.3
Construction Section 1 of the Phase II Project of Yellow River Avenue for the Yellow River Sports Exhibition and Science & Technology Manufacturing Park in the Jinan Start-up Area for Growth Drivers Transformation (濟南新舊動能轉換起步區黃河體育會展及科技智造園區基礎設施(黃河大道二期)工程施工一標段)	310.8
General Contracting for Jinan Huanggang Road Tunnel Project in Jinan (濟南市黃崗路著黃隧道工程項目施工總承包)	283.2
General Contracting (EPC) for Plot A-02 of the Dingtailu Resettlement Housing Project (丁太魯安置房項目A-02地塊工程總承包)	269.2
PPP Project of Liaocheng Dongchangfu District Xiguan Street (Changrun Road – Xihuan Road) (聊城市東昌府區西關街(昌潤路–西環路) PPP項目)	193.9
Marine Economy Innovation Industrial Park Supporting Facilities Upgrade Project – Haibin Road and Jiesongying Section (海洋經濟創新產業園區配套設施提升項目–海濱路解宋營段)	182.1
EPC Project of Ningguo City S104 Port to High-speed Railway Station Section Class I Highway Construction Project (Northwest Outer Ring Phase II) (寧S104港口至高鐵站段一級公路建設工程(西北外環二期)EPC項目)	162.7
Jinan Yaoqiang Airport Expansion and Reconstruction Project Phase II – Terminal Area Municipal Engineering Construction (濟南遙牆機場二期改擴建工程機場工程–航站)	158.6
Xinjian Liaocheng Yinhe Secondary Vocational School Project (新建聊城銀河中等職業學校項目)	156.2
Phase II Project of Shuyang County Expressway (Suburban Expressway) (Northeast Region) (溧陽縣快速路二期(城郊快速通道)工程(東北區域部分))	153.4
General Contracting for Construction of Section 1 of Phase V Infrastructure Project (Surrounding Roads of Resettlement Area 4 and Resettlement Area 5) of Jinan Start-up Area for Growth Drivers Transformation Headquarters Economy Industrial Park (濟南新舊動能轉換起步區總部經濟產業園區基礎設施五期工程(安置四區、安置五區周邊道路)施工總承包沖段)	149.4
Jinan-Leshan Expressway South Extension Project (濟樂高速南延工程)	144.5
Construction of the Swimming Pool and Public Fitness Center of Phase I Project of the Infrastructure of Yellow River Sports and Science Park in Jinan Start-up Area for Growth Drivers Transformation (濟南新舊動能轉換起步區黃河體育及科技園區基礎設施一期工程泳館和全民健身中心施工)	141.3
General Contracting for Jiaojiang Southern Market Cluster Infrastructure Improvement Project (Luzetai Elevated Road Phase II) Section 1 (椒江南部市場群區塊基礎設施提升工程(路澤太高架二期)標段1(施工總承包))	139.2
Jinan Rail Transit Line 9 Phase I Project (濟南軌道交通9號線一期工程)	135.5
General Contracting of Phase I of Jinan Urban Rail Transit Line 7 of Engineering and Depot Construction Project (濟南城市軌道交通7號線一期工程土建及場段工程施工總承包)	128.5
Construction of Surface Road and Ancillary Works for the Jiluo Road Yellow River North Extension Tunnel (吉川路黃北延伸隧道地面道路及輔助工程建設)	123.8
EPC Project of Chengyang District Sewage Pipeline Network Upgrading and Capacity Expansion and Chengyang District Rainwater and Sewage Pipeline Network Renovation (城陽區污水管網提質增容項目-城陽區雨汙管網改造工程(EPC))	120.4
General Contracting for the Phase I Project of the Construction of the Integrated Utility Tunnel and Supporting Facilities in Jinan Start-up Area for Growth Drivers Transformation Hub Business District 2024 (2024年濟南新舊動能轉換起步區樞紐商務區綜合理廊及配套工程(一期)施工總承包)	109.0
EPC Project of Junan Cherry 2024 Panoramic Industrial Chain Integrated Development (莒南大櫻桃2024年全景產業鏈綜合發展(EPC)專案)	107.5
Total	**4,680.0**

The table below sets forth certain settlement information about the Group's market-oriented projects construction business for the year ended 31 December 2024:

Project Name	Settlement Income
	(RMB in millions)
Elevated Main Road Network Construction Project (Ganzhou City Hakka Avenue West Extension Elevated Section) (高架主幹路網建設工程(贛州市客家大道西延高架段))	456.8
2021 G104 Beijing-Lanzhou Expressway Jinan Yellow River Highway Bridge Expansion Project (2021年G104京嵐綫濟南黃河公路大橋擴建工程)	227.8
Qihe County 2019 Urban Infrastructure Phase I Project (Section 1: Construction) (齊河縣2019年城區基礎設施一期工程(標段一：工程施工))	203.4
SG-2 General Contracting for Phase I First Batch of Road Construction Project of Supporting Infrastructure for the Green Circular Industrial Park in the 2023 Start-up Area (2023年起步區綠色循環產業園配套基礎設施一期一批次道路施工總承包SG-2)	171.4
Water Supply and Drainage Project for Wei 25th Road, Wei 26th Road and Donggang 6th Road in Binzhou Beihai Economic Development Zone (濱州北海經濟開發區緯二十五路、緯二十六路及東港六路道路給排水工程)	147.8
Fengting Avenue Renovation (Phase I) Section 3 (葑亭大道改造(一期)三標段)	135.1
2022 Linyi-Tengzhou Highway Construction Project Section 4 (2022年臨沂至滕州公路施工四標段)	132.6
Construction Section 3 of the Phase II Project of Yellow River Avenue for the Yellow River Sports Exhibition and Science & Technology Manufacturing Park in the Jinan Start-up Area for Growth Drivers Transformation 2024 (2024年濟南新舊動能轉換起步區黃河體育會展及科技智造園區基礎設施(黃河大道二期)工程施工三標段)	130.6
Pingyang County Integrated Design and Construction of Kun'ao Road Widening Project (平陽縣昆鰲路道路擴闊工程設計與施工一體化)	124.6
Total	**1,730.0**

The table below sets forth certain settlement information about the Group's market-oriented projects construction business for the year ended 31 December 2023:

Project Name	Settlement Income
	(RMB in millions)
General Contracting (EPC) for the Construction Project of Liuchangshan Road (West Shilihe East Street to Second Ring West Road) in Jinan City (濟南市劉長山路(西十里河東街至二環西路)道路建設工程總承包(EPC))	815.2
The first section of the Construction Project of Fenghuang Road in Jinan City (濟南市鳳凰路道路建設工程施工第一標段)	444.4
PPP project for the Integrated Renovation and Expansion of Xuancheng Railway Station East Square and Longchuan Road (宣城火車站東廣場及龍川路改擴建一體化工程PPP項目)	335.7
The first contract section of the G104 Jinglan Line Jinan Yellow River Highway Bridge Expansion Project (approach bridge and main bridge section) (G104京嵐線濟南黃河公路大橋擴建工程(引橋、主橋段)第一合同段)	306.0
Construction Section 3 of the Phase I Project of Wenliang Road (Jiaxuan Road to Chunhui Road) in Jinan City (濟南市溫梁路(稼軒路至春暉路)道路建設一期工程施工三標段)	286.2
EPC Phase I of Rural Sewage Treatment Project in Shizhong District, Jinan City (濟南市市中區農村污水治理工程施工總承包(EPC)一期)	249.5
Pavement Engineering of Jinan Weifang Expressway Project (濟南至濰坊高速公路工程一合同路面工程)	243.7
Labor subcontracting for the construction of roadbed, pavement, bridge and culvert, traffic safety, and greening engineering in Section 4 of Linyi Tengzhou Highway (臨沂至滕州公路施工四標段路基、路面、橋涵、交安、綠化工程施工勞務分包)	188.7
Shanghe County Urban Comprehensive Pipe Gallery Construction Project (商河縣城區綜合管廊建設項目)	127.3
General Contracting (EPC) for Supporting Cable Trenches of Jinan West Ring 220 kV Transmission and Transformation Project (濟南西環220千伏輸變電工程配套電纜溝工程總承包(EPC))	117.6
General Contracting for the Construction of the Comprehensive Pipe Gallery and Supporting Infrastructure Phase IV Project of the International Expo City Industrial Park in the Starting Area (起步區國際博覽城產業園綜合管廊及配套基礎設施四期工程項目施工總承包)	107.9
Total	**3,222.2**

Entrusted Construction

The Group undertakes its entrusted construction business through its subsidiary Jinan Urban Construction Energy Conversion Development Group Co., Ltd. (濟南城建動能轉換開發建設集團有限公司). The Group's entrusted construction business primarily includes the construction of projects within the Starting Area, Jinan City.

Business Model

Under the entrusted construction model, the Group typically enters into entrusted construction agreements (委託建設協議) with the local government, namely the Government of Starting Area, Jinan City, pursuant to which the Group is responsible for the entire process of project construction, including land acquisition, preliminary project planning, construction, final settlement of the project, completion acceptance, post-project evaluation, and other work related to project construction, while the local government is responsible for construction supervision. The local government settles with the Group based on the construction progress of each project.

Completed Projects

As at 31 March 2026, the Group had completed two projects under entrusted construction model with a total investment amount of approximately RMB3,505.0 million. The following table sets forth particulars of such projects:

Projects	Planned construction period	Planned investment amount[(1)]	Total investment amount[(2)]
		(RMB in millions)	
The Second Hospital of Shandong University (Pilot Area Hospital) Phase I Project (山東大學第二醫院先行區新院(一期)項目)	2020-2023	2,005.0	1,485.0
Jinan New and Old Energy Conversion Pilot Area Yellow River Sports Exhibition and Science and Technology Intelligent Manufacturing Park (Yellow River Avenue Phase I) Construction Project (濟南新舊動能轉換起步區黃河體育會展及科技智造園(黃河大道一期)工程)	2021-2024	13,347.0	10,125.0
Total		**15,352.0**	**11,610.0**

Notes:

(1) Represents the estimated total cost to be incurred for the project. The actual cost incurred upon completion may differ from the estimation.

(2) Represents the actual amount that has been invested in the project based on the Group's internal records.

Projects under Construction

As at 31 March 2026, the Group had four projects under construction with the entrusted construction model with a total investment amount of approximately RMB18,782.0 million. The following table sets forth particulars of such projects:

Projects	Planned construction period	Planned investment amount(1)	Total investment amount(2)
		(RMB in millions)	
Yellow River Sports and Science and Technology Park Phase I Construction Project (黃河體育及科技園區一期工程)	2022-2026	9,500.0	3,399.0
The Outdoor Engineering and Corresponding Supporting Facilities Engineering (Urban Smart Parking Lot) for the first phase of the Yellow River Sports and Science and Technology Park Project in Jinan New and Old Energy Conversion Starting Area (濟南新舊動能轉換起步區黃河體育及科技園區一期工程室外工程及相應配套設施工程(城市智慧停車場))	2022-2026	2,300.0	1,070.0
Green Building Science and Technology City Industry Park Project (綠建科學城產業園區項目)	2019-2025	3,319.0	2,667.0
Jinan New and Old Energy Conversion Pilot Area Intelligent Logistics Park Infrastructure Road, Piping and Pipeline Corridor Construction Phase II (濟南新舊動能轉換先行區智慧物流園區配套道路、管網及綜合管廊二期工程)	2021-2026	3,663.0	2,861.0
Total		**18,782.0**	**9,997.0**

Notes:

(1) Represents the estimated total cost to be incurred for the project. The actual cost incurred upon completion may differ from the estimation.

(2) Represents the actual amount that has been invested in the project based on the Group's internal records.

Projects under Planning

As at 31 March 2026, the Group had no project under planning with the entrusted construction model.

Land Development

Overview

The Group is commissioned by the Jinan Municipal Government and the Jinan Land and Resources Bureau to undertake the development of land parcels in Jinan by transforming such land parcels into a condition ready for secondary real property development. The land development process involves resettlement of local residents, demolition of existing buildings, land clearance, and construction of supporting facilities, with a view to facilitating the conveyancing of the relevant land parcels. The Group's land development business is primarily conducted within such areas of Jinan as designated by the Jinan Municipal Government and the Jinan Land and Resources Bureau, including the North Lake Area, the Huashan Area, the University and Technology Park Area and the West Railway Station Area.

- **The North Lake Area**. The North Lake Area is situated in the Tianqiao District (天橋區) of Jinan. With a total site area of approximately 3,399 mu, the North Lake Area is designed as a comprehensive multifunctional area for culture and tourism, leisure, commerce, business and residence. As at 31 March 2026, the land use rights of approximately 1,540 mu of land parcels in the North Lake Area developed by the Group were successfully transferred.

- **The Huashan Area**. The Huashan Area is situated in the Licheng District (歷城區) of Jinan, with the famous tourist site Mount Hua located at the centre. With a total site area of approximately 22,000 mu, the Huashan Area is designed as a cultural and tourism area with residential and commercial buildings and supporting infrastructures. As at 31 March 2026, the land use rights of approximately 4,640 mu of land parcels in the Huashan Area developed by the Group were successfully transferred.

- **The West Railway Station Area**. The West Railway Station Area is situated in the Huaiyin District (槐蔭區) of Jinan. With a total site area of approximately 34,030 mu, the West Railway Station Area is designed as a transportation hub featuring the West Railway Station, a convention and exhibition centre as well as a commercial district. As at 31 March 2026, the land use rights of approximately 12,625 mu of land parcels in the West Railway Station Area developed by the Group were successfully transferred.

- **The University and Technology Park Area**. The University and Technology Park Area is situated in the Changqing District (長清區) of Jinan. With a total site area of 40,078 mu and a total floor area of approximately 43 sq.km., the University and Technology Park Area is designed to be a new urban area with functions such as advanced education research, ecological living, business office, tourism services, and cultural industries. As at 31 March 2026, the land use rights of approximately 7,746 mu of land parcels in the University and Technology Park Area developed by the Group were successfully transferred.

The Group conducts land development business primarily through Binhe Construction and Investment Group and West City Investment and Development Group. For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's land development business was RMB1,134.4 million, RMB1,247.2 million and RMB1,806.0 million respectively, representing 3.1 per cent., 3.2 per cent. and 4.6 per cent., respectively, of the Group's total operating revenue for the same periods.

Business Model

The Group is commissioned by the Jinan Municipal Government and the Jinan Land and Resources Bureau to undertake the development of land parcels in Jinan. Upon request and engagement by the Jinan Land and Resources Bureau, the Group will engage in the acquisition of the relevant land parcels within the designated area, the relocation of the local residents, the demolition of existing buildings, land clearance, and the construction of supporting facilities, with a view to transforming the land into a condition ready for secondary real property development. The land development process is usually funded by the Group's proprietary funds. Upon the completion of the development of the relevant parcel of land, the Group will transfer the developed land to the Jinan Land and Resources Bureau, which then grants the land use right of such land parcel through public biddings, auctions or public listings and receives land use right premium. Following a successful granting of land use rights, the Jinan Municipal Finance Bureau (濟南市財政局) pays the Group a land development fee, which covers the Group's cost for land development plus a fixed percentage of the net proceeds from the sales of land use rights of land parcels developed by the Group.

Starting in 2020, services relating to the expropriation of land, resettlement of residents, demolition of existing buildings and primary development of land parcels in Jinan are procured by the Jinan Natural Resources and Planning Bureau (濟南市自然資源和規劃局) and the Jinan Land Reserve Centre (濟南市土地儲備中心). Payment for such land development services by the Jinan Natural Resources Bureau and the Jinan Land Reserve Centre is required to be approved by the Jinan Municipal Finance Bureau, and will no longer be determined as a fixed percentage of the proceeds from the sales of land use rights of land parcels developed by the Group. Instead, the payment in fee to the Group will be capped at 80 per cent. of the proceeds from the sales of the land use rights of land parcels, and is made up of two parts, namely the actual cost of land development incurred by the Group plus a percentage (usually between 20 to 50 per cent.) of such cost of land development.

Project Description

Developed Land Parcels

The particulars of the five largest land parcels in terms of total investment developed by the Group and transferred and granted during the three years ended 31 December 2025 are set forth below:

Land parcels	Total site area transferred	Total investment(1)
	(mu)	(RMB in millions)
Plot A-3, North of the West Railway Station Convention & Exhibition Center (西客站會展中心北側A-3地塊)	43.8	34,643.1
Plot A, West of Huashangou (華山溝西A地塊)	77.96	33,188.9
Plot A-2, North of the West Railway Station Convention & Exhibition Center (西客站會展中心北側A-2地塊)	39.63	31,252.0
Plot A-1, North of the West Railway Station Convention & Exhibition Center (西客站會展中心北側A-1地塊)	38.8	30,598.3
Plot A-4, North of the West Railway Station Convention & Exhibition Center (西客站會展中心北側A-4地塊)	34.64	27,395.1

Note:

(1) Represents the actual amount that has been invested, which is based on the Group's internal record.

Land Parcels under Development

As at 31 March 2026, the Group's land development business was concentrated in four areas, namely the West Railway Station Area, the University and Technology Zone Area, the Huashan Area and the North Lake Area. The estimated total site area of the land parcels under development in these four areas amounted to approximately 99,507 mu, with an estimated total investment amount of approximately RMB196.0 billion. The particulars of the Group's land development work within each area are set forth below:

Land parcels	Development period	Payback period	Estimated total site area	Estimated total investment(1)	Invested amount	Total transferred and granted area
			(mu)	(RMB in millions)	(RMB in millions)	(mu)
Huashan Area (華山片區)(2)	2014-2022	2014-2024	22,000	40,600	40,251	4,640
North Lake Area (北湖片區)(2)	2014-2021	2014-2026	3,399	23,200	230,417	1,540
West Railway Station Area (西客站片區)(2)	2013-2022	2013-2027	34,030	94,575	89,478	12,625
University Science and Technology Zone Area (大學科技園片區)	2013-2025	2013-2030	40,078	37,625	23,043	7,746
Total			**99,507**	**196,000**	**183,189**	**26,551**

Notes:

(1) Represents the estimated total cost to be incurred for the projects. The actual cost incurred upon completion may differ from the estimation.

(2) Although the Group had already developed the land parcel as at 31 March 2026, the Group still classified it as land parcels under development as the land use rights of such land parcel developed remained to be fully transferred and granted by the Group as at 31 March 2026.

Real Estate Development

Overview

The Group's real estate development business primarily involves development and sale of residential and commercial housing in Jinan. The Group conducts real estate development business primarily through West City Investment and Development Group, Binhe Construction and Investment Group and Jinan West City Real Estate Co., Ltd. (濟南西城置業有限公司). West City Investment and Development Group has been accredited with Property Development Enterprise Qualification Certificate (Class 2) (房地產開發二級資質). Over the years, the Group has also cooperated with well-known real estate developers in China to acquire land reserves and develop real estate projects through jointly-established real estate companies, such as Shandong China Construction West City Investment Co., Ltd. (山東中建西城投資有限公司) and Shandong Hi-Speed Jinan Investment and Construction Co., Ltd. (山東高速濟南投資建設有限公司).

For the years ended 31 December 2023, 2024 and 2025, the operating revenue generated from the Group's real estate development business was approximately RMB2,938.2 million, RMB2,828.9 million and RMB3,128.7 million, respectively, representing 8.2 per cent., 7.2 per cent. and 8.0 per cent., respectively, of the Group's total operating revenue for the same periods.

Business Model

The Group develops real estate projects on its own and in collaboration with other reputable real estate developers. In recent years, the Group has collaborated with several renowned real estate enterprises in China to acquire land reserves for commercial and residential real estate development with an aggregate site area of over 1.0 million sq.m.

In line with market practice, applicable laws and regulations, the Group typically pre-sells its real estate units prior to their completion to obtain cash flow and improve its liquidity. Payments received for such pre-sales are booked as prepayments from customers and are only recognised as operating revenue after the completion and delivery of the real estate to the customers.

Project Description

Completed Projects

As at 31 March 2026, the Group completed the construction of 24 real estate development projects, with a total GFA of approximately 4,318.8 thousand sq.m., and a total investment of approximately RMB36.2 billion. The particulars of the five largest of these projects are set forth below:

Projects	Nature of project	GFA	Total investment[(1)]
		(sq. m. in thousands)	(RMB in millions)
Willow Spring Breeze Project (Yangliu Jun, Yuhe Jun, Bailu Jun, Jiangnan Li, Taoyuan Li) (楊柳春風項目(楊柳郡、雨荷郡、白鷺郡、江南里、桃源里))	Residential	882.0	10,064.0
Jishui Shangyuan Project (Southern Area) (濟水上苑項目(南區))	Residential	390.0	2,600.0
Phase 1 and 2 of Jishui Shangyuan North District (濟水上苑北區一二期)	Residential	373.0	2,402.0
Impressions Jinan Project (印象濟南項目)	Commercial	280.0	2,252.0
Golden International Plaza (黃金國際廣場)	Commercial	163.0	2,118.0
Jishui Xueyuan Phase I (濟水學苑一期)	Commercial	155.6	1,747.0
Total		**3,515.6**	**21,183.0**

Note:

(1) Represents the actual amount that has been invested, which is based on the Group's internal record.

Projects under Construction

As at 31 March 2026, the Group had 14 real estate development projects under construction, with an estimated GFA of approximately 2,420.7 thousand sq.m., and an estimated total investment of approximately RMB19.6 billion. The particulars of these projects are set forth below:

Projects	**Year of commencement**	**Year of completion**	**Estimated GFA**	**Actual invested amount(1)**	**Estimated total investment(2)**
			(sq. m. in thousands)	**(RMB in millions)**	**(RMB in millions)**
Jishui Xueyuan Phase II (濟水學苑二期)	2021	2024	114.4	1,034.0	1,288.0
IKEA West C (宜家西C)	2023	2026	222.3	1,072.0	1,661.0
Wanrong Plaza (Luokou Commercial Complex) (萬融廣場(濼口商業綜合體))	2021	2025	151.6	701.0	1,191.0
Lashan South B-1 (臘山南B-1)	2023	2026	122.9	493.0	906.0
Willow Spring Breeze Project (Wutong Jun) 楊柳春風梧桐郡	2017	2025	212.9	1,597.0	2,264.0
Phase 1 of Damiaotun Plot A-9 (大廟屯A-9地塊一期)	2023	2026	247.0	588.0	1,183.0
Start-up Area Plot B-9 (起步區B-9地塊)	2023	2026	115.5	415.0	649.0
Plot B-1 Along the High-Speed Rail Line (高鐵沿線地塊B-1)	2023	2028	247.0	480.0	2,938.0
Plot B-5 on the Central Axis of the West Railway Station District (Underground Level) (西客站片區中軸線地塊B-5(地下層))	2023	2026	41.7	240.0	450.0
Start-up Area A-2 (起步區A-2)	2025	2029	340.0	–	1,500.0
Willow Bank South District Project 楊柳岸南區項目	2020	2026	129.0	491.0	637.0
Start-up Area, Daqiao District Headquarters Economic Zone/Plot D-4 Project (起步區大橋片區總部經濟區/D-4地塊項目)	2024	2027	126.4	312.0	948.0
Phase 1 of Plot B-4 on the Central Axis of the West Railway Station District (西客站片區中軸線地塊B-4(一期))	2024	2030	318.0	537.0	3,813.0
Plot 4 Along the High-Speed Rail Line (高鐵沿線地塊四)	2025	2026	32.0	75.0	177.0
Total			**2,420.7**	**8,035.0**	**19,605.0**

Notes:

(1) Represents the actual amount that has been invested in the project based on the Group's internal records.

(2) Represents the estimated total cost to be incurred for the projects. The actual cost incurred upon completion may differ from the estimation.

Other Primary Businesses

In addition to its engineering and construction business, land development business and real estate development business, the Group also engages in other primary businesses which include (i) sale of petroleum products, (ii) leasing and property management services, (iii) project management, supervision and inspection services, (iv) operation and maintenance services, (v) toll operations and (vi) commercial trading. For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's other primary businesses was RMB4,076.3 million, RMB5,314.9 million and RMB5,147.4 million, respectively, representing 11.3 per cent., 13.6 per cent. and 13.1 per cent., respectively, of the Group's total operating revenue for the same periods.

Sale of Petroleum Products

The Group conducts its petroleum products business primarily through the Company's subsidiary Jinan West City Petroleum and Chemical Co., Ltd. (濟南西城石化有限公司), which sells petroleum products at the petrol stations it operates. As at 31 March 2026, the Group operated six petrol stations.

For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's sales of petroleum products was RMB366.7 million, RMB307.7 million, and RMB285.4 million, respectively, representing 1.0 per cent., 0.8 per cent., and 0.7 per cent., respectively, of the Group's total operating revenue for the same periods.

Leasing and Property Management Services

The Group conducts its leasing and property management services business primarily through the Company's subsidiary Jinan West City Asset Management Co., Ltd. (濟南西城資產管理有限公司), which provides leasing and property management services. The Group generates income by providing leasing and property management services with respect to these buildings and/or projects, which include West City Building (South Complex of the Jinan West Railway Station East Square) (西城大廈(濟南西客站東廣場南綜合體)), Jinan West Railway Station Relocation Area (濟南西客站安置區), Shandong Digital Entertainment Square (山東數娛廣場), Ziwei House (紫薇閣), Jinan Grand Theatre (大劇院) and parking lots.

For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's leasing and property management services was RMB586.8 million, RMB611.2 million, and RMB736.8 million, respectively, representing 1.6 per cent., 1.6 per cent., and 1.9 per cent., respectively, of the Group's total operating revenue for the same periods.

Ancillary Businesses

The Group also generates a small portion of its operating revenue from such ancillary businesses as water supply, sale of agricultural products, sale of steel, brewing, accommodation and catering, conference service, and operation of parking lots and tour buses. For the years ended 31 December 2023, 2024 and 2025, operating revenue generated from the Group's ancillary businesses was RMB54.5 million, RMB42.8 million, and RMB41.7 million, respectively, representing 0.2 per cent., 0.1 per cent., and 0.1 per cent., respectively, of the Group's total operating revenue for the same periods.

ENVIRONMENT MATTERS

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

INSURANCE

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

EMPLOYEES

As at 31 December 2025, the Group had approximately 6698 full-time employees, 5580 of which hold bachelor's degree or above. In accordance with the applicable regulations of local governments in regions where the Group has business operations, the Group makes contributions to its employee's social insurance, including the statutory pension plan, medical insurance, unemployment insurance, maternity insurance and workers' compensation insurance. The amount of contributions is based on the specified percentages of employees' aggregate salaries as required by relevant PRC authorities. The Group also makes contributions to an employee housing fund according to applicable PRC regulations. In addition to statutory contributions, the Group provides annual bonuses to employees. The Group enters into an employment contract with each of its employees in accordance with applicable PRC laws. Such contracts include provisions on wages, vacation, employee benefits, training programmes, health and safety, confidentiality obligations and grounds for termination.

GOVERNMENTAL REGULATIONS AND LICENCES

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

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

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

LEGAL PROCEEDINGS

From time to time, the Issuer, together with its subsidiaries, may be involved in legal proceedings or other disputes in the ordinary course of its business.

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

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

DIRECTORS

The board of directors of the Company (the "**Board**") consists of nine directors, including one chairman and eight directors. The Board is primarily responsible for, among others, determining the Company's development plans and major investment policies and plans, annual financial budget plans and accounting plans, annual profit distribution plans and deficit covering plans, determining internal management structure and organisation, determining basic management policies, making proposals regarding capital increase or decrease, mergers, spin-off and change of corporation form for approval by shareholders, determining the appointment and removal of the general manager, the secretary of the Board and the deputy general manager as well as their compensations. The directors are appointed for a term of three years.

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

Name	Age	Position/Title
Mr. XU Weimin (許為民)	60	Chairman of the Board
Mr. Liu Fengzhou (劉鳳洲)	44	Director and general manager
Mr. ZHONG Shanliang (鍾善良)	54	Director
Mr. LIU Jiachang (劉家昌)	56	External director
Mr. WANG Xiaojun (王曉軍)	60	External director
Mr. CHEN Peng (陳朋)	49	External director
Mr. ZHANG Shusheng (張樹生)	62	External director
Mr. WANG Kai (王凱)	58	External director
Mr. CHEN Yidong (陳屹東)	56	Employee director

Mr. Xu Weimin (許為民), aged 60, has been a director and the general manager of the Company since June 2022. Mr. Xu previously served as an assistant engineer (on secondment) (助理工程師(借調)) of the Binzhou Construction Commission (濱州市建委), an engineer, a deputy director of the Engineering Department I (工程壹處) of the Jinan Urban Construction Investment and Financing Management Centre (濟南市城市建設投融資管理中心),the head of the General Management Department of the Jinan Xiaoqinghe Development, Construction, Investment and Financing Management Centre (濟南市小清河開發建設投融資管理中心) ("**Xiaoqinghe Management Centre**"),and a deputy general manager of Jinan Binhe New District Construction & Investment Group Co., Ltd. (濟南濱河新區建設投資集團有限公司) ("**Binhe Construction & Investment Group**"). From March 2013 to June 2022, he served as a director of Jinan Binhu Real Estate Co., Ltd. (濟南濱湖地產有限公司), as well as a director and a deputy general manager of the Company. Mr. Xu holds a bachelor's degree.

Mr. Liu Fengzhou (劉鳳洲), aged 44, has been a director and the general manager of the Company since May 2026. Mr. Liu previously served as a design supervisor in the Chief Engineer's Office of Tianjin Metro (Underground Railway) Group Co., Ltd. (津市地下鐵道集團有限公司), a director engineer of the Preliminary Planning Department of Jinan Rail Transit Group Co., Ltd. (濟南軌道交通集團有限公司), a member of the party committee and deputy general manager at Jinan Rail Transit Group Co., Ltd. (濟南軌道交通集團有限公司). Mr. Liu holds a master's degree.

Mr. Zhong Shanliang (鍾善良), aged 54, has been a director of the Company since May 2023. He previously served as an officer and successively a section chief of the Inspection Section and the Research Section of Jinan Huaiyin District Party Committee Office (濟南市槐蔭區委辦公室), and an officer and associate researcher of the Comprehensive Division II of the Jinan Municipal Party Committee Office (濟南市委辦公廳綜合二處). Mr. Zhong also worked as a researcher and a deputy director of the Information Division and a commissioner for inspection of the Jinan Municipal Party Committee Office. Mr. Zhong holds a master's degree.

Mr. LIU Jiachang (劉家昌), aged 56, has been an external director of the Company since November 2025. Mr. Liu previously served as the general manager of Shandong Sanjian Company Limited (山東三箭股份公司), a director of Shandong Sanjian Group Co., Ltd. (山東三箭集團有限公司), the deputy secretary of the Party Committee, a director and the general manager of Shandong Sanjian Group, the secretary of the Party Committee and the chairman of Shandong Sanjian Group Co., Ltd., and the assistant to general manager of the Company.

Mr. Wang Xiaojun (王曉軍), aged 60, has been an external director of the Company since May 2023. Mr. Wang previously served as a worker and the secretary of the Youth League Committee of Jinan First Machine Tool Factory (濟南一機床廠). He later worked as the director of the General Office and the Planning Department, a deputy general manager, and the chief economist of Jinan First Machine Tool (Group) Co., Ltd. (濟南第一機床集團有限公司); as well as the general manager and director of Jinan Chengchuang Asset Management Co., Ltd. (濟南誠創資產經營有限公司) and Jinan Guorun Asset Operation Management Co., Ltd. (濟南國潤資產運營管理有限公司). Mr. Wang holds a college degree.

Mr. Chen Peng (陳朋), aged 49, has been an external director of the Company since May 2023. Mr. Chen previously served as an assistant professor of Jinan University (濟南大學), and an assistant professor, lecturer, associate professor and the director of the teaching and research centre of Shandong University of Architecture (濟南建築大學). Mr. Chen also serves as a professor and the director of the Department of Urban and Rural Planning (城鄉規劃系) of Shandong University of Architecture. Mr. Chen holds a master's degree.

Mr. Zhang Shusheng (張樹生), aged 62, has been an external director of the Company since October 2023. Mr. Zhang previously served as a secretary and assistant instructor, lecturer, associate professor, deputy director of the space thermal science center, and director of the institute of energy and environmental systems engineering at the School of Mechanical Engineering, Shandong University (山東大學機械工程學院); the dean and a professor in the Industry Education Integration Office (產教融合辦公室) at Shandong Jiaotong University School of Aeronautics (山東交通學院航空學院). Mr. Zhang holds a doctoral degree.

Mr. WANG Kai (王凱), aged 58, has been an external director of the Company since November 2025. Mr. Wang previously served in the Jinan Qianfoshan Park Administration Office (濟南千佛山公園管理處辦公室) as the deputy director of the General Office, the secretary of the Party Branch of the Jinan Forest Park Administration Office (濟南森林公園管理處), the secretary of the General Party Branch of the Jinan Botanical Garden Administration Office (濟南植物園管理處); the chairman and the secretary of the Party Branch of Shandong Shenzhou Gardening Co., Ltd. (山東神洲園林有限公司), and an assistant-to-general-manager level of Jinan Cultural and Tourism Development Group Co., Ltd (濟南文旅發展集團有限公司).

Mr. Chen Yidong (陳屹東), aged 56, has been an employee director of the Company since April 2020 and a deputy head of the Political Work Department of the Company since April 2019. Mr. Chen previously served as an officer of the General Planning Division and an associate researcher of the Public Sector Organisation Department (機構編制處) of the Jinan Human Resources and Social Security Bureau (濟南市人力資源和社會保障局). He also worked as a researcher of the Supervision and Inspection Department (監督檢查處) and the Organisation and Personnel Division (組織人事處) of the General Department of the Jinan Commission Office for Public Sector Reform (濟南市機構編制委員會辦公室綜合處). Mr. Chen holds a bachelor's degree.

SENIOR MANAGEMENT

The Company's senior management is appointed by and reports to the Board. The following table sets forth the Company's senior management as at the date of this Offering Circular:

Name	Age	Position/Title
Ms. HAO Yanyan (郝豔豔)	50	Chief accountant and deputy general manager

Ms. Hao Yanyan (郝豔豔), aged 50, has been the chief accountant since May 2023. She has also been a deputy general manager of the Company since November 2024. Ms. Hao previously served as an accountant of Jinan Municipal Institute of Environmental and Sanitary Sciences (濟南市環境衛生科學研究所); an officer of the Investment and Financing Management Centre and the deputy director of the Finance Department in the western district of Jinan; the director of the Finance Department of Jinan West City Investment and Development Group Co., Ltd. (濟南西城投資開發集團有限公司); as well as the director of the Financial Management Department and the assistant to general manager of the Company. Ms. Hao holds a bachelor's degree.

PRC REGULATIONS

This section is a high-level overview of the PRC legal system and a summary of 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.

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, court judgments do not constitute binding precedents. However, they are used for the purposes of judicial reference and guidance.

The National People's Congress of the PRC (the "**NPC**") and the Standing Committee of the NPC ("**SCNPC**") 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 SCNPC 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 SCNPC. In the event that a conflict arises, the SCNPC has the power to annul such administrative rules, regulations, directives and orders. The People's Congresses or their standing committees of the comparatively larger cities may, in light of the specific local conditions and actual needs, formulate 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.

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

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

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

THE PRC JUDICIAL SYSTEM

Under the PRC Constitution and the Law of Organisation of the People's Courts, the judicial system is made up of the Supreme People's Court, the local people's courts at different levels, and special people's courts such as military courts. In accordance with laws, these people's courts adjudicate civil, criminal and administrative cases and other cases prescribed by laws, and carry out judicial activities including the execution of civil and administrative decisions.

The local people's courts at different levels are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts are organised into civil, criminal, economic, administrative and other divisions. The intermediate people's courts are organised into divisions similar to those of the primary people's courts, and are further organised into other special divisions, such as the intellectual property division. The higher level people's courts supervise the judicial work of the primary and intermediate people's courts. Special people's courts include military courts, maritime courts, IP courts, financial courts, etc. 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, as the highest judicial organ of the People's Republic of China, is responsible for adjudicating various cases that have material effects nationwide or are subject to its adjudication according to law, formulating judicial interpretations, supervising and guiding the judicial work of local people's courts at different levels and special people's courts, and managing certain judicial administration work of the courts nationwide within the scope of its functions and powers as per laws.

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

The Civil Procedure Law of the PRC, which was adopted on 9 April 1991 and amended on 28 October 2007, 31 August 2012, 27 June 2017, 24 December 2021 (implemented on 1 January 2022), and 1 September 2023 (and to be implemented on 1 January 2024) sets forth the criteria for instituting a civil action, the jurisdiction of the courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Generally, a civil case is initially heard by a local people's court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a jurisdiction where civil actions may be brought, provided that the jurisdiction is either the plaintiff's or the defendant's place of residence, the place of execution or implementation of the contract or the place of the object of the contract. However, such selection cannot violate the stipulations of grade jurisdiction and exclusive jurisdiction in any case.

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

REGULATIONS REGARDING OVERSEAS INVESTMENT, AND FINANCING

General Regulatory Framework

On 5 May 2026, the State Council promulgated the Provisions of the State Council on Outbound Investment (《國務院關於對外投資的規定》) (the "**2026 Outbound Investment Provisions**"), which came into effect on 1 July 2026. The 2026 Outbound Investment Provisions apply to outbound investments made by enterprises, other organisations and resident individuals in the PRC. For these purposes, outbound investment refers to an activity by which an investor directly or indirectly obtains ownership, control, management rights or other related interests in an enterprise or asset in another country or region by contributing assets or interests or by providing financing or guarantees.

The 2026 Outbound Investment Provisions require investors to complete any applicable approval, filing, information reporting and cross-border funds registration procedures in accordance with applicable PRC regulations. They also establish a framework under which the competent investment and commerce authorities under the State Council, together with other relevant authorities, may conduct national security reviews of outbound investments, as well as subsequent transfers or disposals of the relevant assets or interests, that affect or may affect PRC national security. Outbound investments involving foreign exchange, exports of goods, technologies, services or data, cross-border data transfers, cybersecurity, export control, taxation or state-owned assets are also subject to the applicable laws and regulations governing those matters.

The 2026 Outbound Investment Provisions introduce express liabilities for prohibited investments, failure to complete applicable approval or filing procedures, the submission of false or misleading materials and non-compliance with an outbound investment security review. Applicable measures may include orders to cease the investment or dispose of the relevant shares or assets, confiscation of illegal gains, fines calculated by reference to the investment amount and, in certain circumstances, restrictions on undertaking outbound investments or submitting approval or filing applications for a specified period. The specific scope and procedures of the outbound investment security review regime may be further clarified by implementing rules.

NDRC Supervision

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) issued on 26 December 2017 and which became effect on 1 March 2018, the procedure of approval and filing shall be respectively applied to different overseas investment projects. In particular, overseas investment projects involving sensitive countries and regions or sensitive industries shall be subject to confirmation by the NDRC. Projects shall be subject to the filing with the competent governmental body. Specifically, overseas investment projects carried out by enterprises under central management, or those carried out by local enterprises in which the amount of Chinese investment reaches or exceeds U.S.$300 million shall be subject to the filing with NDRC. Those carried out by local enterprises in which the amount of Chinese investment is below U.S.$300 million shall be subject to the filing with competent investment departments of the provincial government.

Investment projects to be carried out in Hong Kong and/or Macau shall be governed by the Measures for the Administration of Overseas Investment of Enterprises.

On 14 September 2015, the NDRC issued the NDRC Circular, which became effective on the same day. In order to encourage the use of low-cost capital in the international capital markets in promoting investment and steady growth and to facilitate cross-border financing, the NDRC Circular abolished the case-by-case quota review and approval system for the issuance of foreign debts by PRC enterprises. The NDRC issued the NDRC Foreign Debt Measures on 5 January 2023, which came into effect from 10 February 2023 and replaced the NDRC Circular.

For the purposes of the NDRC Foreign Debt Measures, the medium- and long-term foreign debts of enterprises mentioned in the NDRC Foreign Debt Measures refer to debt instruments with a tenor of more than one year that are borrowed from overseas by enterprises within the territory of the PRC and by overseas companies or branches controlled by them, denominated in local or foreign currency, and of which principal and interest on the foreign debts are repaid as agreed. Debt instruments include, but are not limited to, senior debts, perpetual debts, capital debts, medium-term notes, convertible bonds, exchangeable bonds, financial leasing, and commercial loans. According to this definition, offshore bonds issued by both PRC enterprises and their controlled offshore enterprises or branches shall be regulated by the NDRC Foreign Debt Measures.

According to the NDRC Foreign Debt Measures, domestic enterprises and their overseas controlled entities prior to issuing any foreign debts with a tenor of more than one year shall obtain from the NDRC a certificate of review and registration of enterprise borrowing of foreign debts (企業借用外債審核登記證明) (the "**Certificate of Review and Registration**") and shall report certain details of the foreign debts to the NDRC within ten working days upon the completion of issuance through the online system for the review, registration, management and service of enterprise foreign debts established by the NDRC (the "**NDRC Online Reporting System**"). An enterprise shall, with the Certificate of Review and Registration, go through the relevant procedures of foreign exchange registration, account opening, proceeds receipt, payment and remittance, and use of proceeds in accordance with the applicable laws and regulations.

Moreover, pursuant to the NDRC Foreign Debt Measures, an enterprise shall, among other things, (i) report certain details of the foreign debts to the NDRC within ten working days upon the completion of issuance; (ii) within ten working days after expiry of the NDRC Certificate or the Certificate of Review and Registration, report the foreign debts borrowing information through the NDRC Online Reporting System; (iii) within five working days before the end of January and end of July of each year that any of the foreign debts remains outstanding, report the information relating to, *inter alia*, use of proceeds, repayment of principal and interest and related plans, and major business indicators, through the NDRC Online Reporting System; and (iv) so long as any of the foreign debts remains outstanding, submit relevant information to the NDRC upon the occurrence of any material event that may affect the due performance of debt obligations, such as liquidity issue or significant assets restructuring, and take measures to isolate such risks to prevent cross default risks. If the enterprise fails to report the relevant information described above in accordance with the NDRC Foreign Debt Measures, the NDRC may direct the enterprise to make corrections within a prescribed time period and if the violation is serious or if the enterprise fails to correct within the prescribed time period, the NDRC may give a warning to the relevant enterprise and its main responsible persons.

On 12 July 2024, the NDRC issued the Notice on Supporting High-quality Enterprises in Borrowing Medium- and Long-term Foreign Debt to Promote the High-quality Development of the Real Economy (《關於支持優質企業借用中長期外債促進實體經濟高質量發展的通知》) (the "**High-quality Enterprise Foreign Debt Notice**"), which came into effect on 29 July 2024 and remains effective until 29 July 2029. Qualifying high-quality enterprises may benefit from a dedicated and streamlined review process and may apply for an annual consolidated foreign debt quota covering their subsidiaries. Certain application materials may also be submitted after the relevant review, subject to the conditions specified in the High-quality Enterprise Foreign Debt Notice. Real estate enterprises and local state-owned enterprises that undertake local government financing functions remain subject to the original foreign debt review and registration regime.

Although the NDRC Foreign Debt Measures have been in effect since February 2023,As the NDRC Foreign Debt Measures were issued recently, certain detailed aspects of its interpretation and application remain subject to further clarification.

MOFCOM Supervision

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

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

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

MOFCOM or the provincial department of commerce shall accept the filing and issue the Enterprise Overseas Investment Certificate within three working days upon receipt of such filing form, if the filing form meets all the relevant requirements.

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

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

Cross-Border Guarantee Laws

On 12 May 2014, SAFE promulgated the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees and the relating implementation guidelines (collectively the "**New Regulations**"). The New Regulations, which came into force on 1 June 2014, has replaced twelve 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) providing that the validity of any cross border security agreement is no longer subject to SAFE approval, registration, filing, or any other SAFE administrative requirements; and (v) removing SAFE verification requirement for performance of cross-border security. A cross-border guarantee is a form of security under the New Regulations. The New Regulations classify cross-border security into three types:

- Nei Bao Wai Dai (內保外貸) ("**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 (and 15 working days after the date of any change to the major provisions of the guarantee contract). 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 direct (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 bond issuance, the offshore issuer's equity shares must be fully or partially held directly or indirectly by an onshore security provider.

Moreover, the proceeds from any such offshore bond issuance must be applied towards the offshore project(s), where an onshore entity holds 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.

On 18 January 2017, SAFE issued the Circular on Further Promoting the Reform of Foreign Exchange Administration and Improving the Genuineness and Compliance Review and Verification Process (《關於進一步推進外匯管理改革完善真實合規性審核的通知》) (the "**SAFE Circular 3**"), which eases certain restrictions on the use of proceeds raised under a NBWD structure and generally allows the proceeds raised under a NBWD structure to be repatriated onshore and used in the PRC by way of loans and equity investments. The second series of the Policy Q&As in relation to the SAFE Circular 3 (《國家外匯管理局關於進一步推進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)政策問答(第二期)) ("**Policy Q&As in relation to the SAFE Circular 3**") published by SAFE on its official website on 27 April 2017 further clarified that, for offshore bond issuance by offshore entities which is secured by PRC onshore guarantees, the restrictions on the use of proceeds for offshore bond issuance as mentioned in the New Regulations above still apply despite the SAFE Circular 3. However, in practice, application or exemption of such restrictions on the use of proceeds to a large extent remains subject to SAFE's discretion on a case by case basis.

With effect from 20 April 2026, the Administrative Measures for Overseas Lending by Onshore Enterprises (《境內企業境外放款管理辦法》) provide that any external claim arising from an onshore enterprise's performance, as guarantor or counter-guarantor, of an onshore guarantee for offshore financing or any other form of cross-border guarantee shall be included in the enterprise's overseas lending balance. If the aggregate of such external claim and the enterprise's outstanding overseas lending balance exceeds its applicable overseas lending balance ceiling, the competent local branch of SAFE at the place of registration of the onshore enterprise may nevertheless register the external claim resulting from the guarantee performance; however, no new overseas lending registration may be completed in respect of that enterprise until the aggregate balance falls within the applicable ceiling.

The implementation of the Cross-Border Guarantee Rules and SAFE Circular 3 remains subject to the examination of the relevant SAFE branch and handling bank based on the facts and documents of the relevant transaction, and implementation practices may vary among different locations.

Foreign Exchange Administration

SAFE issued the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Policies of Foreign Exchange Administration Applicable to Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》(一)) on 13 February 2015, which became effective from 1 June 2015, abolishing the verification and approval of foreign exchange registration of overseas direct investment. The banks shall directly examine and handle foreign exchange registration of overseas direct investment. SAFE and its branches shall conduct indirect regulation of foreign exchange registration of overseas direct investment via banks.

According to Circular of the State Administration of Foreign Exchange on Further Improving and Revising the Foreign Exchange Control Policy on Direct Investment (國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知), which was promulgated on 19 November 2012 and revised on 4 May 2015, 10 October 2018 and 30 December 2019, corporations, enterprises or other economic organisations (domestic investors) that have been permitted to make outbound investment shall go through the procedures of registration to the Foreign Exchange Bureau (外匯管理機構). The Foreign Exchange Bureau shall issue the Foreign Exchange Registration Certificate (外匯登記證) for overseas direct investment or an IC card to the domestic institution. The domestic institution shall go through the formalities for outward remittance of funds for overseas direct investment at a designated foreign exchange bank by presenting the approval document issued by the department in charge of overseas direct investment and the Foreign Exchange Registration Certificate for overseas direct investment. The scope of foreign exchange funds for overseas direct investment of domestic institutions includes their own foreign exchange funds, domestic loans in foreign currencies in compliance with relevant provisions, foreign exchange purchased with Renminbi, material objects, intangible assets and other foreign exchange funds approved by the Foreign Exchange Bureaus for overseas direct investment. The profits gained from overseas direct investment of domestic institutions may be deposited in overseas banks and used for overseas direct investment.

According to the Administrative Measures for Foreign Debt Registration and its operating guidelines, effective as at 13 May 2013 and revised on 4 May 2015, issuers of foreign debts are required to register with the SAFE. Issuers other than banks and financial departments of the government shall go through registration or record-filing procedures with the local branch of the SAFE within 15 business days of entering into a foreign debt agreement. If the receipt and payment of funds related to the foreign debt of such issuer is not handled through a domestic bank, the issuer shall, in the event of any change in the amount of money withdrawn, principal and interest payable or outstanding debt, go through relevant record-filing procedures with the local branch of the SAFE.

On 11 January 2017, the People's Bank of China ("**PBOC**") issued the Cross-Border Financing Circular, which came into effect on the same date. The Cross-Border Financing Circular established a mechanism aimed at regulating cross border financing activities based on the capital or net asset of the borrowing entities using a prudent management principle on a macro nationwide scale.

According to Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving the Foreign Exchange Management Policies for Direct Investment effective from 1 June 2015 and last amended on 30 December 2019, banks will review and carry out foreign exchange registration under overseas direct investment directly, and the SAFE and its branches shall implement indirect supervision over foreign exchange registration of direct investment via the banks. The domestic institution may select the banks in the places where they are registered for carrying out foreign exchange registration before proceeding with such operations as opening of the direct investment related account and fund remittance/settlement (including outbound remittance or inbound remittance of profits and dividends).

Under the SAFE Capital Account Foreign Exchange Business Guidelines (2024 Edition), a non-bank debtor is generally required to complete foreign debt contract registration before the first drawdown of the relevant foreign debt. Where an onshore institution issues bonds offshore, it must complete foreign debt registration with the competent SAFE branch, or where applicable a bank authorised to handle such registration, within 15 working days after settlement of the offshore bonds. The debtor must also complete the applicable amendment, cancellation, account opening, drawdown and repayment procedures in accordance with the then-current SAFE requirements.

In addition, the Notice of SAFE on Matters Relating to Deepening the Reform of Foreign Exchange Administration for Cross-Border Investment and Financing (《國家外匯管理局關於深化跨境投融資外匯管理改革有關事宜的通知》, Hui Fa [2025] No. 43), which took effect on 15 September 2025, further facilitated cross-border financing and revised the negative list applicable to the use of foreign-currency capital account income. Foreign-currency income from foreign debt, and the Renminbi proceeds converted from such income, must be used for genuine and self-use purposes and may not be used for expenditure prohibited by PRC laws and regulations. Unless otherwise expressly permitted, such funds may not be used directly or indirectly for securities investment or other investment and wealth-management activities, other than certain low-risk wealth-management products and structured deposits, or for lending to non-affiliated enterprises, except where lending falls within the relevant enterprise's permitted business scope.

MAJOR LAWS, REGULATIONS AND POLICIES RELATED TO THE GROUP'S BUSINESSES

Land Grants

In April 1988, the National People's Congress of the People's Republic of China passed an amendment to the Constitution of the People's Republic of China (《中華人民共和國憲法》). The amendment allowed the transfer of land use rights for value to prepare for reforms of the legal regime governing the use of land and transfer of land use rights. In December 1988, SCNPC amended the Land Administration Law to permit the transfer of land use rights for value. The Land Administration Law was last amended on 26 August 2019 and became effective on 1 January 2020.

Under the Provisional Regulations of the People's Republic of China on Grant and Transfer of the Land Use Rights of State-owned Urban Land (《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》) implemented by the State Council on 19 May 1990 and was last amended on 29 November 2020, a system of assignment and transfer of the right to use state-owned land was adopted. A land user shall pay land premium to the government as consideration for the grant of the right to use a land site within a certain term, and the land user may transfer, lease out, mortgage or otherwise commercially exploit the land use rights within the term of use. Under the Provisional Regulations on Grant and Transfer and Administration of Urban Real Estate Law of the People's Republic of China (《中華人民共和國城市房地產管理法》) implemented by SCNPC on 1 January 2020, the land administration authority under the local government of the relevant city or county shall enter into an assignment contract with the land user to provide for the grant of land use rights. The land user shall pay the land premium as provided by the assignment contract. After full payment of the land premium, the land user shall register with the land administration authority and obtain a land use rights certificate which evidences the acquisition of land use rights. The Regulations on Administration of Development of Urban Real Estate (《城市房地產開發經營管理條例》) provide that the land use rights for a land parcel intended for real estate development shall be obtained through grant except for land use rights which may be obtained through appropriation pursuant to PRC laws or the stipulations of the State Council.

Under the Regulations regarding the Grant of State-owned Land Use Rights by way of Public Bidding, Auction and Listing Procedure (《招標拍賣掛牌出讓國有土地使用權規定》) issued by Ministry of Land and Resources ("**MLR**") on 09 May 2002 and implemented on 1 July 2002 (the "**2002 Regulations**") and revised on 28 September 2007 with the name Regulations regarding the Grant of State-owned Construction Land Use Rights by way of Public Bidding, Auction and Listing Procedure (《招標拍賣掛牌出讓國有建設用地使用權規定》) (the "**2007 Regulations**") effective on 1 November 2007, land for industrial (except land for mining) or commercial use, tourism, entertainment and commercial residential properties, and land for which there are two or more intended users must be granted by way of the public bidding, auction and listing procedure. A number of measures in the 2007 Regulations ensure such grants of land use rights for commercial purposes are conducted openly and fairly. For instance, the local land bureau must take into account various social, economic and planning considerations when deciding on the use of a certain piece of land, and its decision regarding land use designation is subject to the approval of the city or county government. In addition, the announcement of public bidding, auction and listing procedure must be made 20 days prior to the date on which such competitive process begins. Further, the 2007 Regulations stipulate that for listings on a land exchange, the time period for accepting bids must be no less than ten days. Following the 2002 Regulations, MLR and the Ministry of Supervision of the People's Republic of China ("**MOS**") issued the Notice on Continuing the Review of the Implementation of the Grant of Land Use Rights for Commercial Uses By Soliciting Public Bidding, Auction and Listing Procedure on a Land Exchange (《關於繼續開展經營性土地使用權招標拍賣掛牌出讓情況執法監察工作的通知》) on 31 March 2004, which requires all local land administration authorities to strictly enforce the 2002 Regulations. In addition, MLR and MOS required that beginning from 31 August 2004, no land use rights for commercial uses granted by way of agreement shall be dealt with due to reasons stemming from historical legal legacy issues. In the Urgent Notice of the General Office of the State Council on Intense Regulation and Rectification of the Land Market and Strict Administration of Land (《國務院辦公

廳關於深入開展土地市場治理整頓嚴格土地管理的緊急通知》), issued by the General Office of the State Council on 29 April 2004, the approval process for the change of use from agricultural land to non-agricultural land for development was suspended for a period of approximately six months so that the PRC government could rectify irregularities in land development in China. On 13 May 2011, MLR implemented the Opinions on Upholding and Improving the System for the Transfer of Land by Public Bidding, Auction and Listing Procedure (《國土資源部關於堅持和完善土地招標拍賣掛牌出讓制度的意見》), which provides, among other things (i) how to correctly implement the land transfer policy through the public bidding, auction and listing procedure; (ii) an explanation of improvements in the transparency of the public bidding, auction and listing procedure for housing land; (iii) an explanation of adjustments and improvements to the land transfer policy through the public bidding, auction and listing procedure; (iv) promotion of online operation of the transfer of land use rights; and (v) improvement in contracts for land transfers through the public bidding, auction and listing procedure.

In the case of tenders, the local land bureau granting the land use rights should examine the qualifications of the intended bidders and encourage those who are qualified to participate in the bidding process by sending out invitations to tender. Bidders are asked to submit sealed bids together with the payment of a security deposit. When land use rights are granted through tenders, a tender evaluation committee consisting of an odd number of members of at least five people (including a representative of the grantor and relevant expert) shall be formed by the land bureau which is responsible for initiating the tenders and deciding on the successful bidder. The successful bidder will then sign the land grant contract with the land bureau and pay the balance of the land premium before obtaining a land use rights certificate.

Where land use rights are granted by way of the public bidding, auction and listing procedure, a public bidding, auction and listing procedure will be held by the relevant local land bureau. The land use rights are granted to the highest bidder. The successful bidder will then be asked to sign the land grant contract with the local land bureau and pay the relevant land premium within a prescribed period.

Where land use rights are granted through a listing administered by the local government, a public notice will be issued by the local land bureau to specify, among other things, the location, area, purpose of use of the land and the period for receiving bids. The land use rights are granted to the bidder with the highest bid who satisfies the terms and conditions stipulated by the local land bureau. The successful bidder will enter into a land grant contract with the local land bureau and pay the relevant land premium within a prescribed period.

On 11 June 2003, MLR promulgated the Regulations on the Grant of State-owned Land Use Rights by Agreement (《協議出讓國有土地使用權規定》), which was implemented on 1 August 2003. According to this regulation, if there is only one entity interested in using the land, the land use rights (excluding profit-oriented land for commercial use, tourism, entertainment and commercial residential properties) may be assigned by way of agreement. If two or more entities are interested in the land use rights to be assigned, such land use rights shall be granted by means of public bidding, auction and listing.

On 18 November 2009, MOFCOM, MLR, PBOC, Ministry of Supervision and the National Audit Office issued the Notice on Further Strengthening the Land Transfer Revenue and Expenditure Management (《關於進一步加強土地出讓收支管理的通知》) jointly, which stipulates, among others:

- the city or county land resource department must specify the land transfer price, rent and the total sum of the allocated land price, payment time and payment mode in the state-owned land transfer contract, lease contract and letter of decision on appropriation. If the land use conditions have been changed upon approval according to law, the city or county land resource management department must specify the additional price of the land that shall be paid in the land transfer and lease contracts and the payer shall pay the sum of money as stipulated by the contract. If a unit or individual fails to pay up the land price as required, the city or county land resource management department must neither approve nor issue the state-owned land use certificate nor issue a partial certificate according to the proportion of the land price paid; and

- in principle, the term for paying the full land transfer price by instalments agreed between the city or county land resource management department and land transferee pursuant to law shall not exceed one year. The proportion of first payment shall not be less than 50 per cent. of the total land transfer price.

Idle Land

The Notice on Promoting the Saving and Intensive Use of Land (《國務院關於促進節約集約用地的通知》), issued by the State Council on 3 January 2008, aims at optimising the utilisation of land. It provides that if a piece of land has been idle for two years or more, it must be taken back free of charge resolutely and rearranged for other uses, and if a piece of land does not satisfy the legal conditions for such taking-back, measures such as change of use, equivalent replacement, arrangements of temporary use or bringing it into governmental reserve shall be taken to make full use of the idle land. It also provides that if a piece of land has been idle for more than one year but less than two years, the real estate developer shall pay the idle land surcharge at 20 per cent. of the land grant premium. Furthermore, MLR issued the Notice on Restricting the Administration of Construction Land and Promoting the Utilisation of Approved Land (國土資源部關於嚴格建設用地管理促進批而未用土地利用的通知) on 11 August 2009 which reiterates its policy on idle land. Idle Land Disposal Measures (閒置土地處置辦法) became effective on 28 April 1999 and was amended on 1 July 2012, providing the procedures for disposal of idle land.

Planning of Construction Projects

On 1 January 2008, the SCNPC implemented City and Countryside Planning Law of the People's Republic of China (《中華人民共和國城鄉規劃法》) which was amended on 24 April 2015 and 23 April 2019, pursuant to which a construction planning permit must be obtained from the relevant urban and rural planning government authorities for building any structure, fixture, road, pipeline or other engineering project within an urban or rural planning area. After obtaining the construction works planning permit, a construction project developer shall apply for a construction work commencement permit from the construction authority under the local people's government at the county level or a higher construction authority in accordance with the Measures for the Administration of Construction Permit for Construction Projects (《建築工程施工許可管理辦法》) promulgated by the Ministry of Housing and Urban-Rural Development (the "**MOHURD**") (formerly Ministry of Construction of the PRC, the "**MOC**") on 25 June 2014, implemented on 25 October 2014 and amended on 30 March 2021. According to the Notice Regarding Strengthening and Regulating the Administration of Newly-commenced Projects (《國務院辦公廳關於加強和規範新開工項目管理的通知》) issued by the General Office of the State Council on 17 November 2007, before commencement of construction, all kinds of projects shall fulfil certain conditions, including, among others, compliance with national industrial policies, development plans, land supply policy and market access standards, completion of all approval and filing procedures, compliance with zoning plans in terms of site and planning, completion of proper land use procedures and obtaining proper environmental valuation approvals and construction work commencement permits or construction start-up reports. In accordance with the Regulations on Administration of Development of Urban Real Estate and the Regulations on the Quality Management of Construction Projects (《建設工程質量管理條例》) implemented by the State Council on 30 January 2000 and amended on 07 October 2017 and 23 April 2019, the Measures for Reporting Details Regarding Acceptance Examination Upon Completion of Buildings and City Infrastructure (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) implemented by MOHURD on 4 April 2000 and amended on 19 October 2009 and the Rules for the Confirmation of the Completion of Housing Construction and City Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收規定》) implemented by MOHURD and implemented on 2 December 2013, after the completion of construction of a project, the construction project must undergo inspection and receive the relevant approvals from local authorities which include approvals from planning bureau, fire safety authorities and environmental protection authorities.

Bidding and Tendering

Bidding and tendering for various construction projects have been provided for in, among others:

- the Bidding and Tendering Law of the People's Republic of China (《中華人民共和國招投標法》) promulgated by the SCNPC on 30 August 1999 which became effective on 1 January 2000 and was amended on 27 December 2017;

- the Regulation on the Implementation of the Bidding and Tendering Law of the People's Republic of China (《中華人民共和國招標投標法實施條例》) (the "**Regulations on the Implementation of the Bidding and Tendering Law**") promulgated by the State Council on 20 December 2011 which became effective on 1 February 2012 and was amended on 1 March 2017, 19 March 2018 and 2 March 2019 and which amendment became effective on the same date;

- the Measures for the Construction Bidding and Tendering of Construction Projects (《工程建設項目施工招標投標辦法》) jointly promulgated by NDRC, MOC, MOR, MOT, the Ministry of Information Industry of the People's Republic of China, the Ministry of Water Resources of the People's Republic of China and the Civil Aviation Administration of China on 8 March 2003 which became effective on 1 May 2003 and was amended by NDRC, Ministry of Industry and Information Technology ("**MOIIT**"), MOFCOM, Ministry of Housing and Urban-Rural Development of the People's Republic of China ("**MOHURD**"), Ministry of Transport of the People's Republic of China ("**MOT**"), Ministry of Railway of the People's Republic of China ("**MOR**"), Ministry of Water Resources of the People's Republic of China ("**MOWR**"), National Radio and Television Administration ("**NRTA**") and Civil Aviation Administration of China ("**CAAC**") on 11 March 2013 and which amendment became effective on 1 May 2013;

- the Administrative Measures for the Bidding and Tendering of Design of Construction Projects (《建築工程設計招標投標管理辦法》) issued by MOC on 18 October 2000 and was amended on 24 January 2017 which became effective on 1 May 2017; and

- the Administrative Measures for the Bidding and Tendering of Housing Construction and City Infrastructure Work (《房屋建築和市政基礎設施工程施工招標投標管理辦法》) issued by MOC on 1 June 2001, last amended on 13 March 2019 and became effective on the same date.

In accordance with the Bidding and Tendering Law, certain types of projects shall go through bidding processes during phases, including project survey, design, construction, supervision and procurement of the essential equipment and materials relating to the project construction. Such projects include projects related to social public interests and public security, including large infrastructure and utilities, projects invested by using state-owned fund or financed by the PRC government in whole or in part and projects using loans or funding aid from international organisations or foreign governments.

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

According to the Regulations on the Implementation of the Bidding and Tendering Law, where the tender invitation and bidding activities of a project required by law to call for tenders violate the provisions of the Bidding and Tendering Law and the Regulations on the Implementation of the Bidding and Tendering Law, and have a substantive influence on the outcome of the award of tender, if it is impossible to adopt remedial measures to rectify, the tender invitation, bidding, and the award of tender shall be void, and the tender exercise or bid evaluation shall be organised anew pursuant to the law.

In accordance with the Bidding and Tendering Law and the Measures for the Construction Bidding and Tendering of Construction Projects, if any project that should undergo bidding as required by law fails to go through the bidding process or the bidding process is otherwise evaded, the relevant administrative supervision department shall order rectification within a specified period, and may impose a fine of 0.5 per cent. up to 1.0 per cent. of the contract amount of the project. For projects using the state-owned funds in whole or in part, the project approval authority may suspend the implementation of the project or suspend the fund appropriation, and impose punishment on the person directly in charge of the entity or other person directly liable. Further, in accordance with the provisions of the Interpretations of the Supreme People's Court on Issues of Law Application during the Trial of Construction Contracts for Building Projects (《最高人民法院關於審理建設工程施工合同糾紛案件適用法律問題的解釋》(一)) issued by the Supreme People's Court of the People's Republic of China on 29 December 2020 and became effective on 1 January 2021, if any project that is required to undergo a bidding process fails to go through the bidding process or the bid award is invalid, the construction contract for building projects shall become invalid.

Real Estate Registration

According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》) issued by the State Council on 24 November 2014, enforced on 1 March 2015 and amended on 24 March 2019, PRC will apply a uniform registration system over real estate. Under this system, ownership of buildings and land use right shall be registered in accordance with the provisions of the interim regulations. If registration is applied by reasons of transfer or settlement of mortgage, the application shall be made jointly by both parties. However, the first registration application for the real estate without registration record shall be filed by either party involved. Any interested party may apply to inquire about or copy the real estate registration materials in accordance with the law and the registration. The competent authorities shall not refuse to provide the information which has been registered. Furthermore, the Interim Regulation confirmed that various real estate ownership certificates issued prior to the implementation of the interim regulation shall remain valid.

MLR implemented the Implementing Rules of the Interim Regulations on Real Estate Registration (《不動產登記暫行條例實施細則》) (the "**Rules**") on 1 January 2016, which was amended on 24 July 2019. The Rules stipulate that after the acceptance of an application for real estate registration, the real estate registration authority shall perform a site inspection. The owners and interested parties may inquire and obtain the relevant real estate registration information. The Rules also clarify that real estate registration information shall be managed by the relevant real estate registration authorities, which shall establish a real estate registration information management system and an information safety and confidentiality system. No individual or entity shall disclose such real estate registration information.

Quality Management

Laws and regulations on project quality mainly include Construction Law of the People's Republic of China, Regulation on Quality Management of Construction Projects (《建設工程質量管理條例》) issued by the State Council on 30 January 2000 and became effective on the same date, which was amended on 7 October 2017 and 23 April 2019 and became effective on 7 October 2017 and 23 April 2019 respectively, Administrative Measures for Quality Management of Construction Project Survey (《建設工程勘察質量管理辦法》) amended by MOC (as defined below) on 22 November 2007 and became effective on the same date and further amended on 1 April 2021 and became effective on the same date, Measures for the Administration of Quality Warranty Funds of Construction Projects (《建設工程質量保證金管理辦法》) issued jointly by MOC (as defined below) and MOFCOM on 20 June 2017 and became effective on 1 July 2017, Administrative Measures for Completion Acceptance Record of Building Construction and Municipal Infrastructure Projects (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) issued by MOHURD on 19 October 2009 and became effective on the same date, Measures for Quality Warranty of Building Construction Projects (《房屋建築工程質量保修辦法》) issued by MOC on 30 June 2000 and became effective on the same date.

According to the Regulation on Quality Management of Construction Projects, all the building, surveying, designing, construction and supervision units shall be responsible for the quality of the construction projects. The competent administrative department of construction at or above county level is the competent authority for quality supervision and management of construction projects.

Infrastructure Construction

According to the Notice of the General Office of the State Council on Strengthening the Quality Management of Infrastructure Projects (《國務院辦公廳關於加強基礎設施工程質量管理的通知》) issued and implemented by the State Council on 13 February 1999, with the seriousness of the circumstances, construction enterprises that violate the regulations shall be subject to punishments such as suspending business for rectification and lowering their qualification levels, until their qualification certificates are revoked, and administrative sanctions are imposed on the persons responsible for causing heavy losses, and they shall be investigated for legal responsibility. If the project is delivered to use without acceptance or unqualified, the legal representative of the project shall be held accountable, and the legal responsibility shall be investigated if it causes major losses.

Environmental Protection Management

In accordance with the provisions of the Administrative Regulations on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) issued on 16 July 2017, and the Interim Measures for the Acceptance Inspection for Environmental Protection upon Completion of Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) promulgated on 20 November 2017, the PRC Government implements the system of environmental impact assessment on construction projects. After the completion of a construction project, the competent administrative department of environmental protection will undergo environmental protection acceptance process and assess whether the construction project has met the requirements for environmental protection.

Environmental Protection

On 12 March 2026, the Fourteenth National People's Congress at its Fourth Session adopted the Ecological Environment Code of the People's Republic of China (《中華人民共和國生態環境法典》) (the "**Ecological Environment Code**"), which was promulgated by Presidential Order No. 70 and took effect on 15 August 2026. The Ecological Environment Code is the second law in the PRC to be named a "Code" after the Civil Code, and is the world's first code titled "Ecological Environment Code". The Code consists of five books, comprising 1,242 articles, namely the General Provisions, Pollution Prevention and Control, Ecological Protection, Green and Low-Carbon Development, and Legal Liability and Supplementary Provisions.

Upon the effective date of the Ecological Environment Code, the following ten laws were repealed simultaneously:

(i) the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》);

(ii) the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》);

(iii) the Marine Environment Protection Law of the PRC (《中華人民共和國海洋環境保護法》);

(iv) the Air Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》);

(v) the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》);

(vi) the Soil Pollution Prevention and Control Law of the PRC (《中華人民共和國土壤污染防治法》);

(vii) the Law on the Prevention and Control of Environmental Pollution by Solid Wastes of the PRC (《中華人民共和國固體廢物污染環境防治法》);

(viii) the Law on the Prevention and Control of Noise Pollution of the PRC (《中華人民共和國噪聲污染防治法》);

(ix) the Law on the Prevention and Control of Radioactive Pollution of the PRC (《中華人民共和國放射性污染防治法》); and

(x) the Cleaner Production Promotion Law of the PRC (《中華人民共和國清潔生產促進法》).

Other existing laws in the field of ecological environment protection that have not been listed above, such as the Forest Law, Grassland Law, Yangtze River Protection Law, Qinghai-Tibet Plateau Ecological Protection Law, National Park Law, Energy Law, Energy Conservation Law, etc., will remain effective after the Ecological Environment Code takes effect, and together with the Code shall form the ecological environment legal department under the PRC legal system.

Air Pollution

The air-pollution regime is contained principally in Book Two, Sub-book Two of the Ecological Environment Code. It provides the framework for air-pollution prevention and control, including supervision, emission controls and measures addressing industrial emissions, mobile sources, dust and other sources. Applicable national pollutant discharge standards must be observed; where a provincial-level people's government has lawfully formulated local standards, those local standards also apply.

Water Pollution

The water-pollution regime is contained principally in Book Two, Sub-book Three of the Ecological Environment Code. Article 269 assigns unified supervision and administration of water-pollution prevention and control to the competent ecology and environment authorities at the national and local levels. Enterprises discharging industrial wastewater must comply with the Code's collection, treatment and discharge-control requirements, including Article 298. Environmental protection tax remains payable under the Environmental Protection Tax Law of the PRC unless an applicable exemption applies.

Noise Pollution

The noise-pollution regime is contained principally in Book Two, Sub-book Seven of the Ecological Environment Code. Construction activities must comply with the applicable noise-emission standards and statutory controls. In particular, the construction entity must include noise-pollution prevention and control costs in the project cost estimate and specify the construction contractor's responsibilities in the construction contract. Construction contractors must formulate and implement noise-pollution prevention and control plans and take effective measures to reduce vibration and noise.

Construction Projects

Articles 95 to 110 of the Ecological Environment Code govern environmental impact assessment for construction projects. Under Article 95, projects are subject to classified management according to the degree of their potential ecological and environmental impact: a construction entity must prepare an ecological and environmental impact report for a project that may cause significant impacts, prepare an ecological and environmental impact report form for a project that may cause minor impacts, or complete an ecological and environmental impact registration form for a project whose impact is minimal.

Under Article 98, a construction entity may engage a technical entity to conduct the assessment and prepare the report or report form, but may also do so itself if it has the necessary technical capability. Article 100 makes the construction entity responsible for the contents and conclusions of the report or report form, while the engaged technical entity bears corresponding responsibility for its work. Under Article 102, reports and report forms must be submitted to the competent ecology and environment authority with approval jurisdiction, whereas registration forms are subject to record-filing administration.

A project may not commence construction if its report or report form has not been reviewed and approved as required, or if a required re-review has not been approved (Article 107). Approval must be refused in any of the circumstances specified in Article 105. Material changes to the project's nature, scale, location, production process, or pollution-control or ecological-protection measures require resubmission for approval; where construction begins more than five years after approval, the document must be submitted to the original approval authority for re-review (Article 106). During construction and operation, the construction entity must implement the protection measures stated in the approved document and approval decision (Article 108). Post-evaluation, filing and follow-up inspection requirements apply in the circumstances set out in Articles 109 and 110.

The Administrative Regulations on Environmental Protection of Construction Projects continue to supplement the Code. In particular, supporting environmental protection facilities must be designed, constructed and put into operation simultaneously with the main works (Article 15). After completion, the construction entity must conduct acceptance inspection of the supporting environmental protection facilities and prepare an acceptance report; facilities may not be put into production or use until they have passed acceptance inspection (Article 17). The competent ecology and environment authority exercises supervision and inspection rather than conducting the acceptance inspection on behalf of the construction entity.

REGULATIONS RELATING TO LABOUR

Employment Contracts

The Labour Law of the People's Republic of China (《中華人民共和國勞動法》) promulgated by the SCNPC on 5 July 1994, which became effective on 1 January 1995 and last amended on 29 December 2018 and the Labour Contract Law (《中華人民共和國勞動合同法》) promulgated by the SCNPC on 29 June 2007, which became effective on 1 January 2008 and was amended on 28 December 2012 and became effective on 1 July 2013, govern the relationship between employers and employees and provide for specific provisions in relation to the terms and conditions of an employment contract. The Labour Contract Law stipulates that employment contracts shall be in writing and signed. It imposes more stringent requirements on employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees. Pursuant to the Labour Contract Law, employment contracts lawfully concluded prior to the implementation of the Labour Contract Law and continuing as at the date of its implementation shall continue to be performed. Where an employment relationship was established prior to the implementation of the Labour Contract Law but no written employment contract was concluded, a contract shall be concluded within one month after its implementation.

Employee Funds

Under applicable PRC laws, regulations and rules, including the Social Insurance Law, promulgated by the SCNPC on 28 October 2010, which became effective on 1 July 2011 and was amended on 29 December 2018 and became effective on the same date, the Interim Regulations on the Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on 22 January 1999, which became effective on 22 January 1999 and was last amended on 24 March 2019, and the Administrative Regulations on the Housing Provident Fund (《住房公積金管理條例》)

promulgated by the State Council on 3 April 1999, which became effective on 3 April 1999 and as amended on 24 March 2002 and 24 March 2019, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and to housing provident funds. These payments are made to local administrative authorities and any employer who fails to contribute may be fined and ordered to pay the outstanding amount within a stipulated time period.

Regulations on Work Safety

According to the Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》) effective from 1 November 2002 and last amended on 10 June 2021 and became effective on 1 September 2021, if anything relating to work safety shall be subject to examination and approval according to the provisions of the relevant laws and regulations (including but not limited to approval, verification, permission, registration, certification and granting licences), the departments responsible for work safety supervision and administration must carry out the examination and approval by strictly following the relevant laws and regulations as well as the conditions and procedures for safe production as required by national or industrial standards. In the event that the administrative department in charge of examination and approval discovers or receives reports that any entity has unlawfully engaged in relevant activities without obtaining approval or without passing the examinations for acceptance, it shall revoke the unlawful act without delay and handle the case according to the law.

The Administrative Regulations on the Safety of Hazardous Chemicals (《危險化學品安全管理條例》), which was promulgated on 26 January 2002 and last amended on 7 December 2013, firstly provides that the PRC government implements the licensing system for the operation of hazardous chemicals (including storage management, hereinafter the same), and without being licensed, any units and individuals shall not deal in hazardous chemicals. Secondly, it provides that the enterprises dealing in hyper-toxic chemicals or hazardous chemicals to make explosives shall file applications to the production safety supervision and administration departments of the local people's governments at municipality (with districts) level and the enterprises dealing in other hazardous chemicals shall file applications to the production safety supervision and administration departments of the local people's governments at county level (if the enterprise has storage facilities, it shall file applications to the production safety supervision and administration department of the local people's government at municipality (with districts) level). Thirdly, the authorities mentioned above shall examine such documents pursuant to laws, conduct on-site verification on the business premises and storage facilities of the applicants, and make the decision of approval or refusal (if the application is approved, the licences for dealing in hazardous chemicals shall be issued). At last, the applicants shall not deal in hazardous chemicals until they hold the licences for dealing in hazardous chemicals to handle registration at the Administration for Industry and Commerce.

TAXATION

The following is a general description of certain tax considerations relating to the Bonds. It is based on laws and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Bonds. Professional holders of Bonds who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction are advised to consult their own professional advisers.

HONG KONG

Withholding Tax

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

Profits Tax

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

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**Inland Revenue Ordinance**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong;

(b) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(c) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person (other than a corporation) carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business; or

(d) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of Section 16(3) of the Inland Revenue Ordinance).

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

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

Sums derived from the sale, disposal or redemption of the Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a 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 the sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

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

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

Stamp Duty

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

PRC

Income Tax

Pursuant to the EIT Law, which as last amended on 29 December 2018, the IIT Law which as last amended on 31 August 2018, and the implementation regulations in relation to both the EIT Law and the IIT Law, PRC income tax at a rate of 10 per cent. or 20 per cent. is normally applicable to PRC-source income derived by non-resident enterprises or individuals, respectively, subject to adjustment by applicable treaty.

Under the EIT Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by non-resident enterprise Bondholders would be treated as incomes derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the IIT Law, the "non-resident individual", means any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than 183 days cumulatively within a tax year, shall pay individual income tax for any income obtained within the PRC. There is also uncertainty as to whether gains realised on the transfer of the Bonds by an individual Bondholder who is non-resident individual will be subject to PRC individual income tax. If such gains obtained by non-resident enterprise and non-resident individual Bondholders are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income.

Under EIT law, the Company is a resident enterprise by virtue of its incorporation under PRC Laws. The income tax on the payment of interest shall be withheld by the Company that is acting as the obligatory withholder and the Company shall withhold the tax amount from each payment due. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-PRC resident enterprise Bondholders. The tax so charged on interests paid on the New Bonds to non-PRC Bondholders 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 "**Avoidance Of Double Taxation 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 SAT. To enjoy this preferential tax rate of 7 per cent., the Company could apply, on behalf of the Bondholders, 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 Bonds.

Value-added Tax

On 24 December 2024, the Standing Committee of the National People's Congress promulgated the Value-Added Tax Law of the People's Republic of China (the "**VAT Law**"), which took effect on 1 January 2026, repealing the Provisional Regulations on Value-Added Tax and superseding the VAT provisions under Circular 36 (Cai Shui [2016] No. 36). Under VAT Law, financial services, including loan services (interest income), direct charge financial services (fees, commissions, etc.), insurance services and the transfer of financial instruments, are subject to VAT at the rate of 6 per cent. Pursuant to Article 4 of the VAT Law, a service is deemed to be provided within the PRC if (i) the service is consumed within the territory of the PRC (the "**destination principle**"), or (ii) the seller is a domestic entity or individual. In the event that the seller is a foreign entity or individual without a business establishment in the PRC, Article 15 of the VAT Law provides that the purchaser of the services shall act as the withholding agent, unless the foreign taxpayer appoints a domestic agent to declare and pay VAT with authorisation from the State Council.

Accordingly, in the absence of applicable exemptions, the interest and other interest like earnings received by a non-resident Bondholder from the Issuer will be subject to PRC VAT at the rate of 6 per cent. The Issuer will be obligated to withhold VAT of 6 per cent. and certain surcharges on payments of interest and other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. According to the Urban Maintenance and Construction Tax Law of the People's Republic of China issued by Standing Committee of the National People's Congress of PRC on 11 August 2020 and became effective on 1 September 2021, the Interim Provisions on the Collection of Educational Surcharges and Notice of the Ministry of Finance on the Relevant Matters regarding Unifying the Policies on Local Education Surcharges, certain surcharges include a city maintenance and construction tax (7.0 per cent. in the case of the Issuer), an educational surcharge (3.0 per cent.) and a local educational surcharge (2.0 per cent.). However, pursuant to Article 3 of the Urban Maintenance and Construction Tax Law, no urban maintenance and construction tax is levied on the value-added tax paid by foreign entities or individuals for the sale of services within the PRC. Consequently, when the Issuer withholds VAT on payments to foreign service providers (such as the Managers, the Trustee and the Agents) for services rendered in connection with the Bond issuance, no concurrent withholding of surcharges is required. For interest payments to non-resident Bondholders, the surcharges, if any, would be calculated based on the VAT payable on such interest, subject to applicable exemptions. Meanwhile, there is uncertainty as to whether gains derived from a sale or exchange of Bonds consummated outside of the PRC between non-PRC resident Bondholders will be subject to VAT. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. The VAT Law and its implementing regulations are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

However, despite the withholding of the PRC tax by the Company, the Company has agreed to pay additional amounts to Bondholders so that Bondholders would receive the full amount of the scheduled payment, as further set out in "*Terms and Conditions of the Bonds*".

Stamp Duty

According to PRC Stamp Duty Law (《中華人民共和國印花稅法》), all entities and individuals that execute or receive documents specified in these Regulations within the territory of the PRC shall be taxpayers of stamp tax and shall pay stamp tax in accordance with the provisions of these Regulations, and documents issued for the loan (loan contracts signed between banks and other financial organisations and borrowers (excluding inter-bank lending)) shall be regarded as taxable documents. No PRC stamp duty will be imposed on non-PRC Bondholders either upon issuance of the Bonds or upon a subsequent transfer of Bonds to the extent that the register of Bondholders is maintained outside the PRC and the issuance and the sale of the Bonds is made outside of the PRC, relevant contracts are signed outside the PRC and their governing law is not PRC law.

SUBSCRIPTION AND SALE

The Issuer has entered into a subscription agreement with the Joint Lead Managers dated 7 September 2026 (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to, severally but not jointly, subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds indicated in the following table.

Joint Lead Managers	**Principal amount of Bonds to be subscribed**
	(CNY)
Guotai Junan Securities (Hong Kong) Limited	432,750,000
Shenwan Hongyuan Securities (H.K.) Limited	432,750,000
China Securities (International) Brokerage Company Limited	432,750,000
TFI Securities and Futures Limited	432,750,000
BOCOM International Securities Limited	10,000,000
CEB International Capital Corporation Limited	10,000,000
Changjiang Securities Brokerage (HK) Limited	10,000,000
China CITIC Bank International Limited	10,000,000
China Galaxy International Securities (Hong Kong) Co., Limited	10,000,000
China Industrial Securities International Brokerage Limited	10,000,000
China International Capital Corporation Hong Kong Securities Limited	10,000,000
China Zheshang Bank Co., Ltd. (Hong Kong Branch)	10,000,000
CLSA Limited	10,000,000
CMB International Capital Limited	10,000,000
CMBC Securities Company Limited	10,000,000
China Merchants Securities (HK) Co., Limited	10,000,000
CNCB (Hong Kong) Capital Limited	10,000,000
Guodu Securities (Hong Kong) Limited	10,000,000
Haitong Bank, Macau Branch	10,000,000
Haitong International Securities Company Limited	10,000,000
Hua Xia Bank Co., Limited Hong Kong Branch	10,000,000
ICBC International Securities Limited	10,000,000
Industrial Bank Co., Ltd. Hong Kong Branch	10,000,000
Ping An Securities (Hong Kong) Company Limited	10,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	10,000,000
Soochow Securities International Brokerage Limited	10,000,000
SunRiver International Securities Group Limited	10,000,000
Zhongtai International Securities Limited	5,000,000
Total	**1,966,000,000**

The Subscription Agreement provides that the Issuer will indemnify the Joint Lead Managers and their respective subsidiaries, affiliates or any person who controls any of them within the meaning of Section 15 of the Securities Act or Section 20 of the United States Exchange Act of 1934, as amended, or any of their respective directors, officers, employees, agents or affiliates (within the meaning of Rule 405 under the Securities Act) will be indemnified against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent, and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

In connection with the issue of the Bonds, any of the Joint Lead Managers (except for China CITIC Bank International Limited and Haitong Bank, Macau Branch) appointed and acting in its capacity as a stabilisation manager (in such capacity, the "**Stabilisation Manager**") or any person acting on behalf of the Stabilisation Manager may, to the extent permitted by applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, but in doing so, the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager shall act as principal and not as agent of the Issuer. However, there is no assurance that the Stabilisation Manager (or any person acting on its behalf) will undertake stabilisation action. Any loss resulting from over-allotment and stabilisation will be borne, and any profit arising therefrom shall be beneficially retained, by the Joint Lead Managers in the manner agreed by them. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time and must be brought to an end after a limited period. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or any person acting on its behalf) in accordance with all applicable laws and rules.

The Joint Lead Managers and their respective 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 ("**Banking Services or Transactions**"). The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with the Issuer for which they have received, or will receive, fees and expenses.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trade of the Bonds may be material. Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Furthermore, it is possible that a significant proportion of the Bonds may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Bonds may be constrained. The Issuer and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer, including the Bonds and could adversely affect the trading price and liquidity of the Bonds. The Joint Lead Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or other financial instruments of the Issuer, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments of the Issuer.

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

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

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

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

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

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

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

- The name of each underlying investor;

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

Underlying investor information in relation to omnibus order should be sent to: dcm.ambitiously@gtjas.com.hk.

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, 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.

GENERAL

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published, by the Issuer or the Joint Lead Managers, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer or the Joint Lead Managers. If a jurisdiction requires that an offering of Bonds be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, such offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

UNITED STATES

The Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager has represented, warranted and undertaken that it has not offered or sold, and will not offer or sell, any Bonds constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that neither it nor any of its affiliates (including any person acting on behalf of such Joint Lead Manager or any of its affiliates) has engaged or will engage in any directed selling efforts with respect to the Bonds.

Terms used in the paragraph above have the meanings given to them by Regulation S under the Securities Act.

Each of the Joint Lead Managers has represented and warranted that it has not entered and agreed that it will not enter into any contractual arrangement with any distributor (as that term is defined in Regulation S) with respect to the distribution or delivery of the Bonds, except with its affiliates or with the prior written consent of the Issuer.

UNITED KINGDOM

Each of the Joint Lead Managers has represented, warranted and agreed that:

(i) 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, as amended (the "**FSMA**") received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

PRC

Each of the Joint Lead Managers has represented, warranted and undertaken that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including Hong Kong, Macau or Taiwan), except as permitted by the applicable laws of the PRC.

HONG KONG

Each of the Joint Lead Managers 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 Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

MACAU

The Bonds have not been and will not be promoted, distributed, sold or delivered in Macau, or any document relating to the Bonds be distributed or circulated in Macau, except under the terms of and in compliance with the Financial System Act (Law no. 13/2023), and Guidelines under Circular no. 033/B/2010-DSB/AMCM and Circular no. 004/B/2026-DSB/AMCM and any other laws in Macau that may apply to the offer and sale of the Bonds in Macau. The Bonds have not been and will not be registered or otherwise authorised for public offer under the Financial System Act of Macau and Guidelines under Circular no. 033/B/2010-DSB/AMCM and Circular no. 004/B/2026-DSB/AMCM, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Financial System Act and Guidelines under Circular no. 033/B/2010-DSB/AMCM and Circular no. 004/B/2026-DSB/AMCM and upon their communication to the Macau Monetary Authority and Chongwa (Macao) Financial Asset Exchange Co., Ltd., in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time. The Joint Lead Managers who are not Macau licensed entities will not promote, distribute, sell or deliver any of the Bonds in Macau.

SINGAPORE

Each Joint Lead Manager has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase, and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to 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 and (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.

JAPAN

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the "**Financial Instruments and Exchange Act**"). Accordingly, each Joint Lead Manager has represented, warranted and undertaken that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or for the benefit of, or to any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations and ministerial guidelines of Japan. As used in this paragraph, "**resident of Japan**" means any person residing in Japan, including any corporation or other entity organized under the laws of Japan.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN PRC GAAP AND IFRS

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

GOVERNMENT GRANT

Under PRC GAAP, the relocation compensation for public interests is required to be recognised as special payables. The income from compensation attributable to losses of fixed assets and intangible assets, related expenses, losses from production suspension incurred during the relocation and reconstruction period and purchases of assets after the relocation 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 or loss.

REVERSAL OF AN IMPAIRMENT LOSS

Under PRC GAAP, once an impairment loss is recognised for a long-term asset (including investment property valued under cost model, long-term equity investments, fixed assets, intangible assets and goodwill, among others), 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. The increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognised.

FIXED ASSETS AND INTANGIBLE ASSETS

Under PRC GAAP, only the cost model is allowed.

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

RELATED PARTY DISCLOSURES

Under PRC GAAP, only state-controlled without other related party relationship companies are not treated as related parties.

Under IFRS, state-controlled companies are not treated as related parties.

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

GENERAL INFORMATION

1. **Legal Entity Identifier:** The Legal Entity Identifier (LEI) code of the Issuer is 300300SQHQM8CIF0XP50.

2. **Clearing System:** The Bonds have been accepted for clearance through CMU under Common Code 349995565, HK ISIN HK0001326781 and CMU Instrument Code KWHKFB26035. The address of the CMU is 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

3. **Authorisations:** The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue, execution, delivery and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Bonds and performance of its obligations under the Trust Deed and the Agency Agreement. The issue of Bonds was authorised by resolutions of the board of directors of the Issuer dated 15 December 2025.

4. **No Material and Adverse Change:** There has been no material adverse change, or any development or event likely to involve a prospective change, in the condition (financial or other), prospects, properties, results of operations, business or general affairs of the Issuer or the Group since 31 December 2025.

5. **Litigation:** None of the Issuer or any other member of the Group is involved in any litigation or arbitration proceedings that the Issuer believes are material in the context of the Bonds, and so far as the Issuer is aware, no such proceedings are pending or threatened.

6. **Available Documents:** Copies of the Trust Deed, the Agency Agreement and (provided the Issuer has provided the same to the CMU Lodging and Paying Agent and the Trustee) the Offering Circular will be available for inspection from the Issue Date at all reasonable times during normal business hours (being 9:00 a.m. (Hong Kong time) to 3:00 p.m. (Hong Kong time) from Monday to Friday, public holidays excepted), so long as any Bond is outstanding following prior written request and proof of holding and identity satisfactory to the Trustee at the principal place of business of the Trustee, being at the date of this Offering Circular at 13/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong, and at the specified office of the Principal Paying Agent from time to time.

7. **Financial Statements:** The Audited Financial Statements, which are included elsewhere in this Offering Circular, have been audited by Pan-China CPA or Shandong Jiancheng CPA (as applicable).

8. **Listing of Bonds:** Application will be made to MOX for the listing of and permission to deal in the Bonds by way of debt issues to MOX Professional Investors only. Admission to the listing of the Bonds on the MOX shall not be taken as an indication of the merits of the Issuer or the Bonds.

INDEX TO FINANCIAL STATEMENTS

Auditor's Report

Jiancheng Audit Document No. [2026] 518-7

To the Shareholders of Jinan City Construction Group Limited Company:

I. Audit Opinion

We have audited the financial statements of Jinan City Construction Group Limited Company (hereinafter referred to as "your Company"), including the consolidated and parent company balance sheets as at 31 December 2025, the consolidated and parent company income statements, consolidated and parent company cash flow statements, consolidated and parent company statements of changes in equity for the year ended 31 December 2025, together with the notes to the financial statements.

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with Accounting Standards for Business Enterprises, and present fairly the consolidated and parent company financial position of your Company as at 31 December 2025, as well as the consolidated and parent company operating results and cash flows for the year ended 31 December 2025.

II. Basis for Audit Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Certified Public Accountant's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company, in accordance with the China Code of

Ethics for Certified Public Accountants, and we have fulfilled other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The management is presenting fairly the financial statements in accordance with the provisions of the Enterprise Accounting Standards to achieve a fair presentation, as well as designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

IV. Certified Public Accountant'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 China Standards on Auditing will always detect a material misstatement when it exists. Misstatement 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.

We exercise professional judgment and maintain professional skepticism throughout the audit performed in accordance with China Standards on Auditing. Meanwhile, we also carry out the following tasks:

(I) 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.

(II) 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.

(III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(IV) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company 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.

(V) 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.

(VI) Obtain sufficient and 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 sole responsibility for our audit opinion.

We communicate with those charged with governance regarding the planned audit scope, time schedule and significant audit findings, including any deficiencies in internal control of concern that we identify during our audit.

(No text on this page; this is the signature and seal page for Audit Report No. Jiancheng Audit [2026] No.518-7 – Jinan City Construction Group Limited Company)

Shandong Jiancheng Certified Public Accountants LLP

Jinan · China

Chinese Certified Public Accountant:

中国注册会计师
黄健
110003740007

Chinese Certified Public Accountant:

中国注册会计师
周娅萍
330000012696

Date of report: 17 April 2026

Consolidated Balance Sheet

31-Dec-25

Table 01

Prepared by: Jinan City Construction Group Limited Company

Unit: RMB

Assets	Note No.	Closing balance	Closing balance of preceding period	Liabilities & Equity	Note No.	Closing balance	Closing balance of preceding period
Current Assets:				Current liabilities:			
Cash and bank balances	VIII.(I)	18,392,829,201.72	22,445,178,661.41	Short-term borrowings	VIII.(XXVI)	20,853,752,175.50	14,049,494,503.37
Settlement funds				Central bank loans			
Loans to other banks				Loans from other banks			
Held-for-trading financial assets	VIII.(II)	772,598,666.04	90,278,999.80	Held-for-trading financial liabilities			
Derivative financial assets				Derivative financial liabilities			
Notes receivable	VIII.(III)	433,650,732.95	361,993,340.06	Notes payable	VIII.(XXVII)	2,239,276,126.45	2,958,963,400.10
Accounts receivable	VIII.(IV)	18,858,086,784.53	24,095,507,375.26	Accounts payable	VIII.(XXVIII)	23,566,074,302.46	24,105,467,359.63
Receivables financing	VIII.(V)	959,064,308.27	383,999,611.70	Advances received	VIII.(XXIX)	196,754,040.63	161,124,043.87
Prepayments	VIII.(VI)	6,744,117,131.29	9,240,260,905.99	Contract liabilities	VIII.(XXX)	14,728,058,203.74	11,812,066,892.84
Premiums receivable				Financial liabilities under repo			
Reinsurance accounts receivable				Absorbing deposit and interbank deposit			
Reinsurance reserve receivable				Deposit for agency security transaction			
Other receivables	VIII.(VII)	11,382,668,315.18	12,600,013,420.41	Deposit for agency security underwriting			
Financial assets under reverse repo				Employee benefits payable	VIII.(XXXI)	1,336,261,683.57	1,165,422,915.38
Inventories	VIII.(VIII)	133,008,446,590.78	112,762,011,880.08	Taxes and rates payable	VIII.(XXXII)	308,004,520.44	762,725,119.20
Including: Data resources				Other payables	VIII.(XXXIII)	9,156,160,812.45	12,200,042,245.92
Contract assets	VIII.(IX)	13,205,172,870.76	9,667,118,456.34	Handling fee and commission payable			
Assets held for sale				Reinsurance accounts payable			
Non-current assets due within one year				Liabilities held for sale			
Other current assets	VIII.(X)	5,803,496,144.00	3,781,258,028.71	Non-current liabilities due within one year	VIII.(XXXIV)	40,264,272,484.37	28,982,381,559.47
Total current assets		209,560,130,745.52	195,427,620,679.76	Other current liabilities	VIII.(XXXV)	6,106,785,938.51	5,438,145,028.40
				Total current liabilities		118,755,400,288.12	101,635,833,068.18
				Non-current liabilities:			
				Insurance policy reserve		7,780,648.93	14,877,609.29
				Long-term borrowings	VIII.(XXXVI)	94,392,535,071.06	76,784,873,335.32
				Bonds payable	VIII.(XXXVII)	48,384,426,401.15	60,340,445,766.63
				Including: Preferred shares			
				Perpetual bonds			
				Lease liabilities	VIII.(XXXVIII)	75,836,891.98	59,213,325.34
Non-current assets:				Long-term payables	VIII.(XXXIX)	41,371,848,101.92	43,728,157,719.29
Loans and advances paid				Long-term employee benefits payable			
Debt investments				Estimated liabilities	VIII.(XL)	83,995,548.16	261,846,542.03
Other debt investments				Deferred income	VIII.(XLI)	1,374,239,719.58	1,402,521,271.78
Long-term receivables	VIII.(XI)	11,186,217,603.53	11,649,047,327.14	Deferred tax liabilities	VIII.(XXIV)	307,060,046.30	314,087,561.85
Long-term equity investments	VIII.(XII)	7,779,716,297.05	8,839,022,191.80	Other non-current liabilities	VIII.(XLII)	403,073,948.18	450,000,000.00
Other equity instrument investments	VIII.(XIII)	7,847,982,301.88	8,067,700,294.13	Total non-current liabilities		186,400,796,377.26	183,356,023,131.53
Other non-current financial assets	VIII.(XIV)	6,482,130,187.03	2,518,882,312.86	Total liabilities		305,156,196,665.38	284,991,856,199.71
Investment property	VIII.(XV)	23,424,694,185.46	16,920,276,645.11	Owners' Equity (or Shareholders' Equity):			
Fixed assets	VIII.(XVI)	4,627,010,235.23	4,531,253,925.58	Share capital/Paid-in capital	VIII.(XLIII)	37,012,507,269.91	36,919,206,875.91
Construction in progress	VIII.(XVII)	91,287,551,536.90	85,974,725,516.22	Other equity instruments	VIII.(XLIV)	21,318,194,339.62	20,977,064,150.94
Productive biological assets	VIII.(XVIII)	578,255.46	612,853.26	Including: Preferred shares			
Oil & gas assets				Perpetual bonds		14,289,194,339.62	14,978,064,150.94
Right-of-use assets	VIII.(XIX)	95,044,004.68	80,222,674.75	Capital reserve	VIII.(XLV)	31,906,597,515.89	28,628,285,207.23
Intangible assets	VIII.(XX)	8,009,081,187.99	8,398,084,330.66	Less: Treasury shares			
Including: Data resources		5,883,295.22	1,519,218.10	Other comprehensive income		840,179,949.79	856,706,814.68
Research and development cost	VIII.(XXI)	629,854.76	4,884,494.36	Special reserve	VIII.(XLVI)	199,948,304.78	180,227,557.27
Including: Data resources				Surplus reserve	VIII.(XLVII)	115,768,539.38	115,768,539.38
Goodwill	VIII.(XXII)	140,001,522.59	99,887,521.05	General risk reserve		2,093,000.00	1,826,884.83
Long-term prepayments	VIII.(XXIII)	188,049,084.59	237,892,691.39	Undistributed profit	VIII.(XLVIII)	11,418,012,016.65	11,473,199,548.73
Deferred tax assets	VIII.(XXIV)	534,975,923.13	522,280,923.42	Total equity attributable to the parent company		102,813,300,936.02	99,152,285,578.97
Other non-current assets	VIII.(XXV)	47,150,265,616.59	47,288,163,294.04	Non-controlling interest		10,344,560,940.99	6,416,415,896.85
Total non-current assets		208,753,927,796.87	195,132,936,995.77	Total equity		113,157,861,877.01	105,568,701,475.82
Total assets		418,314,058,542.39	390,560,557,675.53	Total liabilities & equity		418,314,058,542.39	390,560,557,675.53

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

Balance Sheet of the Parent Company

31-Dec-25

Table 01

Prepared by: Jinan City Construction Group Limited Company

Unit: RMB

Assets	Note No.	Closing balance	Closing balance of preceding period	Liabilities and Equity	Note No.	Closing balance	Closing balance of preceding period
Current assets:				Current liabilities:			
Cash and bank balances		5,806,253,176.72	7,688,907,260.27	Short-term borrowings		16,688,500,000.00	11,091,140,000.00
Held-for-trading financial assets		407,217,000.00	79,041,000.00	Held-for-trading financial liabilities			
Derivative financial assets				Derivative financial liabilities			
Notes receivable				Notes payable		88,000,000.00	750,638,562.49
Accounts receivable				Accounts payable		16,372,251.54	14,325,775.88
Receivables financing				Advances received		2,554,919.72	2,480,504.59
Prepayments				Contract liabilities			
Other receivables	XIII.(I)	162,351,414,403.15	146,632,703,166.86	Employee benefits payable		96,813,308.58	88,744,502.56
Inventories		180,812,693.90		Taxes and rates payable		1,944,385.17	1,286,389.35
Including: Data resources				Other payables		17,541,308,930.90	16,448,525,171.33
Contract assets				Liabilities held for sale			
Assets held for sale				Non-current liabilities due within one year		22,102,063,318.44	21,946,725,921.58
Non-current assets due within one year				Other current liabilities		5,000,000,000.00	5,000,000,000.00
Other current assets		63,798,141.87	73,064,009.41	Total current liabilities		61,537,557,114.35	55,343,866,827.78
Total current assets		168,809,495,415.64	154,473,715,436.54	Non-current liabilities:			
				Long-term borrowings		50,543,667,301.02	36,870,717,142.84
				Bonds payable		28,789,735,823.55	35,519,338,495.70
				Including: Preferred shares			
Non-current assets:				Perpetual bonds			
Debt investments				Lease liabilities			
Other debt investments				Long-term payables		17,265,603,158.16	16,031,003,561.30
Long-term receivables				Long-term employee benefits payable			
Long-term equity investments	XIII.(II)	58,497,800,916.43	53,778,030,053.92	Estimated liabilities			
Other equity instrument investments				Deferred income		20,000,000.00	20,000,000.00
Other non-current financial assets		77,856,800.00	60,188,800.00	Deferred tax liabilities			
Investment property		219,807,300.00	213,664,000.00	Other non-current liabilities			
Fixed assets		2,622,419.40	3,808,864.84	Total non-current liabilities		96,619,006,282.73	88,441,059,199.84
Construction in progress		401,945,400.19	917,226,956.02	Total liabilities		158,156,563,397.08	143,784,926,027.62
Productive biological assets				Owners' Equity (or Shareholders' Equity):			
Oil & gas assets				Share capital/Paid-in capital		37,012,507,269.91	36,919,206,875.91
Right-of-use assets				Other equity instruments		21,318,194,339.62	20,977,064,150.94
Intangible assets		232,155,298.05	231,302,322.12	Including: Preferred shares			
Including: Data resources		739,165.01	822,061.97	Perpetual bonds		14,289,194,339.62	14,978,064,150.94
Research and development cost				Capital reserve		13,457,202,221.78	9,059,177,428.01
Including: Data resources				Less: Treasury shares			
Goodwill				Other comprehensive income		2,341,087.50	2,341,087.50
Long-term prepayments				Special reserve			
Deferred tax assets		8,017,759.18	9,553,584.18	Surplus reserve		115,768,539.38	115,768,539.38
Other non-current assets		14,749,804.47	53,597,122.93	Undistributed profit		-1,798,125,741.91	-1,117,396,968.81
Total non-current assets		59,454,955,697.72	55,267,371,704.01	Total equity		70,107,887,716.28	65,956,161,112.93
Total assets		228,264,451,113.36	209,741,087,140.55	Total liabilities & equity		228,264,451,113.36	209,741,087,140.55

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

Consolidated Income Statement

2025

Table 02

Prepared by: Jinan City Construction Group Limited Company

Unit: RMB

Items	Note No.	Current period cumulative	Preceding period comparative
I. Total operating revenue		39,232,027,477.64	39,081,640,692.69
Including: Operating revenue	VIII.(XLIX)	39,229,350,631.92	39,079,704,113.10
Interest income			
Premiums earned		2,676,845.72	1,936,579.59
Revenue from handling charges and commission			
II. Total operating cost		39,002,144,075.71	38,553,982,008.24
Including: Operating cost	VIII.(XLIX)	35,084,865,349.32	34,948,771,852.84
Interest expenses			
Handling charges and commission expenditures		8,163.60	907.07
Surrender value			
Net payment of insurance claims			
Net provision of insurance policy reserve		-7,096,960.36	11,205,768.67
Premium bonus expenditures			
Reinsurance expenses			
Taxes and surcharges	VIII.(L)	444,046,866.14	436,520,217.29
Selling expenses	VIII.(LI)	268,349,178.76	241,733,133.05
Administrative expenses	VIII.(LII)	1,223,777,620.41	1,209,278,352.60
R&D expenses	VIII.(LIII)	672,026,905.84	661,623,650.88
Financial expenses	VIII.(LIV)	1,316,166,952.00	1,044,848,125.84
Including: Interest expenses		1,608,700,949.68	1,320,944,107.27
Interest income		273,694,086.36	355,550,315.97
Add: Other income	VIII.(LV)	70,815,568.41	74,003,732.03
Investment income (or less: losses)	VIII.(LVI)	1,306,236,487.83	663,556,042.47
Including: Investment income from associates and joint ventures		579,805,332.47	430,417,188.63
Gains from derecognition of financial assets at amortized cost			
Gains on foreign exchange (or less: losses)			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)	VIII.(LVII)	-46,535,676.71	-355,385,864.90
Credit impairment loss	VIII.(LVIII)	-396,613,943.53	-202,114,445.04
Assets impairment loss	VIII.(LIX)	-12,783,439.77	-1,370,264,305.36
Gains on asset disposal (or less: losses)	VIII.(LX)	-999,246.36	-121,402.70
III. Operating profit (or less: losses)		1,150,003,151.80	-662,667,559.05
Add: Non-operating revenue	VIII.(LXI)	158,967,581.91	1,880,870,615.29
Less: Non-operating expenditures	VIII.(LXII)	18,779,314.37	14,801,707.78
IV. Profit before tax (or less: total loss)		1,290,191,419.34	1,203,401,348.46
Less: Income tax expenses	VIII.(LXIII)	218,929,738.25	205,920,883.52
V. Net profit (or less: net loss)		1,071,261,681.09	997,480,464.94
(I) Categorized by the continuity of operations			
1. Net profit from continuing operations (or less: net loss)		1,071,261,681.09	997,480,464.94
2. Net profit from discontinued operations (or less: net loss)			
(II) Categorized by the portion of equity ownership			
1. Net profit attributable to owners of parent company (or less: net loss)		1,001,953,186.15	989,024,302.86
2. Net profit attributable to non-controlling shareholders (or less: net loss)		69,308,494.94	8,456,162.08
VI. Other comprehensive income, net of tax	VIII.(LXIV)	-208,690,724.89	494,848,697.46
Items attributable to the owners of the parent company		-208,690,724.89	494,848,697.46
(I) Not to be reclassified subsequently to profit or loss		-76,705,869.67	252,533,618.10
1. Changes in remeasurement on the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss		496,462.04	4,497,102.84
3. Changes in fair value of other equity instrument investments		-77,202,331.71	248,036,515.26
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss		-131,984,855.22	242,315,079.36
1. Items under equity method that may be reclassified to profit or loss		-162,793,206.34	239,914,818.63
2. Changes in fair value of other debt investments			
3.Profit or loss from reclassification of financial assets into other comprehensive income			
4.Provision for credit impairment of other debt investments			
5.Cash flow hedging reserve			
6.Balance arising from the translation of foreign currency financial statements			
7.Others		30,808,351.12	2,400,260.73
Items attributable to non-controlling shareholders			
VII. Total comprehensive income		862,570,956.20	1,492,329,162.40
Items attributable to the owners of the parent company		793,262,461.26	1,483,873,000.32
Items attributable to non-controlling shareholders		69,308,494.94	8,456,162.08
VIII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)			
(II) Diluted EPS (yuan per share)			

Legal representative: 许为 民印

Office in charge of accounting: 郝艳 艳印

Head of accounting department: 周端 涛印

Income Statement of the Parent Company

2025

Prepared by: Jinan City Construction Group Limited Company

Table 02
Unit: RMB

Items	Note No.	Current period cumulative	Preceding period comparative
I. Operating revenue	XIII.(III)	14,747,659.97	9,646,033.56
Less: Operating cost	XIII.(III)	3,906,875.95	306,084.90
Taxes and surcharges		4,801,901.90	1,456,835.92
Selling expenses			
Administrative expenses		65,034,524.58	85,013,956.83
R&D expenses			
Financial expenses		325,487,622.07	143,389,001.87
Including: Interest expenses		332,780,309.11	220,365,283.10
Interest income		40,250,592.81	93,663,642.66
Add: Other income		1,055,773.11	1,138,154.61
Investment income (or less: losses)	XIII.(IV)	647,875,860.71	534,215,360.27
Including: Investment income from associates and joint ventures		-521,654.57	193,797.41
Gains from derecognition of financial assets at amortized cost			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)		6,143,300.00	260,700.00
Credit impairment loss		99,335.83	-76,940.82
Assets impairment loss			
Gains on asset disposal (or less: losses)			
II. Operating profit (or less: losses)		270,691,005.12	315,017,428.10
Add: Non-operating revenue		60,000.42	0.98
Less: Non-operating expenditures		207,487.50	527,686.42
III. Profit before tax (or less: total loss)		270,543,518.04	314,489,742.66
Less: Income tax expenses		1,535,825.00	65,175.00
IV. Net profit (or less: net loss)		269,007,693.04	314,424,567.66
(I) Net profit from continuing operations (or less: net loss)		269,007,693.04	314,424,567.66
(II) Net profit from discontinued operations (or less: net loss)			
V. Other comprehensive income, net of tax			
(I) Not to be reclassified subsequently to profit or loss			
1. Changes in remeasurement on the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss			
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3.Profit or loss from reclassification of financial assets into other comprehensive income			
4.Provision for credit impairment of other debt investments			
5.Cash flow hedging reserve (effective part of profit and loss of cash flow hedging)			
6.Balance arising from the translation of foreign currency financial statements			
7.Others			
VI. Total comprehensive income		269,007,693.04	314,424,567.66
VII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)			
(II) Diluted EPS (yuan per share)			

Legal representative: 许为民印 Office in charge of accounting: 郝艳艳印 Head of accounting department: 周端涛印

Consolidated Cash Flow Statement

2025

Table 03

Prepared by：Jinan City Construction Group Limited Company　　Unit: RMB

Items	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	41,819,031,160.53	36,150,125,771.08
Net increase of client deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash receipts from original insurance contract premium		
Net cash receipts from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling charges and commission		
Net increase of loans from others		
Net increase of repurchase		
Net cash receipts from agency security transaction		
Receipts of tax refund	8,100,175.11	291,908,311.20
Other cash receipts related to operating activities	7,648,443,337.67	4,879,702,125.75
Subtotal of cash inflows from operating activities	49,475,574,673.31	41,321,736,208.03
Cash payments for goods purchased and services received	44,642,241,708.37	37,570,611,584.83
Net increase of loans and advances to clients		
Net increase of central bank deposit and interbank deposit		
Cash payments for insurance indemnities of original insurance contracts		
Net increase of loans to others		
Cash payments for interest, handling charges and commission		
Cash payments for policy bonus		
Cash paid to and on behalf of employees	2,362,272,901.68	2,237,892,368.28
Cash payments for taxes and rates	2,192,145,538.53	1,017,039,935.78
Other cash payments related to operating activities	5,362,064,694.33	5,632,450,385.11
Subtotal of cash outflows from operating activities	54,558,724,842.91	46,457,994,274.00
Net cash flows from operating activities	-5,083,150,169.60	-5,136,258,065.97
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	7,777,337,899.09	765,362,665.82
Cash receipts from investment income	520,383,148.94	342,232,145.18
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term ass	917,610.93	514,212.32
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	2,724,990,512.69	2,383,499,844.21
Subtotal of cash inflows from investing activities	11,023,629,171.65	3,491,608,867.53
Cash payments for the acquisition of fixed assets, intangible assets and other long-term asse	13,760,321,372.48	10,756,071,077.78
Cash payments for investments	10,682,235,532.00	4,112,908,629.13
Net increase of pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units		1,290,000.00
Other cash payments related to investing activities	1,942,805,124.89	3,388,808,429.90
Subtotal of cash outflows from investing activities	26,385,362,029.37	18,259,078,136.81
Net cash flows from investing activities	-15,361,732,857.72	-14,767,469,269.28
III. Cash flows from financing activities:		
Cash receipts from absorbing investments	15,846,260,394.00	9,593,071,900.00
Including: Cash received by subsidiaries from non-controlling shareholders as investments	3,812,280,000.00	252,800,000.00
Cash receipts from borrowings	69,716,270,953.30	81,880,432,800.71
Other cash receipts related to financing activities	2,762,271,132.26	4,478,781,584.79
Subtotal of cash inflows from financing activities	88,324,802,479.56	95,952,286,285.50
Cash payments for the repayment of borrowings	48,054,924,993.90	58,164,247,720.94
Cash payments for distribution of dividends or profits and for interest expenses	10,056,849,595.30	9,555,176,629.44
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit	9,031,724.72	4,632,714.17
Other cash payments related to financing activities	13,912,619,059.31	7,867,768,773.32
Subtotal of cash outflows from financing activities	72,024,393,648.51	75,587,193,123.70
Net cash flows from financing activities	16,300,408,831.05	20,365,093,161.80
IV. Effect of foreign exchange rate changes on cash & cash equivalents	-12,307,328.86	8,065,288.27
V. Net increase in cash and cash equivalents	-4,156,781,525.13	469,431,114.82
Add: Opening balance of cash and cash equivalents	21,163,302,381.80	20,693,871,266.98
VI. Closing balance of cash and cash equivalents	17,006,520,856.67	21,163,302,381.80

Legal representative：许为民印　　Office in charge of accounting：郝艳艳印　　Head of accounting department：周端涛印

The Cash Flow Statement of the Parent Company

2025

Table 03

Prepared by: Jinan City Construction Group Limited Company — Unit: RMB

Item	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:		
Cash receipts from sale of goods and rendering of services	73,441,200.00	
Receipts of tax refund		
Other cash receipts related to operating activities	17,097,366,552.93	8,779,595,802.65
Subtotal of cash inflows from operating activities	17,170,807,752.93	8,779,595,802.65
Cash payments for goods purchased and services received	167,546,358.67	
Cash paid to and on behalf of employees	118,851,230.07	96,765,265.73
Cash payments for taxes and rates	24,579,405.35	2,033,645.32
Other cash payments related to operating activities	16,311,812,034.96	8,090,135,649.92
Subtotal of cash outflows from operating activities	16,622,789,029.05	8,188,934,560.97
Net cash flows from operating activities	548,018,723.88	590,661,241.68
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	4,825,011,975.35	
Cash receipts from investment income	367,125,468.44	321,401,537.13
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term asse		
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	16,339,669,112.83	23,944,512,104.88
Subtotal of cash inflows from investing activities	21,531,806,556.62	24,265,913,642.01
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	2,029,204,746.11	54,314,347.03
Cash payments for investments	9,362,965,417.08	4,470,752,388.86
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	26,671,806,074.53	39,998,430,599.42
Subtotal of cash outflows from investing activities	38,063,976,237.72	44,523,497,335.31
Net cash flows from investing activities	-16,532,169,681.10	-20,257,583,693.30
III. Cash flows from financing activities:		
Cash receipts from absorbing investments	12,033,980,394.00	9,340,271,900.00
Cash receipts from borrowings	46,061,376,648.14	53,912,556,944.44
Other cash receipts related to financing activities	14,350,829,798.86	15,398,283,105.01
Subtotal of cash inflows from financing activities	72,446,186,841.00	78,651,111,949.45
Cash payments for the repayment of borrowings	31,428,822,320.92	36,253,320,594.53
Cash payments for distribution of dividends or profits and for interest expenses	6,981,037,143.18	6,450,436,994.27
Other cash payments related to financing activities	19,934,027,572.82	13,009,713,673.36
Subtotal of cash outflows from financing activities	58,343,887,036.92	55,713,471,262.16
Net cash flows from financing activities	14,102,299,804.08	22,937,640,687.29
IV. Effect of foreign exchange rate changes on cash and cash equivalents		161,820.91
V. Net increase in cash and cash equivalents	-1,881,851,153.14	3,270,880,056.58
Add: Opening balance of cash and cash equivalents	7,679,284,069.39	4,408,404,012.81
VI. Closing balance of cash and cash equivalents	5,797,432,916.25	7,679,284,069.39

Legal representative: 许为民印　　Office in charge of accounting: 郝艳艳印　　Head of accounting department: 周端涛印

Consolidated Statement of Changes in Equity

2025年度

Prepared by: [illegible] City Construction Group Limited Company

Table [illegible]

Unit: RMB

Current period cumulative (Equity attributable to parent company: Share capital to Undistributed profit)

Items	Share capital/ Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual Bonds	Other equity instruments: Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Non-controlling interest	Total equity
I. Balance at the end of prior year	36,919,206,875.91		14,978,064,150.94	5,999,000,000.00	28,628,285,207.23		856,706,814.68	180,227,557.27	115,768,539.38	1,826,884.83	11,471,394,987.99	6,416,415,896.85	105,566,896,915.08
Add: Cumulative changes of accounting policies													
Error correction of prior period											1,804,560.74		1,804,560.74
Business combination under common control													
Others													
II. Balance at the beginning of current year	36,919,206,875.91		14,978,064,150.94	5,999,000,000.00	28,628,285,207.23		856,706,814.68	180,227,557.27	115,768,539.38	1,826,884.83	11,473,199,548.73	6,416,415,896.85	105,568,701,475.82
III. Current period increase (or less: decrease)	93,300,394.00		-688,869,811.32	1,030,000,000.00	3,278,312,308.66		-16,526,864.89	19,720,747.51		266,115.17	-55,187,532.08	3,928,145,044.14	7,589,160,401.19
(I) Total comprehensive income							-208,690,724.89				1,001,953,186.15	69,308,494.94	862,570,956.20
(II) Capital contributed or withdrawn by owners	93,300,394.00		-688,869,811.32	1,030,000,000.00	3,278,312,308.66							3,867,868,273.92	7,580,611,165.26
1. Ordinary shares contributed by owners	93,300,394.00				3,278,312,308.66							3,507,384,907.31	6,878,997,609.97
2. Capital contributed by holders of other equity instruments			-688,869,811.32	1,030,000,000.00									341,130,188.68
3. Amount of share-based payment included in equity													
4. Others												360,483,366.61	360,483,366.61
(III) Profit distribution										266,115.17	-961,072,170.35	-9,031,724.72	-969,837,779.90
1. Appropriation of surplus reserve													
2. Appropriation of general risk reserve										266,115.17	-266,115.17		
3. Appropriation of profit to owners											-960,806,055.18	-9,031,724.72	-969,837,779.90
4. Others													
(IV) Internal carry-over within equity							192,163,860.00				-192,163,860.00		
1. Transfer of capital reserve to capital													
2. Transfer of surplus reserve to capital													
3. Surplus reserve to cover losses													
4. Changes in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings							192,163,860.00				-192,163,860.00		
6. Others													
(V) Special reserve								19,720,747.51					19,720,747.51
1. Appropriation of current period								436,386,478.89					436,386,478.89
2. Application of current period								-416,665,731.38					-416,665,731.38
(VI) Others											96,095,312.12		96,095,312.12
IV. Balance at the end of current period	37,012,507,269.91		14,289,194,339.62	7,029,000,000.00	31,906,597,515.89		840,179,949.79	199,948,304.78	115,768,539.38	2,093,000.00	11,418,012,016.65	10,344,560,940.99	113,157,861,877.01

Preceding period comparative (Equity attributable to parent company: Share capital to Undistributed profit)

Items	Share capital/ Paid-in capital	Other equity instruments: Preference shares	Other equity instruments: Perpetual Bonds	Other equity instruments: Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Non-controlling interest	Total equity
I. Balance at the end of prior year	36,893,583,975.91		14,251,837,735.84	7,683,000,000.00	23,909,065,193.49		479,270,234.24	171,975,469.28	115,768,539.38		11,255,231,945.69	5,435,535,273.58	100,195,268,367.41
Add: Cumulative changes of accounting policies													
Error correction of prior period											2,520,000.00		2,520,000.00
Business combination under common control													
Others													
II. Balance at the beginning of current year	36,893,583,975.91		14,251,837,735.84	7,683,000,000.00	23,909,065,193.49		479,270,234.24	171,975,469.28	115,768,539.38		11,257,751,945.69	5,435,535,273.58	100,197,788,367.41
III. Current period increase (or less: decrease)	25,622,900.00		726,226,415.10	-1,684,000,000.00	4,719,220,013.74		377,436,580.44	8,252,087.99		1,826,884.83	215,447,603.04	980,880,623.27	5,370,913,108.41
(I) Total comprehensive income							494,848,697.46				989,024,302.86	8,456,162.08	1,492,329,162.40
(II) Capital contributed or withdrawn by owners	25,622,900.00		726,226,415.10	-1,684,000,000.00	7,552,626,969.83							912,800,000.00	7,533,276,284.93
1. Ordinary shares contributed by owners	25,622,900.00											912,800,000.00	938,422,900.00
2. Capital contributed by holders of other equity instruments			726,226,415.10	5,616,000,000.00									6,342,226,415.10
3. Amount of share-based payment included in equity													
4. Others				-7,300,000,000.00	7,552,626,969.83								252,626,969.83
(III) Profit distribution										1,826,884.83	-881,228,227.30	-4,632,714.17	-884,034,056.64
1. Appropriation of surplus reserve													
2. Appropriation of general risk reserve										1,826,884.83	-1,826,884.83		
3. Appropriation of profit to owners											-879,401,342.47	-4,632,714.17	-884,034,056.64
4. Others													
(IV) Internal carry-over within equity							-107,686,270.63				107,686,270.63		
1. Transfer of capital reserve to capital													
2. Transfer of surplus reserve to capital													
3. Surplus reserve to cover losses													
4. Changes in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings							-107,686,270.63				107,686,270.63		
6. Others													
(V) Special reserve								8,252,087.99					8,252,087.99
1. Appropriation of current period								461,484,529.46					461,484,529.46
2. Application of current period								-453,232,441.47					-453,232,441.47
(VI) Others					-2,833,406,956.09		-9,725,846.39				-34,743.15	64,257,175.36	-2,778,910,370.27
IV. Balance at the end of current period	36,919,206,875.91		14,978,064,150.94	5,999,000,000.00	28,628,285,207.23		856,706,814.68	180,227,557.27	115,768,539.38	1,826,884.83	11,473,199,548.73	6,416,415,896.85	105,568,701,475.82

Legal representative: 民许 印为

Officer in charge of accounting: 艳郝 印艳

Head of accounting department: 涛周 印端

Statement of Changes in Equity of the Parent Company

2025

Table 04

Prepared by: Jinan City Construction Group Limited Company

Unit: RMB

Items	Current period cumulative											Current period cumulative										
	Share capital/ Paid-in capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity	Share capital/ Paid-in capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preference shares	Perpetual Bonds	Others									Preference shares	Perpetual Bonds	Others							
I. Balance at the end of prior year	36,919,206,875.91		14,978,064,150.94	5,999,000,000.00	9,059,177,428.01		2,341,087.50		115,768,539.38	-1,117,396,968.81	65,956,161,112.93	36,893,583,975.91		14,251,837,735.84	7,683,000,000.00	5,471,495,943.82		2,341,087.50		115,768,539.38	-552,420,194.00	63,865,607,088.45
Add: Cumulative changes of accounting policies																						
Error correction of prior period																						
Others																						
II. Balance at the beginning of current year	36,919,206,875.91		14,978,064,150.94	5,999,000,000.00	9,059,177,428.01		2,341,087.50		115,768,539.38	-1,117,396,968.81	65,956,161,112.93	36,893,583,975.91		14,251,837,735.84	7,683,000,000.00	5,471,495,943.82		2,341,087.50		115,768,539.38	-552,420,194.00	63,865,607,088.45
III. Current period increase (or less: decrease)	93,300,394.00		-688,869,811.32	1,030,000,000.00	4,398,024,793.77					-680,728,773.10	4,151,726,603.35	25,622,900.00		726,226,415.10	-1,684,000,000.00	3,587,681,484.19					-564,976,774.81	2,090,554,024.48
(I) Total comprehensive income										269,007,693.04	269,007,693.04										314,424,567.66	314,424,567.66
(II) Capital contributed or withdrawn by owners	93,300,394.00		-688,869,811.32	1,030,000,000.00	4,398,024,793.77						4,832,455,376.45	25,622,900.00		726,226,415.10	-1,684,000,000.00	3,587,681,484.19						2,655,530,799.29
1. Ordinary shares contributed by owners	93,300,394.00				4,441,650,000.00						4,534,950,394.00	25,622,900.00				7,300,000,000.00						7,325,622,900.00
2. Capital contributed by holders of other equity instruments			-688,869,811.32	1,030,000,000.00							341,130,188.68			726,226,415.10	5,616,000,000.00							6,342,226,415.10
3. Amount of share-based payment included in equity																						
4. Others					-43,625,206.23						-43,625,206.23				-7,300,000,000.00	-3,712,318,515.81						-11,012,318,515.81
(III) Profit distribution										-949,736,466.14	-949,736,466.14										-879,401,342.47	-879,401,342.47
1. Appropriation of surplus reserve																						
2. Appropriation of profit to owners										-949,736,466.14	-949,736,466.14										-879,401,342.47	-879,401,342.47
3. Others																						
(IV) Internal carry-over within equity																						
1. Transfer of capital reserve to capital																						
2. Transfer of surplus reserve to capital																						
3. Surplus reserve to cover losses																						
4. Changes in defined benefit plan carried over to retained earnings																						
5. Other comprehensive income carried over to retained earnings																						
6. Others																						
(V) Special reserve																						
1. Appropriation of current period																						
2. Application of current period																						
(VI) Others																						
IV. Balance at the end of current period	37,012,507,269.91		14,289,194,339.62	7,029,000,000.00	13,457,202,221.78		2,341,087.50		115,768,539.38	-1,798,125,741.91	70,107,887,716.28	36,919,206,875.91		14,978,064,150.94	5,999,000,000.00	9,059,177,428.01		2,341,087.50		115,768,539.38	-1,117,396,968.81	65,956,161,112.93

Legal representative: 许为民印

Office in charge of accounting: 郝艳艳印

Head of accounting department: 周涛端印

Jinan City Construction Group Limited Company Notes to Financial Statements

(Unless otherwise specified, all amounts in these notes are in Renminbi Yuan)

I. Company profile

Jinan City Construction Group Limited Company (the "Company") was invested and established by the State-owned Assets Supervision and Administration Commission of Jinan People's Government (the "Jinan SASAC") under the approval of the Jinan People's Government. Headquartered in Jinan City, Shandong Province, the Company was registered at the Jinan Administration for Market Regulation on June 2, 2017, and obtained a business license with unified social credit code of 91370100MA3DRJHB1K. The Company's current registered capital is 45 billion yuan.

The main business scope of the Company: licensed items: construction engineering design;construction project construction; general items: enterprise headquarters management; planning and design management; landscape engineering construction; engaging in investment activities with self-owned funds; asset management services invested by self-owned funds; engineering management services; public utilities management services.

These financial statements have been approved for issuance by the 7th meeting of the Company's Board of Directors held on April 7, 2026.

II. Preparation basis of the financial statements

The financial statements of the Company are prepared on a going-concern basis, based on transactions and events actually occurred, in accordance with the Accounting Standards for Business Enterprises – Basic Standard and specific accounting standards issued by the Ministry of Finance (collectively referred to as Accounting Standards for Business Enterprises hereinafter), and in light of the significant accounting policies and accounting estimates set forth below.

III. Statement of compliance

The financial statements prepared by the Company comply with the requirements of the Accounting Standards for Business Enterprises, and present fairly and completely the Company's financial position as at 31 December 2025, as well as the operating results and cash flows for the year ended 31 December 2025 and other relevant information.

IV. Significant accounting policies and estimates

(I) Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

(II) Operating cycle

Except for the real estate industry, the Company has a relatively short operating cycle for its business, an asset or a liability is classified as current if it is expected to be realized or due within 12 months. The operating cycle for real estate industry starts from the development of property and ends at sales, which normally extends over 12 months and is subject to specific projects, therefore, an asset or a liability is classified as current if it is expected to be realized or due within such operating cycle.

(III) Functional currency

The Company's functional currency is Renminbi (RMB) Yuan.

(IV) Business combination

1. Accounting treatment of business combination under common control

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

2. Accounting treatment of business combination not under common control

When combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities, and the measurement of the combination cost are reviewed, then the difference is recognized in profit or loss.

(V) Judgement criteria for control and compilation method of consolidated financial statements

1. Judgement of control

An investor controls an investee if and only if the investor has all the following: (1) power over the investee; (2) exposure, or rights, to variable returns from its involvement with the investee; and (3) the ability to use its power over the investee to affect the amount of the investor's returns.

2. Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to "CASBE 33 – Consolidated Financial Statements", based on relevant information and the financial statements of the parent company and its subsidiaries.

(VI) Classification of joint arrangements and accounting treatment of joint operations

1. Joint arrangements include joint operations and joint ventures.

2. When the Company is a joint operator of a joint operation, it recognizes the following items in relation to its interest in a joint operation:

(1) its assets, including its share of any assets held jointly;

(2) its liabilities, including its share of any liabilities incurred jointly;

(3) its revenue from the sale of its share of the output arising from the joint operation;

(4) its share of the revenue from the sale of the assets by the joint operation; and

(5) its expenses, including its share of any expenses incurred jointly

(VII) Recognition criteria of cash and cash equivalents

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

(VIII) Foreign currency translation

1. Translation of transactions denominated in foreign currency

Transactions denominated in foreign currency are translated into RMB yuan at the approximate exchange rate similar to the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, monetary items denominated in foreign currency are translated at the spot exchange rate at the balance sheet date with difference, except for those arising from the principal and interest of exclusive borrowings eligible for capitalization, included in profit or loss; non-cash items carried at historical costs are translated at the approximate exchange rate similar to the spot exchange rate at the transaction date, with the RMB amounts unchanged; non-cash items carried at fair value in foreign currency are translated at the spot exchange rate at the date when the fair value was determined, with difference included in profit or loss or other comprehensive income.

2. Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot exchange rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot exchange rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at the approximate exchange rate similar to the spot exchange rate at the transaction date. The difference arising from the aforementioned foreign currency translation is included in other comprehensive income.

(IX) Financial instruments

1. Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories when initially recognized: (1) financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories when initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; (3) financial guarantee contracts not fall within the above categories (1) and (2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category (1); (4) financial liabilities at amortized cost.

2. Recognition criteria, measurement method and derecognition of financial assets and financial liabilities

(1) Recognition criteria and measurement method of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the

Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or in circumstances where the Company does not consider the financing components in contracts within one year, they are measured at the transaction price in accordance with "CASBE 14 – Revenues".

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

The Company measures its financial assets at the amortized costs using effective interest method. Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

2) Debt instrument investments at fair value through other comprehensive income

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

3) Equity instrument investments at fair value through other comprehensive income

The Company measures its equity instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

4) Financial assets at fair value through profit or loss

The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at fair value. The amount of changes in the fair value of the financial liabilities that are attributable to changes in the Company's own credit risk shall be included into other comprehensive income, unless such treatment would create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) shall be included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that originally recognized as other comprehensive income should be transferred out into retained earnings when the financial liabilities are derecognized.

2) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies

The Company measures its financial liabilities in accordance with "CASBE 23 – Transfer of Financial Assets".

3) Financial guarantee contracts not fall within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1)

The Company measures its financial liabilities at the higher of: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized in accordance with "CASBE 14–Revenues".

4) Financial liabilities at amortized cost

The Company measures its financial liabilities at amortized cost using effective interest method. Gains or losses on financial liabilities that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial liabilities are derecognized and amortized using effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

a. the contractual rights to the cash flows from the financial assets expire; or

b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with "CASBE 23 – Transfer of Financial Assets".

2) Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: (1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; (2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items is included in profit or loss: (1) the carrying amount of the transferred financial asset as of the date of derecognition; (2) the sum of consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions for derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items is included into profit or loss: (1) the carrying amount of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

4. Fair value determination method of financial assets and liabilities

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and information are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

(1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;

(2) 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 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, financial forecast developed using the Company's own data, etc.

5. Impairment of financial instruments

The Company, on the basis of expected credit loss, recognizes loss allowances of financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, contract assets, leases receivable, loan commitments other than financial liabilities at fair value through profit or loss, financial guarantee contracts not belong to financial liabilities at fair value through profit or loss or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Expected credit losses refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Among which, purchased or originated credit-impaired financial assets are discounted at the credit-adjusted effective interest rate.

At the balance sheet date, the Company shall only recognize the cumulative changes in the lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

For accounts receivable and contract assets resulting from transactions regulated in “CASBE 14 – Revenues” which do not contain a significant financing component or in circumstances where the Company does not consider the financing components in contracts within one year, the Company chooses simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than the above, on each balance sheet date, the Company shall assess whether the credit risk on the financial instrument has increased significantly since initial recognition. The Company shall measure the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

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 relatively low credit risk at the balance sheet date.

The Company shall estimate expected credit risk and measure expected credit losses on an individual or a collective basis. When the Company adopts the collective basis, financial instruments are grouped with similar credit risk features.

The Company shall remeasure expected credit loss on each balance sheet date, and increased or reversed amounts of loss allowance arising therefrom shall be included into profit or loss as impairment losses or gains. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

6. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company: (1) currently has a legally enforceable right to set off the recognized amounts; and (2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the Company does not offset the transferred asset and the associated liability

(X) Recognition criteria and accrual method for expected credit losses of receivables and contract assets

1. Receivables and contract assets with expected credit losses measured on a collective basis by similar credit risk features

<table>
<tr><th>Categories</th><th>Basis for determination of portfolio</th><th>Method for measuring expected credit loss</th></tr>
<tr><td>Bank acceptance receivable</td><td rowspan="2">Type of notes</td><td rowspan="2">Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected redit loss rate.</td></tr>
<tr><td>Trade acceptance receivable</td></tr>
<tr><td>Accounts receivable – Portfolio grouped with ages</td><td>Ages</td><td>Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the</td></tr>
</table>

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
		comparison table of ages and expected credit loss rate of accounts receivable, so as to calculate expected credit loss.
Accounts receivable – Portfolio grouped with balances due from government and public institutions, etc.	Credit risk characteristics of debtors	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Accounts receivable – Portfolio grouped with balances due from state-owned enterprises controlled by Jinan SASAC		
Accounts receivable – Portfolio grouped with balances due from platform transaction		
Accounts receivable – Portfolio grouped with balances due from related parties within the consolidation scope		
Contract assets – Portfolio grouped with balances due from government and public institutions, etc.	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Contract assets – Portfolio grouped with balances due from state-owned enterprises controlled by Jinan SASAC		
Contract assets – Portfolio grouped with balances due from related parties within the consolidation scope		
Contract assets – Portfolio grouped with balances due from platform transaction		
Contract assets – Others		Based on historical credit loss experience, the current situation and the forecast of futureeconomic conditions, the expected credit loss is expected to be 5% through the exposure at default and the lifetime expected credit loss rate.
Other receivables – Portfolio grouped with balances due from	Nature of receivables	Based on historical credit loss experience, the current situation

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
government and publicinstitutions, etc.		and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with balances due from state-owned enterprises controlled by Jinan SASAC		
Other receivables – Portfolio grouped with balances due from related parties within the consolidation scope		
Other receivables – Special identification portfolios (employee petty cash, deposits, various financing deposits, bid bonds, employee social security funds)		
Other receivables – Portfolio grouped with ages	Age	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and expected credit loss rate of other receivables, so as to calculate expected credit loss.

2. Comparison table of ages and expected credit loss rate of portfolio grouped with ages

Ages	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (inclusive, the same hereinafter)	5.00	5.00
1-2 year	10.00	10.00
2-3 year	30.00	30.00
3-4 year	50.00	50.00
4-5 year	80.00	80.00
Over 5 years	100.00	100.00

(XI) Inventories

1.Inventories consist of development costs, completed real estate properties, real estate development costs, entrusted construction project costs, land reserves, finished goods, raw materials, consumable biological assets, production costs, work-in-progress, goods shipped out, land development costs, turnover materials, etc.

2. Inventories dispatched from storage are accounted for with specific identification method at the end of each month, FIFO method, weighted average method at the end of each month

3. Inventory system

Shandong Meiyue Hotel Management Co., Ltd. adopts physical inventory method, whereas other entities within the consolidation scope adopt perpetual inventory method.

4. Revolving materials are amortized using the 50-50 amortization method and the one-off method.

5. Real estate development costs include price of land, public facilities and construction costs, etc.

(1) Accounting method of land used for development: Land acquired for development shall be accounted into the development costs according to the land parcel before it is put into development. When the land is used for the development of commercial housing, the land use right value of the part used during the development of commercial housing shall be transferred into the development cost of relevant commercial housing.

(2) The construction cost shall be included in the development costs according to the actual payment for the project and materials.

(3) If the public supporting facilities are completed earlier than the relevant development products, they shall be included in the development costs of the relevant development projects according to the construction area allocation of the relevant development projects after the final accounts for the completion of the public supporting facilities. If the public supporting facilities are completed later than the relevant development products, the relevant development products shall withhold the public supporting facilities fees, and after the final accounts of the completion of the public supporting facilities, the cost of the relevant development products shall be adjusted according to the difference between the actual incurred amount and the accrued amount.

6. Land development cost includes land requisition and demolition compensation fee, land development fee, land transfer business fee, capital cost, etc. These relevant expenses should be included in the land development cost when occurred. When the government transfers the land, the Company shall carry over the land development cost according to the actual transferred amount and the budget unit cost.

7. Provision for inventory write-down

At the balance sheet date, inventories are measured at the lower of cost and net realizable value; provisions for inventory write-down are made on the excess of its cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of inventories to be processed is determined based on the amount of the estimated selling price less the estimated costs of

completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have agreed price, their net realizable value are determined separately and are compared with their costs to set the provision for inventory write-down to be made or reversed.

(XII) Long-term equity investments

1. Judgment of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

2. Determination of investment cost

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common control achieved in stages, the Company determines whether it is a “bundled transaction”.

If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, on the date of combination, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

(2) For business combination not under common control, investment cost is initially recognized at the acquisition-date fair value of considerations paid.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determined whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

1) In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity

2) In the case of consolidated financial statements, the Company determines whether it is a “bundled transaction”.

If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, the carrying amount of the acquirer’s previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer’s previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

(3) Long-term equity investments obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; that obtained through debt restructuring is determined according to “CASBE 12 – Debt Restructuring”; and that obtained through non-cash assets exchange is determined according to “CASBE 7 – Non-cash Assets Exchange”.

3. Subsequent measurement and recognition method of profit or loss

For a long-term equity investment with control relationship, it is accounted for with cost method; for a long-term equity investment with joint control or significant influence relationship, it is accounted for with equity method.

4. Impairment test method and method of provision for impairment

For investments in subsidiaries, associates and joint ventures, at the balance sheet date, provision for impairment is made at the difference between the higher carrying amount and the recoverable amount if there is evidence indicating impairment.

5. Disposal of a subsidiary in stages resulting in the Company's loss of control

(1) Judgement principles of "bundled transaction"

For disposal of a subsidiary in stages resulting in the Company's loss of control, the Company determines whether it is a "bundled transaction" based on the agreement terms for each stage, disposal consideration obtained separately, object of the equity sold, disposal method, disposal time point, etc. If the terms, conditions and economic effect of each transaction meet one or more of the following conditions, these transactions are usually considered as a "bundled transaction":

1) these transactions are entered into at the same time or in contemplation of each other;

2) these transactions form a single transaction designed to achieve an overall commercial effect;

3) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; and

4) one transaction considered on its own is not economically justified, but it is economically justified when considered together with other transactions.

(2) Accounting treatments of non-bundled transactions

1) Stand-alone financial statements

The difference between the carrying amount of the disposed equity and the consideration obtained thereof is recognized in profit or loss. If the disposal does not result in the Company's loss of significant influence or joint control, the remained equity is accounted for with equity method; however, if the disposal results in the Company's loss of control, joint control, or significant influence, the remained equity is accounted for according to "CASBE 22 – Financial Instruments: Recognition and Measurement".

2) Consolidated financial statements

Before the Company's loss of control, the difference between the disposal consideration and the proportionate share of net assets in the disposed subsidiary from acquisition date or combination date to the disposal date is adjusted to capital reserve (capital premium), if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value. The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

(3) Accounting treatment of bundled transaction

1) Stand-alone financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control over a subsidiary, the difference between the disposal consideration at each stage and the carrying amount of long-term equity investments corresponding to the disposed investments is recognized as other comprehensive income at the stand-alone financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

2) Consolidated financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control over a subsidiary, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income at the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

(XIII) Investment property

1. Investment property includes land use right of leased-out property and of property held for capital appreciation and buildings that have been leased out.

2. The initial measurement of investment property is based on its cost, and subsequent

measurement is made using fair value model. Basis for using fair value model: with reference to the current market price of same or similar real estate in the active market; if the current market price of the same or similar real estate cannot be obtained, the fair value of the investment property shall be reasonably estimated by referring to the recent transaction price of the same or similar real estate in the active market and considering the transaction situation, transaction date, location and other factors; or its fair value is determined based on the expected future lease income and the present value of relevant cash flows.

(XIV) Fixed assets

1. Recognition principles, pricing principles of fixed assets and accounting treatment of subsequent expenditures

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

2. Depreciation method of different categories of fixed assets

Items	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Annual depreciation rate (%)	Straight-line method	3-50	0-10	1.8-33.33
Machinery	Straight-line method	1-20	0-10	4.5-100
Transport facilities	Straight-line method	1-10	0-5	9.5-100
Office equipment	Straight-line method	1-20	0-10	4.5-100
Other equipment	Straight-line method	1-30	1-10	0.3-0.99

3. Impairment test method and method of provision for impairment

At the balance sheet date, provision for impairment is made at the difference between the higher carrying amount and the recoverable amount if there is evidence indicating impairment.

(XV) Construction in progress

1. Construction in progress is recognized if, and only if, it is probable that future economicbenefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress is not finished while reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

3. At the balance sheet date, provision for impairment is made at the difference between the higher carrying amount and the recoverable amount if there is evidence indicating impairment.

(XVI) Borrowing costs

1. Recognition principle of borrowing costs capitalization

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

2. Borrowing costs capitalization period

(1) The borrowing costs are not capitalized unless the following requirements are all met: 1)the asset disbursements have already incurred; 2)the borrowing costs have already incurred; and 3)the acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Suspension of capitalization: where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during such period are recognized as expenses, and are included in profit or loss, till the acquisition and construction or production of the asset restarts.

(3) Ceasing of capitalization: when the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

3. Capitalization rate and capitalized amount of borrowing costs

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests is determined in light of the actual interest expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings in the current period less the interest income on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the Company calculates and determines the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the excess of the accumulative capital disbursements over the special borrowings by the capitalization rate of the general borrowing used.

(XVII) Biological assets

1. Biological assets refer to living animals and plants, which have a classification of consumptive biological assets, productive biological assets, and public welfare biological assets. Biological assets are recognized only when: (1) the Company controls the asset as a result of past transactions or events; (2) it is probable that future economic benefits associated with the asset will flow to the Company; and (3) the fair value or cost of the asset can be measured reliably.

2. Depreciation method

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	depreciation rate (%)
Forestry	Straight-line method	20	5	4.75

(XVIII) Intangible assets

1. Intangible assets include PPP projects under construction, franchise, data resources, house use right, brand royalty, land use right, patent right, trademark right, and software. the initial measurement of intangible asset is based on its cost.

2. For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Amortization period (months)
PPP projects under construction	144-156

Items	Amortization period (months)
Franchise	120-276
Land use right	300-840
Brand royalty	120
House use right	240
Software	12-120
Patent righ	24-120
Trademark	60
Data resource	120

3. At the balance sheet date, provisions for impairment on intangible assets with finite useful lives are made at the difference between the higher carrying amount and the recoverable amount if there is evidence indicating impairment. Impairment tests are performed on intangible assets withindefinite useful lives and intangible assets not yet reaching the usable conditions on an annual basis, no matter there is evidence indicating impairment or not.

4. Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its

ability to measure reliably the expenditure attributable to the intangible asset during its development.

(XIX) Long-term prepayments

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

(XX) Contract assets, contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

(XXI) Employee benefits

1. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

2. Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

3. Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

(1) The Company recognizes 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 profit or loss or the cost of a relevant asset.

(2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations

are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the fair value of defined benefit plan assets from the present value of the defined benefit plan obligation as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

3) At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of remeasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

4. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: (1) when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or (2) when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

5. Other long-term employee benefits

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: (1) service cost; (2) net interest on the net liability or net assets of other long-term employee benefits; and (3) changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

(XXII) Provisions

1. Provisions are recognized when fulfilling the present obligations arising from contingencies such as providing guarantee for other parties, litigation, products quality guarantee, onerous contract, etc., may cause the outflow of the economic benefit and such obligations can be reliably measured.

2. The initial measurement of provisions is based on the best estimated expenditures required in fulfilling the present obligations, and its carrying amount is reviewed at the balance sheet date.

(XXIII) Other financial instruments such as preferred shares and perpetual bonds

Pursuant to CASBEs on financial instruments and “Regulations on Accounting Treatments of Perpetual Bonds” (Cai Kuai [2019] No. 2) issued by the Ministry of Finance, for financial instruments such as perpetual bonds, etc., the Company classifies a financial instrument or its components at initial recognition as a financial asset or liability or equity instrument, based on contract terms and economic essence it reveals instead of its legal form, combining with the definitions of financial asset, liability and equity instrument.

At the balance sheet date, for a financial instrument classified as an equity instrument, its interest expenditure or dividend distribution is treated as profit distribution, and share repurchase and cancelation are treated as changes in equity; for a financial instrument classified as a financial liability, its interest expenditure or dividend distribution is treated as borrowing expense, and gain or loss on repurchase or redemption is included in profit or loss.

(XXIV) Revenue

1. Revenue recognition principles

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: (1) the customer simultaneously receives and consumes the economic benefits provided by the Company’s performance as the Company performs; (2) the customer can control goods as they are created by the Company’s performance; (3) goods created during the Company’s performance have irreplaceable uses and the Company has an enforceable right to the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: (1) the Company has a present right to payments for the goods, i.e., the customer is presently obliged to pay for the goods; (2) the Company has transferred the legal title of the goods to the customer, i.e., the customer has legal title to the goods; (3) the Company has transferred physical possession of the goods to the customer, i.e., the customer has physically possessed the goods; (4) the Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained significant risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other evidence indicating the customer has obtained control over the goods.

2. Revenue measurement principle

(1) Revenue is measured at the amount of the transaction price that is 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 goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

(2) If the consideration promised in a contract includes a variable amount, the Company shall confirm the best estimate of variable consideration at expected value or the most likely amount. However, the transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period.

(4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

3. Revenue recognition method

(1) Land development and consolidation business

The land development business of the Company is a performance obligation satisfied at a point in time. The time when the transaction confirmation letter is signed between the Jinan Municipal Bureau of Nature and Planning and the land bidder is used as the confirmation time for land consolidation and development income. The land consolidation and development income is recognized based on the amount of receivable land transfer income.

(2) Sale of real estate

The realization of sales revenue shall be confirmed when the real estate is completed and qualified for acceptance, the delivery conditions agreed in the sales contract are met, and the customer obtains the control of the relevant goods or services.

(3) Construction services

Construction services are performance obligations satisfied over time. Revenue from construction services is recognized by the percentage of completion of the performance obligations, which is determined based on the proportion of the incurred costs to the estimated total costs. In the circumstance that the percentage of completion cannot be measured reasonably, but the incurred costs are expected to be recovered, the Company recognizes revenue only to the extent of the incurred costs until it can reasonably measure the percentage of completion.

(4) Toll service

The Company’s toll business is a performance obligation satisfied at a point in time, and revenue is recognized when the customer passes through the toll bridge section, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

(5) Product oil sales business

The Company's product oil sales business is a performance obligation satisfied at a point in time, and revenue is recognized when customers refuel, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

(6) Engineering construction agency business

The rendering of engineering construction services by the Company is a performance obligation satisfied over time. Revenue from construction services is recognized by the performance progress, which is determined based on percentage of completion.

(XXV) Contract costs

Assets related to contract costs include costs to obtain a contract and costs to fulfill a contract.

The Company recognizes as an asset the incremental costs to obtain a contract if those costs are expected to be recovered. The costs to obtain a contract shall be included into profit or loss when incurred if the amortization period of the asset is one year or less.

If the costs incurred in fulfilling a contract are not within the scope of standards related to inventories, fixed assets or intangible assets, etc., the Company shall recognize the costs to fulfill a contract as an asset if all the following criteria are satisfied:

1. the costs relate directly to a contract or to an anticipated contract, including direct labor, direct materials, manufacturing overhead cost (or similar cost), costs that are explicitly chargeable to the customer under the contract, and other costs that are only related to the contract;

2. the costs enhance resources of the Company that will be used in satisfying performance obligations in the future; and

3. the costs are expected to be recovered.

An asset related to contract costs shall be amortized on a systematic basis that is consistent with related goods or services, with amortization included into profit or loss.

The Company shall make provision for impairment and recognize an impairment loss to the extent that the carrying amount of an asset related to contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates less the costs expected to be incurred. The Company shall recognize a reversal of an impairment loss previously recognized in profit or loss when the impairment conditions no longer exist or have improved. The carrying amount of the asset after the reversal shall not exceed the amount that would have been determined on the reversal date if no provision for impairment had been made previously.

(XXVI) Government grants

1. Government grants shall be recognized if, and only if, the following conditions are all met: (1) the Company will comply with the conditions attaching to the grants; (2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount in the circumstance that fair value cannot be assessed.

2. Government grants related to assets

Government grants related to assets are government grants with which the Company purchases, constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets. They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

3. Government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant cost during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

5. Policy interest subvention

(1) In the circumstance that government appropriates interest subvention to lending bank, who provides loans for the Company with a policy subsidised interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the policy subsidised interest rate.

(2) In the circumstance that government directly appropriates interest subvention to the Company, the subsidised interest shall offset relevant borrowing cost.

(XXVII) Deferred tax assets and deferred tax liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence indicating that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the deferred tax assets unrecognized in prior periods are recognized.

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (1) business combination; and (2) the transactions or items directly recognized in equity.

5. Deferred tax assets and deferred tax liabilities shall offset each other and be presented on a net basis when the following conditions are all met: (1) the Company has the legal right to settle off current tax assets against current tax liabilities; (2) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on either: 1) the same taxable entity; or 2) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(XXVIII) Leases

1. The Company as the lessee

At the commencement date, the Company recognizes a lease that has a lease term of 12 months or less as a short-term lease, which shall not contain a purchase option; the Company recognizes a lease as a lease of a low-value asset if the underlying asset is of low value when it is new. 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 short-term leases and leases of low-value assets, lease payments are recognized as cost or profit or loss with straight-line method over the lease term.

Apart from the above-mentioned short-term leases and leases of low-value assets with simplified approach, the Company recognizes right-of-use assets and lease liabilities at the commencement date.

(1) Right-of-use assets

The right-of-use asset is measured at cost and the cost shall comprise: 1) the amount of the initial measurement of the lease liabilities; 2) any lease payments made at or before the commencement date, less any lease incentives received; 3) any initial direct costs incurred by the lessee; and 4) 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 depreciates the right-of-use asset using the straight-line method. If it is reasonable to be certain that the ownership of the underlying asset can be acquired by the end of the lease term, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates 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.

(2) Lease liabilities

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate shall be used. Unrecognized financing expenses, calculated at the difference between the lease payment and its present value, are recognized as interest expenses over the lease term using the discount rate which has been used to determine the present value of lease payment and included in profit or loss. Variable lease payments not included in the measurement of lease liabilities are included in profit or loss in the periods in which they are incurred.

After the commencement date, if there is a change in the following items: 1) actual fixed payments; 2) amounts expected to be payable under residual value guarantees; 3) an index or a rate used to determine lease payments; 4) assessment result or exercise of purchase option, extension option or termination option, the Company remeasures the lease liability based on the present value of lease payments after changes, and adjusts the carrying amount of the right-of-use asset accordingly. If

the carrying amount of the right-of-use asset is reduced to zero but there shall be a further reduction in the lease liability, the remaining amount shall be recognized into profit or loss.

2. The Company as the lessor

At the commencement date, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is classified as an operating lease.

(1) Operating lease

Lease receipts are recognized as lease income with straight-line method over the lease term. Initial direct costs incurred shall be capitalized, amortized on the same basis as the recognition of lease income, and included into profit or loss by installments. Variable lease payments related to operating lease which are not included in the lease payment are charged as profit or loss in the periods in which they are incurred.

(2) Finance lease

At the commencement date, the Company recognizes the finance lease payment receivable based on the net investment in the lease (sum of the present value of unguaranteed residual value and lease receipts that are not received at the commencement date, discounted by the interest rate implicit in the lease), and derecognizes assets held under the finance lease. The Company calculates and recognizes interest income using the interest rate implicit in the lease over the lease term.

Variable lease payments not included in the measurement of the net investment in the lease are charged as profit or loss in the periods in which they are incurred.

3. Sale and leaseback

(1) The Company as the lessee

In accordance with the “CASBE 14 – Revenues”, the Company would assess and determine whether the transfer of an asset in the sale and leaseback transaction is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company measures the right-of-use asset arising from the leaseback at the proportion of the original carrying amount of the asset that relates to the right of use retained by the Company. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor.

Otherwise, the Company continues the recognition of the transferred assets, and recognizes a financial liability equal to the amount of transfer income in accordance with the “CASBE 22 – Financial Instruments: Recognition and Measurement” at the same time.

(2) The Company as the lessor

In accordance with the “CASBE 14 – Revenues”, the Company would assess and determine whether the transfer of an asset in the sale and leaseback transaction is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company accounts for the purchase of assets in accordance with other applicable standards, and accounts for the lease of assets in accordance with the "CASBE 21 – Leases".

Otherwise, the Company does not recognize the transferred asset, but recognizes a financial asset equal to the amount of transfer income in accordance with the "CASBE 22 – Financial Instruments: Recognition and Measurement".

(XXIX) Work safety fund

The Company appropriates work safety fund in accordance with the "Circular on Management Measures on the Appropriation and Use of Work Safety Fund" (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Management. Standard work safety fund is included in the cost or profit or loss, meanwhile accounted for under "special reserve". When work safety fund is used as an expense, it is to offset special reserve directly. When work safety fund is qualified to be included in the cost of fixed assets, it is accounted for under "construction Page 43 of 136in progress" and transferred to fixed assets when related safety projects reach the designed useful conditions; meanwhile, the cost included in fixed assets is to offset "special reserve",and accumulated depreciation shall be recognized at the same amount. Such fixed assets shall not be depreciated in future periods.

V. Remarks on changes in accounting policies and estimates and error corrections

(I) Changes in accounting policies

None.

(II) Changes in accounting estimates

None.

(III) Corrections of prior period errors

Contents of error corrections	Correction process	Financial statement items affected in comparative periods	Cumulative effects
The provisioned payable amount for the cooperative project of Huashan Scenic Area Visitor Service Center recorded by Jinan Binhe New Area Construction Investment Group Huashan Scenic Area Management Co., Ltd., a	Errors are corrected based on retroactive restatement method.	Undistributed profit	2,520,000.00
		Other payables	-2,520,000.00

Contents of error corrections	Correction process	Financial statement items affected in comparative periods	Cumulative effects
subsidiary, for the year 2023 was misstated.			
Shandong Jixi Wetland Management Co., Ltd., a subsidiary, recognized the amounts of litigation compensation, interest and other items in accordance with the final judgment.	Errors are corrected based on retroactive restatement method.	Other receivables	-989.00
		Other current assets	12,038.53
		Other payable	702,411.73
		Other operating income	133,761.47
		Non-operating income	3,950.57
		Non-operating expenses	853,151.30
		Undistributed profit	-715,439.26

VI. Taxes

(I) Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	3%、5%、6%、9%、13%
Land appreciation tax	The incremental amount arising from the transfer of state-owned land use right and the buildings and structures that are constructed on the land	Extra progressive tax rate at30%-60%
Land appreciation tax	The amount of advance payments for housing received before liquidation	3%
Land use tax	Taxable land area	16.00 yuan/㎡, 12.80 yuan/㎡,9.60 yuan/㎡, 6.40 yuan/㎡, 4.80 yuan/㎡, 3.00 yuan/㎡, 1.50 yuan/㎡
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of lease income	1.2%、12%
Urban maintenance And construction tax	Turnover tax actually paid	7%

Taxes	Tax bases	Tax rates
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%
Enterprise income tax	Taxable income	15%、20%、25%

Different enterprise income tax rates applicable to different taxpayers:

Taxpayers	Income tax rate
Shandong Jinchao Ronghui Testing Technology Co., Ltd.	15%
Shandong Jinyue Transportation Development Group Co., Ltd.	15%
Shandong Jinyu Information Technology Group Co., Ltd.	15%
Jinan Quanze Urban Construction and Operation Co., Ltd.	15%
Jinan Municipal Public Asset Management and Operation Co., Ltd.	15%
Shandong Yifangda Construction Management Group Co., Ltd.	15%
Jinan Urban Construction Group Co., Ltd.	15%
Shandong Huitong Construction Group Co., Ltd.	15%
Jinan Municipal Engineering Construction Group Co., Ltd.	15%
Shandong Huiyou Municipal Garden Group Co., Ltd.	15%
Shandong Quanjian Engineering Testing Co., Ltd.	15%
Shandong Huida New Building Materials Co., Ltd.	15%
Shandong Jinqu Design Consulting Group Co., Ltd.	15%
Jinan Jinnuo Highway Project Supervision Co., Ltd.	15%
Jinan Ruiyuan Smart City Development Co., Ltd.	15%
Langneng Engineering Design Consulting (Shandong) Co., Ltd.	15%
Shandong Renyuan Industrial Operation Service Co., Ltd.	20%
Jinan Rongyu Real Estate Development Co., Ltd.	20%
Jinan Wanrong Yiju Industrial Investment Co., Ltd.	20%
Jinan Jianlong Real Estate Investment Co., Ltd.	20%
Shandong Datong Century Industrial Co., Ltd.	20%
Shandong Jinyu Huiang Smart Technology Co., Ltd.	20%
Shandong Jinyu Yongang Construction Technology Co., Ltd.	20%
Jinan New City Culture Media Co., Ltd.	20%
Jinan Lu'ao Ronghui Real Estate Development Co., Ltd.	20%
Jinan Ronghua New Material Technology Co., Ltd.	20%
Jinan Rongyuan Industrial Development Co., Ltd.	20%
Shandong Cheng'an Intelligent Technology Co., Ltd.	20%
Shandong Chaoguang Yunhui Network Technology Co., Ltd.	20%
Jinan Garden Expo Park Scenic Area Management and Operation	20%

Taxpayers	Income tax rate
Co., Ltd.	
Jinan Binhe New Area Construction Investment Group Huashan Scenic Area Management Co., Ltd.	20%
Shandong Xijin Urban Development Consulting Co., Ltd.	20%
Shandong Yuncai Electronic Bidding Co., Ltd.	20%
Jinan West District Construction Project Management Co., Ltd.	20%
Ganzhou Huiquan Municipal Engineering Co., Ltd.	20%
Jinan Urban Construction Design Research Institute Co., Ltd.	20%
Jinan Urban Construction Group (Tongling) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Zhengzhou) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Chongqing) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Jiangsu) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Jiangxi) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Jiyang) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Anhui) Construction Engineering Co., Ltd.	20%
Shandong Jinyuan Cost Consulting Co., Ltd.	20%
Jinan Shuang'an Archives Management Co., Ltd.	20%
Jinan Zhirong Commercial Operation Management Co., Ltd.	20%
Jinan Huirong Commercial Operation Management Co., Ltd.	20%
Jinling Health Industry Investment (Shandong) Co., Ltd.	20%
Jinan Zhongjinling Hospital Co., Ltd.	20%
Shandong Rongxiang Property Co., Ltd.	20%
Shandong Wanrong Sentai Engineering Construction Co., Ltd.	20%
Shandong Xilian Power E-commerce Co., Ltd.	20%
Jinan Yingxiongshan Civil Air Defense Engineering Management Co., Ltd.	20%
Jinan Xianghe Investment Co., Ltd.	20%
Jinan Dinghe Investment Co., Ltd.	20%
Jinan Renhe Investment Co., Ltd.	20%
Jinan Yellow River Green Comprehensive Trading Co., Ltd.	20%
Yunhua (Shandong) Hotel Management Co., Ltd.	20%
Jinan Binhe Petrochemical Co., Ltd.	20%

Taxpayers	Income tax rate
Shandong International Exhibition Co., Ltd.	20%
Shandong International Convention & Exhibition Center Commercial Operation Co., Ltd.	20%
Jinan Agricultural Development Urban-Rural Development Co., Ltd.	20%
Jinan Jiantou Green Low-Carbon Technology Co., Ltd.	20%
Other tax payers other than the above-mentioned entities	25%

(II) Tax preferential policies

1. Pursuant to the "Notice on Issues Concerning the Treatment of Enterprise Income Tax on Special-Purpose Fiscal Funds" (Cai Shui [2009] No. 87) and "Notice on Issues Concerning the Treatment of Enterprise Income Tax on Special-Purpose Fiscal Funds" (Cai Shui [2011] No. 70) issued by the Ministry of Finance and the State Taxation Administration, fiscal funds obtained by enterprises from the financial departments and other departments of the people's governments at or above the county level, which should be included in the total income, shall be treated as non-taxable income and deducted from the total income when calculating taxable income, if they meet the following conditions simultaneously:

(1) the enterprise can provide fund allocation documents specifying the special purpose of the funds;

(2) the financial department or other government departments that allocate the funds have specific management methods or requirements for the use of the funds; and

(3) the enterprise separately accounts for the funds and the expenditures incurred with these funds.

2. Pursuant to the provisions of the Announcement on Improving Relevant Tax Policies for Housing Rental (Announcement No. 24 of 2021 issued by the Ministry of Finance, State Taxation Administration and Ministry of Housing and Urban-Rural Development), general VAT taxpayers of housing rental enterprises may choose to adopt the simplified tax calculation method for all rental income obtained from leasing residential housing to individuals, whereby VAT shall be calculated and levied at a reduced rate of 1.5% on the basis of the original collection rate of 5%; alternatively, the general tax calculation method can be applied for the calculation and payment of VAT.

3. Pursuant to the "Announcement on Improving Tax Policies Related to Housing Leasing" (Announcement of the Ministry of Finance, the State Taxation Administration, and the Ministry of Housing and Urban-Rural Development [2021] No. 24), the housing property tax shall be levied at a reduced rate of 4% for enterprises, public institutions, social organizations, and other organizations renting housing to individuals and specialized large-scale housing rental enterprises.

4. In accordance with the provisions of the Announcement on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households with Relevant Tax and Fee Policies (Announcement No.12 of 2023 issued by the Ministry of Finance and the State Taxation Administration), the policy whereby taxable income of small low-profit enterprises is calculated at 25% of the actual amount and corporate income tax is levied at a tax rate of 20% shall be extended for implementation until December 31. For the purpose of this Announcement, a small low-profit enterprise refers to an enterprise engaged in industries not restricted or prohibited by the state, which simultaneously meets three criteria: annual taxable income not exceeding RMB 3 million, number of employees not exceeding 300, and total assets not exceeding RMB 50 million. Companies with a corporate income tax rate of 20% listed in the above table are small and micro enterprises eligible for this preferential tax policy.

5. Pursuant to the "Announcement on Relevant Tax Policies to Further Support the Development of Small Enterprises with Meager Profit and Individually-owned Businesses" (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 12), from January 1, 2023 to December 31, 2027, small-scale VAT taxpayers, small enterprises with meager profit, and individually-owned businesses shall be subject to a 50% reduction in resource tax (excluding water resource tax), urban maintenance and construction tax, housing property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), cultivated land occupation tax, education surcharge, and local education surcharge.

6. Pursuant to the provisions of the Announcement on VAT Reduction and Exemption Policies for Small-scale VAT Taxpayers (Announcement No.19 of 2023 issued by the Ministry of Finance and the State Taxation Administration), small-scale VAT taxpayers with monthly sales volume of RMB 100,000 or less shall be exempted from VAT. For taxable sales income of small-scale VAT

taxpayers subject to the 3% collection rate, VAT shall be levied at a reduced collection rate of 1%; for VAT prepayment items subject to the 3% prepayment rate, VAT shall be prepaid at a reduced prepayment rate of 1%.

7. Pursuant to the “Announcement on Tax Policies Related to Affordable Housing” (Announcement of the Ministry of Finance, the State Taxation Administration, and the Ministry of Housing and Urban-Rural Development [2023] No. 70), land used for the construction of affordable housing projects shall be exempted from urban land use tax, effective from October 1, 2023.

8. Pursuant to Article I of the “Notice on Relevant Tax Policies for Shantytown Reconstruction” (Cai Shui [2013] No. 101) issued by the Ministry of Finance and the State Taxation Administration on December 2, 2013, land used for resettlement housing reconstruction is exempted from urban land use tax. Stamp duties related to the management and operation units of resettlement housing, developers and the renovation of resettlement housing, as well as stamp duties related to individuals purchasing resettlement housing, are exempted. In development projects such as

commercial housing with supporting resettlement housing, urban land use tax and stamp duty shall be exempted based on the proportion of the resettlement housing construction area to the total construction area, as evidenced by relevant materials issued by government departments, housing expropriation (demolition) compensation agreements, or shantytown reconstruction contracts (agreements).

9. Pursuant to the “Notice on the Exemption of VAT on the Circulation of Vegetables” (Cai Shui [2011] No. 137) issued by the Ministry of Finance and the State Taxation Administration, enterprises engaged in the wholesale and retail of vegetables are exempted from VAT.

10. Pursuant to the “Notice on the Exemption of VAT on the Circulation of Some Fresh Meat and Egg Products” (Cai Shui [2012] No. 75) issued by the Ministry of Finance and the State Taxation Administration, enterprises engaged in the wholesale and retail of fresh meat and egg products are exempted from VAT.

11. Pursuant to Article XXVII of the “Enterprise Income Tax Law of the People’s Republic of China” and the “Implementation Regulations of the Enterprise Income Tax Law of the People’s

Republic of China” (State Council Decree No. 512), income derived from the cultivation of vegetables, grains, tubers, oil-bearing crops, legumes, cotton, fiber crops, sugar crops, fruits, nuts, as well as the cultivation of trees, shall be exempted from enterprise income tax.

12. Pursuant to the “Announcement on Tax Preferential Policies for Community Services such as Elderly Care, Childcare, and Homemaking” (Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, the Ministry of Civil Affairs, the Ministry of Commerce, and the National Health Commission [2019] No. 76), for institutions that provide services such as elderly care, childcare, and domestic services for the community, income derived from rendering of elderly care, childcare, and domestic services to communities is exempted from VAT.

13. Pursuant to the “Notice of the Ministry of Finance and the State Taxation Administration on Continuing the Preferential Policy of Reduction and Exemption of Urban Land Use Tax for Urban Bus Stations, Road Passenger Transport Stations, and Urban Rail Transit Systems” (Cai Shui [2019] No. 11), land used for urban bus stations, road passenger transport stations, and urban rail transit systems is exempted from urban land use tax. Pursuant to the “Announcement on Extension of the Implementation Period of Some Preferential Tax Policies” (Announcement of the Ministry of Finance and the State Taxation Administration [2022] No. 4), the implementation period of the preferential policies specified in the aforementioned notice, which have already expired, has been extended to December 31, 2023. Pursuant to the “Announcement of the Ministry of Finance and the State Taxation Administration on Continuing the Preferential Policies for the Reduction and Exemption of Urban Land Use Tax for Urban Public Transport Stations, Road Passenger Transport Stations, and Urban Rail Transit Systems” (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 52), the implementation period of the aforementioned preferential policies has been further extended to December 31, 2027.

14. Pursuant to the “Provisional Regulations of the People’s Republic of China on Urban Land Use Tax”, land used by religious temples, parks, and scenic spots for their own use is exempted from land use tax.

15. Pursuant to the “High-tech Enterprise Recognition Management Measures”, the “High-tech Enterprise Recognition Management Guidelines”, and the “High-tech Enterprise Recognition Management Implementation Opinions of Shandong Province”, enterprises recognized as high-tech enterprises shall enjoy a reduced enterprise income tax rate of 15% during the validity period.

16. Pursuant to the “Regulations of the State Taxation Administration on the Imposition and Exemption of Land Use Tax for Civil Aviation Airport Land” (Guo Shui Di Zi [1989] No. 32):

(1) Land used for airport flight zones (including runways, taxiways, aprons, safety zones, and night lighting areas), communication and navigation facilities both inside and outside the airport, and drainage and flood control facilities surrounding the flight zones shall be exempted from land use tax.

(2) Airport roads shall be categorized as internal roads (within the airport area) and external roads (outside the airport area). Land used for external roads shall be exempted from land use tax, while land used for internal roads shall be subject to land use tax in accordance with relevant regulations.

(3) Land used for airport operational areas (including office, production, maintenance areas, terminal buildings, and parking lots), residential areas, and green spaces shall be subject to land use tax in accordance with relevant regulations.

17. Pursuant to Article II of the “Notice of the Ministry of Finance and the State Taxation Administration on Educational Tax Policies” (Cai Shui [2004] No. 39), housing property tax and urban land use tax shall be exempted for properties and land used by various schools, nurseries, and kindergartens that are funded by national grants or run by enterprises.

18. Pursuant to the “Notice of the Ministry of Finance on Adjusting Policies Related to Certain Government Funds” (Cai Shui [2019] No. 46), from July 1, 2019 to December 31, 2024, the cultural undertaking development fee attributable to central government revenue shall be reduced by 50% of the amount payable by the obligor. For the portion attributable to local government revenue, the finance departments and publicity departments of CPC committees at the provincial level, city level or district level may, based on local economic development, the needs of ideological and cultural development, and other relevant factors, reduce the fee by up to 50% of

the amount payable. Copies of the locally formulated reduction policies shall be submitted by the provincial-level, municipal-level or district-level finance and publicity departments to the Ministry of Finance and the Publicity Department of the CPC Central Committee.

19.In accordance with the Announcement of the Ministry of Finance on Adjusting the Collection Policy for the Employment Security Fund for Disabled Persons (Announcement No. 98 of 2019 of the Ministry of Finance), preferential policies apply to the employment security fund for disabled persons: enterprises with the number of employed disabled persons accounting for less than 1% of their total employees shall pay 90% of the payable fund amount; those with the proportion of employed disabled persons reaching or exceeding 1% of total employees shall pay 50% of the payable fund amount; enterprises with no more than 30 on-the-job employees shall be exempted from paying the employment security fund for disabled persons.

VII. Corporate Mergers and Consolidated Financial Statements

(I)Subsidiary Situation

1.The company includes Jinan Xicheng Investment Development Group Co., Ltd. and 16 other first-level subsidiaries in the scope of the consolidated financial statements.

2.Basic Information of Important Subsidiaries

Serial Number	Subsidiary Name	Registered Capital (Ten Thousand Yuan)	Main Operating Location and Registered Location	Shareholding Ratio (%)		Acquisition Method
				Direct	Indirect	
1	Jinan West City Investment Development Group Co., Ltd.	500,000.00	Jinan City	100.00		Transfer
2	Jinan Binhe New District Construction Investment Group Co., Ltd.	150,666.00	Jinan City	100.00		Transfer
3	Jinan Municipal Public Asset Management and Operation Co., Ltd.	150,000.00	Jinan City	50.00	50.00	Transfer
4	Jinan Construction International Investment Co., Ltd.	1,000,000.00 Hong Kong dollars	Jinan City	100.00		Establishment
5	S shake jin to design consulting group co., Ltd.	953.8989	Jinan City	63.81		Transfer

Serial Number	Subsidiary Name	Registered Capital (Ten Thousand Yuan)	Main Operating Location and Registered Location	Shareholding Ratio (%)		Acquisition Method
				Direct	Indirect	
6	Shandong Jinyue Transportation Development Group Co., Ltd.	100,000.00	Jinan City	100.00		Transfer
7	Shandong Tongzhou Industrial Holding Group Co., Ltd.	1,000,000.00	Jinan City	100.00		Establishment
8	Jinan Sanli Property Management Co., Ltd.	300.00	Jinan City	100.00		Transfer
9	Jinan Kaifa Real Estate Consulting Co., Ltd.	50.00	Jinan City	90.00		Transfer
10	Jinan Wanrong Industrial Development Group Co., Ltd.	100,000.00	Jinan City	100.00		Establishment
11	Jinan Urban Construction Group Asset Operation Management Co., Ltd.	20,000.00	Jinan City	100.00		Transfer
12	Jinan Agricultural Development Group Co., Ltd.	100,000.00	Jinan City	100.00		Establishment
13	Yunhua International Tourism (Shandong) Group Co., Ltd.	2,000.00	Jinan City	100.00		Transfer
14	S shake Y i zoom construction management group co., Ltd.	10,000.00	Jinan City	65.00	35.00	Transfer
15	Jinan Urban Construction Group Ronggang Development Co., Ltd.	100,000.00	Jinan City	100.00		Transfer
16	Jinan Jianlong Real Estate Investment Co., Ltd.	90,000.00	Jinan City	100.00		Establishment

(II)Important non-wholly-owned subsidiary situation

1. Minority Shareholders

Serial Number	Company Name	Minority Shareholding Ratio (%)	Profit and Loss Attributable to Minority Shareholders for the Current Period	Dividends Paid to Minority Shareholders in the Current Period	Cumulative Minority Shareholders' Equity at the End of the Period
1	Jinan Xicheng Petrochemical Co., Ltd.	49.00	6,884,498.55	2,742,566.32	41,202,595.46
2	Jinan Yufu River Construction Management Co., Ltd.	41.67			1,044,891,805.55

2. Main Financial Information

Item	Current Period		Previous Period	
	Jinan Xicheng Petrochemical Co., Ltd.	Jinan Yufu River Construction Management Co., Ltd.	Jinan Xicheng Petrochemical Co., Ltd.	Jinan Yufu River Construction Management Co., Ltd.
Current Assets	79,023,213.15	389,599,188.30	60,476,592.65	413,051,037.74
Non-current assets	54,075,519.80	2,178,209,441.71	54,770,145.02	2,154,645,998.01
Total assets	133,098,732.95	2,567,808,630.01	115,246,737.67	2,567,697,035.75
Current liabilities	36,114,746.61	428,296.68	20,859,278.06	316,702.42
Non-current liabilities	12,897,056.83	59,640,000.00	18,753,453.02	59,640,000.00
Total Liabilities	49,011,803.44	60,068,296.68	39,612,731.08	59,956,702.42
Operating Income	230,091,693.46		239,801,961.55	
Net Profit	14,049,997.05		14,192,685.32	
Total Comprehensive Income	14,049,997.05		14,192,685.32	
Cash Flow from Operating Activities	-16,035,015.41		22,652,543.34	

(III)Subsidiaries No Longer Included in the Consolidation Scope for This Period

Name	Registered Location	Nature of Business	Shareholding Ratio (%)	Voting Rights Ratio (%)	Reasons not included in the merger scope	Disposal date assets	Disposal date liabilities	Disposal date net assets
Fuzhan (Jinan Shanghe) International Trade Co., Ltd.	Jinan City	Domestic non-financial subsidiaries	43.56	66.00	Cancellation			
Huayi Brothers (Jinan) Movie City Investment Development Co., Ltd.	Jinan City	Domestic non-financial subsidiaries	90.00	90.00	Cancellation			

(Continued from the above table)

Name	Assets on the balance sheet date of the previous accounting period	Liabilities on the balance sheet date of the previous accounting period	Net assets on the balance sheet date of the previous accounting period	Income from the beginning of the current period to the disposal date	Expenses from the beginning of the current period to the disposal date	Net profit from the beginning of the current period to the disposal date
Fuzhan (Jinan Shanghe) International Trade Co., Ltd.	208.60	11,405.19	-11,196.59		-11,426.42	11,196.59
Huayi Brothers (Jinan) Movie City Investment Development Co., Ltd.	32,389,704.47	1,825,675.36	30,564,029.11	71,584.50	28,566,904.82	-33,693,887.76

(IV)The entities included in the scope of consolidation for this period

Name	Net assets at the end of the period	Net profit for this period
Chengtai Baosheng (Tianjin) Material Technology Co., Ltd.	104,100,154.54	4,100,154.54
Jinan Quanxing Construction Investment Management Co., Ltd.	100,102,999.99	102,999.99
Jinan Nongfa Urban and Rural Development Co., Ltd.	4,619,778.19	619,778.19
Jinan Jiantou Green Low-Carbon Technology Co., Ltd.	1,004,540.23	4,198.86
Shandong International Exhibition Group Co., Ltd.	-16,938,498.54	-5,163,602.73
Hong Kong Hengtai International Capital Co., Ltd.	-21,740,801.81	-1,858,867.35
Jinan Bairan Meiju Housing Rental Co., Ltd.	5,084,547.19	84,547.19
Langneng Engineering Design Consulting (Shandong) Co., Ltd.	482,461.50	2,238,751.47

(V)Non-simultaneous control business combination situations occurring in this period

Name of the acquired	Date of	Basis for	Equity	Equity interest	Transaction

party	acquisition	determining the date of acquisition	interest percentage held in the acquired party before the acquisition (%)	percentage held in the acquired party at the time of combination (excluding changes in equity after the combination)	price
Jinan Quanxing Construction Investment Management Co., Ltd.	2025/12/2	Acquisition of control by the purchaser	33.33	100.00%	
Jinan Jiantou Green Low-Carbon Technology Co., Ltd.	2025/5/6	Acquisition of control by the purchaser		80.00%	800,000.00
Shandong International Exhibition Group Co., Ltd.	2025/7/31	Acquisition of control by the purchaser	10.00	100.00%	3,942,600.07
Langneng Engineering Design Consulting (Shandong) Co., Ltd.	2025/11/6	Acquisition of control by the purchaser		100.00%	1,191,200.00

(Continued from the above table)

Name of the acquired party	Formation of goodwill	Revenue of the acquired party from the purchase date to the end of the period	Net profit of the acquired party from the purchase date to the end of the period	Cash flow of the acquired party from the purchase date to the end of the period
Jinan Quanxing Construction Investment Management Co., Ltd.				-91,929,417.23
Jinan Jiantou Green Low-Carbon Technology Co., Ltd.			4,198.86	1,004,540.23
Shandong International Exhibition Group Co., Ltd.	38,954,171.34	43,547,969.64	-5,163,602.73	-1,305,368.97
Langneng Engineering Design Consulting (Shandong) Co., Ltd.	979,830.20	408,206.82	271,091.70	135,680.01

VIII. Notes on Consolidated Financial Statements

(I) Cash and Cash Equivalents

Item	Ending Balance	Beginning Balance
Cash on hand	42,011.35	58,924.70
Bank deposits	16,831,920,910.83	20,821,235,208.16
Other monetary funds	1,560,866,279.54	1,623,884,528.55
Total	18,392,829,201.72	22,445,178,661.41

(II) Trading financial assets

Item	Fair value at the end of the period	Fair value at the beginning of the period

Item	Fair value at the end of the period	Fair value at the beginning of the period
Classified as financial assets measured at fair value with changes recognized in profit or loss for the period	772,598,666.04	90,278,999.80
Of which: Debt instrument investments	764,598,666.04	90,278,999.80
Others	8,000,000.00	
Total	772,598,666.04	90,278,999.80

(III) Notes Receivable

1. Classification of Notes Receivable

Item	Ending Balance			Beginning Balance		
	Book Balance	Allowance for Bad Debts	Book Value	Book Balance	Allowance for Bad Debts	Book Value
Bank Acceptance Bills	248,908,711.42		248,908,711.42	1,730,506.51		1,730,506.51
Commercial Acceptance Bill	184,742,021.53		184,742,021.53	360,262,833.55		360,262,833.55
Total	433,650,732.95		433,650,732.95	361,993,340.06		361,993,340.06

2. Allowance for Bad Debts on Notes Receivable

(1) Details of Allowance for Bad Debts on Notes Receivable

Category	Ending Balance				
	Book Balance		Allowance for Bad Debts		Book Value
	Amount	Percentage (%)	Amount	Provisioning Ratio (%)	
Provision for bad debts based on combinations	433,650,732.95	100.00			433,650,732.95
Total	433,650,732.95	100.00			433,650,732.95

(Continued from the above table)

Category	Beginning Balance				
	Book Balance		Allowance for Bad Debts		Book Value
	Amount	Percentage (%)	Amount	Provisioning Ratio (%)	
Provision for bad debts	361,993,340.06	100.00			361,993,340.06

Category	Beginning Balance				
	Book Balance		Allowance for Bad Debts		Book Value
	Amount	Percentage (%)	Amount	Provisioning Ratio (%)	
based on combinations					
Total	361,993,340.06	100.00			361,993,340.06

(2) Accounts receivable notes provisioned based on combinations

Name of the acceptor	Ending Balance		
	Book Balance	Allowance for Bad Debts	Provisioning Ratio (%)
Bank acceptance bill combination	248,908,711.42		
Commercial acceptance bill combination	184,742,021.53		
Subtotal	433,650,732.95		

(Continued from the above table)

Name of the acceptor	Beginning Balance		
	Book Balance	Allowance for Bad Debts	Provisioning Ratio (%)
Bank acceptance bill combination	1,730,506.51		
Commercial acceptance bill combination	360,262,833.55		
Subtotal	361,993,340.06		

3. Accounts receivable notes that have been endorsed or discounted and have not yet matured as of the balance sheet date

Item	Amount terminated for confirmation at the end of the period	Amount not terminated for confirmation at the end of the period
Bank Acceptance Bills		171,194,293.83
Commercial Acceptance Bill		94,858,293.46
Subtotal		266,052,587.29

(IV) Accounts Receivable

1. Disclose accounts receivable by aging

Aging	Ending Balance		Beginning Balance	
	Book Balance	Allowance for Bad Debts	Book Balance	Allowance for Bad Debts

Aging	Ending Balance		Beginning Balance	
	Book Balance	Allowance for Bad Debts	Book Balance	Allowance for Bad Debts
Within 1 year (including 1 year)	5,882,880,788.95	190,448,941.98	10,655,903,424.13	227,112,076.32
1-2 years	4,223,655,259.26	206,981,778.23	4,247,091,588.31	140,021,698.49
2-3 years	3,520,155,925.27	292,915,558.58	4,201,443,818.86	244,400,303.50
3-4 years	2,329,084,123.20	337,260,708.61	2,093,191,033.34	312,672,758.28
4-5 years	1,604,920,180.36	363,986,515.46	3,023,128,775.99	364,246,959.67
5 years or more	3,544,006,729.16	855,022,718.81	1,684,506,609.02	521,304,078.13
Total	21,104,703,006.20	2,246,616,221.67	25,905,265,249.65	1,809,757,874.39

2. Disclosure of accounts receivable classified by the method of provision for bad debts

Category	Ending Balance				
	Book Balance		Allowance for Bad Debts		Book Value
	Amount	Percentage (%)	Amount	Provisioning Ratio (%)	
Individual provision for bad debts	6,064,222.70	0.03	6,064,222.70	100.00	
Provision for bad debts based on combinations	21,098,638,783.50	99.97	2,240,551,998.97	10.62	18,858,086,784.53
Total	21,104,703,006.20	100.00	2,246,616,221.67	10.65	18,858,086,784.53

(Continued from the above table)

Category	Beginning Balance				
	Book Balance		Allowance for Bad Debts		Book Value
	Amount	Percentage (%)	Amount	Provisioning Ratio (%)	
Individual provision for bad debts	6,064,222.70	0.02	6,064,222.70	100.00	
Provision for bad debts based on combinations	25,899,201,026.95	99.98	1,803,693,651.69	6.96	24,095,507,375.26
Total	25,905,265,249.65	100.00	1,809,757,874.39	6.99	24,095,507,375.26

3. Provision for bad debts on accounts receivable at the end of the period

Debtor name	Book Balance	Allowance for Bad Debts	Provisioning Ratio (%)	Reason for provision
Shandong Fucha Xiaozhen Commercial Operation	2,369,880.00	2,369,880.00	100.00	The company's business license has been revoked

Debtor name	Book Balance	Allowance for Bad Debts	Provisioning Ratio (%)	Reason for provision
Management Co., Ltd.				
Shanxi Jinguangwan Amusement Co., Ltd.	1,450,288.40	1,450,288.40	100.00	The land planning procedures have not been completed, and rent and profit sharing cannot be recovered.
Jinan Shanjiao Education Consulting Service Co., Ltd.	456,015.00	456,015.00	100.00	Recovery is difficult, and a total loss is expected.
Rent receivable from individual businesses.	1,788,039.30	1,788,039.30	100.00	The contract has been terminated, and the related funds are expected to be unrecoverable.
Subtotal	6,064,222.70	6,064,222.70	100.00	

4. Accounts receivable for which bad debt provisions are made using a combination method at the end of the period.

(1) Accounts receivable for which bad debt provisions are made using an aging combination method.

Aging	Ending Balance			Beginning Balance		
	Book Balance	Provisioning Ratio (%)	Allowance for Bad Debts	Book Balance	Provisioning Ratio (%)	Allowance for Bad Debts
Within 1 year (including 1 year)	3,808,978,660.26	5.00	190,448,941.98	4,404,740,445.44	5.00	220,236,799.77
1-2 years	2,069,817,781.81	10.00	206,981,778.23	1,467,899,062.15	10.00	146,789,906.17
2-3 years	976,385,195.09	30.00	292,915,558.58	815,024,574.45	30.00	244,507,372.36
3-4 years	674,189,267.09	50.00	337,094,633.61	625,013,366.50	50.00	312,506,683.29
4-5 years	452,234,487.20	80.00	361,787,589.79	452,560,042.49	80.00	362,048,034.00
5 years or more	851,323,496.79	100.00	851,323,496.78	517,604,856.10	100.00	517,604,856.10
Subtotal	8,832,928,888.24	25.37	2,240,551,998.97	8,282,842,347.13	21.78	1,803,693,651.69

(2) Accounts receivable for bad debt provision using other combination methods

Item	Ending Balance	Beginning Balance

	Book Balance	Provisioning Ratio (%)	Allowance for Bad Debts	Book Balance	Provisioning Ratio (%)	Allowance for Bad Debts
Combination of receivables from government agencies and other entities	10,804,502,776.19			12,958,623,972.80		
Combination of receivables from state-owned enterprises controlled by the Jinan State-owned Assets Supervision and Administration Commission	1,460,416,370.84			4,655,678,146.94		
Accounts Receivable Payment Platform Combination	790,748.23			2,056,560.08		
Subtotal	12,265,709,895.26			17,616,358,679.82		

5. Accounts Receivable Situation of the Top Five Debtors by Year-End Balance

Unit Name	Book Balance	Proportion of Accounts Receivable (%)	Allowance for Bad Debts
Customer 1	2,132,174,767.51	10.10	
Customer 2	1,966,640,596.06	9.32	
Customer 3	750,650,936.25	3.56	
Customer 4	515,287,247.54	2.44	
Customer 5	483,341,661.18	2.29	
Small Account	5,848,095,208.54	27.71	

(V) Accounts Receivable Financing

Item	Ending Balance	Beginning Balance
Accounts Receivable Debt Certificate	949,012,398.18	353,193,509.21
Bank Acceptance Bills	10,051,910.09	30,806,102.49
Total	959,064,308.27	383,999,611.70

(VI) Prepayments

1. Classified by age

Aging	Ending Balance		Beginning Balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year (including 1 year)	3,523,678,318.59	52.24	3,418,769,243.11	37.00

Aging	Ending Balance		Beginning Balance	
	Amount	Percentage (%)	Amount	Percentage (%)
1-2 years	1,106,736,829.58	16.41	1,612,652,280.15	17.45
2-3 years	1,299,581,337.90	19.27	820,240,164.52	8.88
3 or more	814,604,238.47	12.08	3,389,082,811.46	36.67
Subtotal	6,744,600,724.54	100.00	9,240,744,499.24	100.00
Reduction; impairment provision	483,593.25		483,593.25	
Total	6,744,117,131.29		9,240,260,905.99	

2. The situation of advance payments collected by the top five debtors at the end of the period

Debtor name	Book Balance	Proportion of total advance payments (%)	Impairment provision
Shandong Detian Jiaye Real Estate Co., Ltd.	1,808,244,519.13	26.81	
Shandong Yuanhong Investment Real Estate Co., Ltd.	1,144,560,204.76	16.97	
Tangshan Xuqin Metal Materials Co., Ltd.	732,441,485.40	10.86	
Yunnan Yuxi Yukun Steel Group Co., Ltd.	579,546,999.93	8.59	
Shanxi Xinghua Steel Co., Ltd.	255,370,901.76	3.79	
Subtotal	4,520,164,110.98	67.02	

(VII) Other Receivables

1. Detailed Information

Item	Ending Balance	Beginning Balance
Interest Receivable		
Receivable Dividends	99,470,000.00	78,400,000.00
Other Receivables	11,283,198,315.18	12,521,613,420.41
Total	11,382,668,315.18	12,600,013,420.41

2. Receivable Interest

(1) Classification of Receivable Interest

Item	Ending Balance	Beginning Balance
China Railway Zijing Real Estate Co., Ltd.	11,198,872.77	11,198,872.77
Subtotal	11,198,872.77	11,198,872.77
Provision for bad debts	11,198,872.77	11,198,872.77
Total		

(2) Important overdue interest

Borrowing unit	Ending Balance	Overdue time
China Railway Zijing Real Estate Co., Ltd.	11,198,872.77	5 years or more
Subtotal	11,198,872.77	

(3) Provision for bad debts on receivable interest

Allowance for Bad Debts	First stage	Second stage	Third stage	Total
	Expected credit loss over the next 12 months	Expected credit losses over the entire lifetime (not yet incurred credit impairment)	Expected credit losses over the entire lifetime (incurred credit impairment)	
Beginning Balance			11,198,872.77	11,198,872.77
Beginning balance for this period				
--Transferred to Stage 2				
--Transferred to Stage 3				
--Transferred back to Stage 2				
--Transferred back to Stage 1				
Provision for this period				
Reversal for this period				
Write-off for this period				
This period's write-off				
Other changes				
Ending Balance			11,198,872.77	11,198,872.77

3. Receivable dividends

Unit Name	Ending Balance	Beginning Balance
Jinan Rail Transit Construction Segment Manufacturing Co., Ltd.	89,670,000.00	68,600,000.00
Yantai Yeda Construction Co., Ltd.	9,800,000.00	9,800,000.00
Subtotal	99,470,000.00	78,400,000.00

4. Other receivables

(1) Disclose other receivables by aging

Aging	Ending Balance		Beginning Balance	
	Book Balance	Allowance for Bad Debts	Book Balance	Allowance for Bad Debts

Aging	Ending Balance		Beginning Balance	
	Book Balance	Allowance for Bad Debts	Book Balance	Allowance for Bad Debts
Within 1 year (including 1 year)	3,297,882,545.62	2,322,463.80	5,674,808,116.58	18,327,057.95
1-2 years	3,824,773,124.80	31,496,327.84	1,283,694,516.49	4,490,345.21
2-3 years	1,172,914,957.61	10,921,794.52	2,033,787,679.01	15,681,201.55
3-4 years	1,813,960,520.74	24,162,674.44	378,343,736.97	20,867,129.15
4-5 years	341,798,377.87	25,521,172.18	101,370,782.97	5,290,543.97
5 years or more	1,013,087,890.24	86,794,668.92	3,278,835,562.41	164,570,696.19
Total	11,464,417,416.88	181,219,101.70	12,750,840,394.43	229,226,974.02

(2) Disclosure of other receivables classified by the method of provision for bad debts

Type	Ending Balance				
	Book Balance		Allowance for Bad Debts		Book Value
	Amount	Percentage (%)	Amount	Provisioning Ratio (%)	
Provision for bad debts based on combinations	11,464,417,416.88	100.00	181,219,101.70	1.58	11,283,198,315.18
Total	11,464,417,416.88	100.00	181,219,101.70	1.58	11,283,198,315.18

(Continued from the above table)

Type	Beginning Balance				
	Book Balance		Allowance for Bad Debts		Book Value
	Amount	Percentage (%)	Amount	Provisioning Ratio (%)	
Provision for bad debts based on combinations	12,750,840,394.43	100.00	229,226,974.02	1.80	12,521,613,420.41
Total	12,750,840,394.43	100.00	229,226,974.02	1.80	12,521,613,420.41

(3) Other receivables for bad debt provision calculated by combination

1) Provision for bad debts on other receivables using aging combination

Item	Ending Balance			Beginning Balance		
	Book Balance	Provision ratio (%)	Allowance for Bad Debts	Book Balance	Provision ratio (%)	Allowance for Bad Debts
Within 1 year (including 1 year)	46,449,275.74	5.00	2,322,463.80	366,541,158.78	5.00	18,327,057.95
1-2 years	314,963,278.31	10.00	31,496,327.84	44,903,452.19	10.00	4,490,345.21

Item	Ending Balance			Beginning Balance		
	Book Balance	Provision ratio (%)	Allowance for Bad Debts	Book Balance	Provision ratio (%)	Allowance for Bad Debts
2-3 years	36,405,981.76	30.00	10,921,794.52	52,270,671.88	30.00	15,681,201.55
3-4 years	48,325,348.88	50.00	24,162,674.44	41,734,258.26	50.00	20,867,129.15
4-5 years	31,901,465.22	80.00	25,521,172.18	6,613,179.96	80.00	5,290,543.97
5 years or more	86,794,668.92	100.00	86,794,668.92	164,570,696.19	100.00	164,570,696.19
Subtotal	564,840,018.83	32.08	181,219,101.70	676,633,417.26	33.88	229,226,974.02

2) Other receivables for which bad debt provisions are made using other combination methods

Item	Ending Balance			Beginning Balance		
	Book Balance	Provision Percentage (%)	Allowance for Bad Debts	Book Balance	Provision Percentage (%)	Allowance for Bad Debts
Combination of receivables from government agencies and other entities	3,912,419,249.64			5,958,016,585.03		
Combination of receivables from state-owned enterprises controlled by the Jinan State-owned Assets Supervision and Administration Commission	4,311,112,430.44			4,385,777,839.92		
Special Recognition Combination	2,676,045,717.97			1,730,412,552.22		
Subtotal	10,899,577,398.05			12,074,206,977.17		

(4) Changes in Bad Debt Provision

Allowance for Bad Debts	First stage	Second stage	Third stage	Total
	Expected credit loss over the next 12 months	Expected credit losses over the entire lifetime (not yet incurred credit impairment)	Expected credit losses over the entire lifetime (incurred credit impairment)	
Beginning Balance	18,327,057.95	4,490,345.21	206,409,570.86	229,226,974.02
Beginning balance for this period				
--Transferred to Stage 2	-15,748,163.92	15,748,163.92		

Allowance for Bad Debts	First stage	Second stage	Third stage	Total
	Expected credit loss over the next 12 months	Expected credit losses over the entire lifetime (not yet incurred credit impairment)	Expected credit losses over the entire lifetime (incurred credit impairment)	
--Transferred to Stage 3		-3,640,598.18	3,640,598.18	
--Transferred back to Stage 2				
--Transferred back to Stage 1				
Provision for this period	-256,430.23	14,898,416.89	-62,649,858.98	-48,007,872.32
Reversal for this period				
Write-off for this period				
This period's write-off				
Other changes				
Ending Balance	2,322,463.80	31,496,327.84	147,400,310.06	181,219,101.70

(5) Other receivables situation based on the top five end-of-period balances collected from the debtor

Debtor Name	Nature of the funds	Book Balance	Account Age	Proportion of Other Receivables (%)	Allowance for Bad Debts
Unit 1	Intercompany Receivables	2,524,721,405.51	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years	22.02	
Unit 2	Intercompany Receivables, Construction Management Fees	1,283,797,555.54	Within 1 year, 1-2 years, 2-3 years, 4-5 years	11.20	
Unit 3	Intercompany Receivables	1,065,785,800.00	1-2 years, 2-3 years	9.30	
Unit 4	Receivables, deposits, etc.	543,926,800.96	Within 1 year, 1-2 years, 2-3 years, 3-4 years, over 5 years	4.74	
Unit 5	Intercompany Receivables	458,827,385.95	Within 1 year, 1-2 years	4.00	
Small		5,877,058,947.96		51.26	

Debtor Name	Nature of the funds	Book Balance	Account Age	Proportion of Other Receivables (%)	Allowance for Bad Debts
Account					

(VIII) Inventory

1. Detailed Information

Item	Ending Balance		
	Book Balance	Inventory impairment provision	Book Value
Raw materials	135,842,507.48	394,844.52	135,447,662.96
Inventory goods	1,489,977,569.03	26,336,350.08	1,463,641,218.95
Develop products	7,737,423,499.09	96,637,900.13	7,640,785,598.96
Real estate development costs	26,222,886,966.93		26,222,886,966.93
Land development costs	82,095,373,804.51		82,095,373,804.51
Revolving materials	156,837,774.72		156,837,774.72
Goods issued			
Reserve land	2,756,881,836.28		2,756,881,836.28
Consumable biological assets	149,616,523.62	36,018.00	149,580,505.62
Project construction cost	12,371,569,633.23		12,371,569,633.23
In product	15,079,588.62		15,079,588.62
Production cost	3,780,494.70	3,780,494.70	
In-transit materials	362,000.00		362,000.00
Total	133,135,632,198.21	127,185,607.43	133,008,446,590.78

(Continued from the above table)

Item	Beginning Balance		
	Book Balance	Inventory impairment provision	Book Value
Raw materials	178,371,239.13	394,844.52	177,976,394.61
Inventory goods	474,896,485.19	25,552,086.08	449,344,399.11
Develop products	9,959,937,681.57	96,637,900.13	9,863,299,781.44
Real estate development costs	21,644,529,776.01		21,644,529,776.01
Land development costs	68,297,258,219.55		68,297,258,219.55
Revolving materials	134,928,298.77		134,928,298.77
Goods issued	1,175,692.80		1,175,692.80
Reserve land	3,181,414,779.28		3,181,414,779.28
Consumable biological assets	160,354,372.81	36,018.00	160,318,354.81
Project construction cost	8,849,877,408.63		8,849,877,408.63

Item	Beginning Balance		
	Book Balance	Inventory impairment provision	Book Value
In product	1,888,775.07		1,888,775.07
Production cost	3,780,494.70	3,780,494.70	
In-transit materials			
Total	112,888,413,223.51	126,401,343.43	112,762,011,880.08

2. Inventory Write-down Provision

Item	Beginning Balance	Increase in the current period		Decrease in the current period		Ending Balance
		Provision	Others	Reversal or write-off	Others	
Raw materials	394,844.52					394,844.52
Inventory goods	25,552,086.08	784,264.00				26,336,350.08
Develop products	96,637,900.13					96,637,900.13
Consumable biological assets	36,018.00					36,018.00
Production cost	3,780,494.70					3,780,494.70
Total	126,401,343.43	784,264.00				127,185,607.43

(IX) Contract Assets

1. Detailed Information

Item	Ending Balance		
	Book Balance	Impairment provision	Book Value
Receivable Land Development Fees	1,806,047,240.00		1,806,047,240.00
Receivable construction payment	10,482,765,202.78	224,731,024.83	10,258,034,177.95
Receivable agency construction payment	403,431,535.02		403,431,535.02
Receivable operation and maintenance payment	59,259,878.70		59,259,878.70
Receivable project management, supervision, and testing payment	433,828,863.45	6,946,970.62	426,881,892.83
Toll Receivable	250,277,015.50		250,277,015.50
Others	1,249,019.96	7,889.20	1,241,130.76
Total	13,436,858,755.41	231,685,884.65	13,205,172,870.76

(Continued from the above table)

Item	Beginning Balance

	Book Balance	Impairment provision	Book Value
Receivable Land Development Fees			
Receivable construction payment	9,422,275,494.16	216,215,836.72	9,206,059,657.44
Receivable agency construction payment	32,178,768.35		32,178,768.35
Receivable operation and maintenance payment	35,341,037.14		35,341,037.14
Receivable project management, supervision, and testing payment	266,512,452.57	3,470,872.16	263,041,580.41
Toll Receivable	130,124,603.00		130,124,603.00
Others	372,810.00		372,810.00
Total	9,886,805,165.22	219,686,708.88	9,667,118,456.34

2. Provision for impairment of contract assets

(1) Detailed situation

Item	Beginning Balance	Increase in the current period		Decrease in the current period			Ending Balance
		Provision	Others	Reversal	Write-off or write-down	Others	
Provision for impairment based on portfolio	219,686,708.88	11,999,175.77					231,685,884.65
Total	219,686,708.88	11,999,175.77					231,685,884.65

(2) Contract assets for which impairment provision is made based on portfolio

Item	Ending Balance		
	Book Balance	Impairment provision	Provisioning Ratio (%)
Combination of receivables from government agencies and other entities	8,103,094,853.35		
Combination of receivables from state-owned enterprises controlled by the Jinan State-owned Assets Supervision and Administration Commission	700,046,209.67		
Other combinations	4,633,717,692.39	231,685,884.65	5.00
Small Account	13,436,858,755.41	231,685,884.65	1.72

(Continued from the above table)

Item	Beginning Balance		
	Book Balance	Allowance for Bad Debts	Provisioning Ratio (%)
Combination of receivables from government agencies and other entities	5,095,058,707.76		
Combination of receivables from state-owned enterprises controlled by the Jinan State-owned Assets Supervision and Administration Commission	398,021,772.89		
Other combinations	4,393,724,684.57	219,686,708.88	5.00
Subtotal	9,886,805,165.22	219,686,708.88	2.22

(X) Other current assets

Item	Ending Balance	Beginning Balance
Input VAT to be deducted	3,572,925,747.37	3,000,100,217.38
Entrusted loans	1,310,000,000.00	60,000,000.00
Prepaid taxes	746,149,465.34	459,639,297.71
Project funds	124,854,583.67	216,904,506.13
Contract acquisition cost	39,439,944.72	39,677,001.25
Prepaid fees	10,106,969.55	4,477,410.09
Prepaid rent	19,433.35	
Deposit interest		459,596.15
Total	5,803,496,144.00	3,781,258,028.71

(XI) Long-term Receivables

Item	Ending Balance			Beginning Balance		
	Book Balance	Allowance for Bad Debts	Book Value	Book Balance	Allowance for Bad Debts	Book Value
Service Fees Related to the Jinan New and Old Kinetic Energy Conversion Pilot Zone	11,185,329,974.35		11,185,329,974.35	11,647,745,840.15		11,647,745,840.15
Receivable Financing Lease Payments	887,629.18		887,629.18	1,301,486.99		1,301,486.99

Item	Ending Balance			Beginning Balance		
	Book Balance	Allowance for Bad Debts	Book Value	Book Balance	Allowance for Bad Debts	Book Value
Total	11,186,217,603.53		11,186,217,603.53	11,649,047,327.14		11,649,047,327.14

(XII) Long-term Equity Investments

1. Classification of Long-term Equity Investments

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Investment in Joint Ventures	423,249,860.02	55,258,069.13	84,961,860.02	393,546,069.13
Investment in Associated Enterprises	9,865,286,149.80	625,186,280.18	1,654,788,384.04	8,835,684,045.94
Subtotal	10,288,536,009.82	680,444,349.31	1,739,750,244.06	9,229,230,115.07
Provision for impairment of long-term equity investments	1,449,513,818.02			1,449,513,818.02
Total	8,839,022,191.80	680,444,349.31	1,739,750,244.06	7,779,716,297.05

2. Details of long-term equity investments

Invested unit	Investment Cost	Beginning Balance	Current Period Increase and Decrease Changes			
			Additional Investment	Reduction in Investment	Investment Gains and Losses Recognized under the Equity Method	Adjustment of Other Comprehensive Income
Joint Venture						
Jinan West Jin Shida Investment Management Center (Limited Partnership)	100,000,000.00					
Jinan West Jin Taini Investment Management Center (Limited Partnership)	97,932,000.00	97,932,000.00				
Jinan West Jin Shiqi Investment Management Center (Limited Partnership)	90,000,000.00					

Invested unit	Investment Cost	Beginning Balance	Current Period Increase and Decrease Changes			
			Additional Investment	Reduction in Investment	Investment Gains and Losses Recognized under the Equity Method	Adjustment of Other Comprehensive Income
Jinan West Jin Cultural Industry Investment Management Center (Limited Partnership)	66,000,000.00	13,530,000.00				
Jinan West Jin Investment Management Center (Limited Partnership)		61,000,000.00		61,000,000.00		
Jinan Guotai High-tech Construction Investment Partnership (Limited Partnership)	3,150,000.00	8,317,860.02	13,594,000.00	16,881,110.79	1,059,782.49	
Jinan Guotai Jiantou Kechuang Investment Partnership (Limited Partnership)	9,524,000.00		9,724,000.00	200,000.00	154,491.15	
Jinan Guotai Jiantou No. 1 Investment Partnership (Limited Partnership)			5,000,000.00	5,000,000.00		
Jinan High-tech Guotai Investment No. 2 Partnership Enterprise (Limited Partnership)	10,500,000.00		10,500,000.00		17,846.61	
Jinan Construction Investment Mountain Industry-University-Research Investment Partnership (Limited Partnership)	15,208,500.00		15,208,500.00		-551.12	
Small Calculation	392,314,500.00	180,779,860.02	54,026,500.00	83,081,110.79	1,231,569.13	
Joint venture						
Jinan Kunlun Investment and Construction North Co., Ltd.	77,541,031.92	26,033,731.98	49,180,600.92		-521,654.57	

Invested unit	Investment Cost	Beginning Balance	Current Period Increase and Decrease Changes			
			Additional Investment	Reduction in Investment	Investment Gains and Losses Recognized under the Equity Method	Adjustment of Other Comprehensive Income
Jinan Zhongjian Xinhao Real Estate Co., Ltd.	30,000,000.00	63,418,090.29			-7,292,777.76	
Jinan Evergrande West District Real Estate Co., Ltd.	400,000,000.00					
Jinan Jinke West City Real Estate Development Co., Ltd.	490,000,000.00	404,697,803.86				
Shandong Shangaogao Development Investment Construction Co., Ltd.	400,000,000.00	219,353,159.42			-380,213.49	
Shandong Zhongjian West City Investment Co., Ltd.	40,000,000.00	128,248,195.22			-8,129,403.02	
Jinan Xianxing Smart Digital Technology Co., Ltd.	9,000,000.00	7,612,680.64			-175,456.23	
Huachuang Fantawild (Jinan) Tourism Development Co., Ltd.	4,600,000.00	3,407,327.96			-3,407,327.96	
Shandong Chengtai Xinrui Supply Chain Co., Ltd.	9,800,000.00		9,800,000.00		13,220.13	
Shandong Expressway Jinghu Expressway Co., Ltd.	330,318,388.65	330,318,388.65			96,062,029.08	
Shandong Zhongjin Petrochemical Co., Ltd.	12,000,000.00	7,758,324.73			109,388.27	
Jinan Zhengjintongda Investment Management Co., Ltd.	1,500,000,000.00	1,000,707,863.96	500,000,000.00			
Shandong Dacheng Software Co., Ltd.	1,020,000.00	5,435,420.97			108,759.43	
Shandong Xijin Equity Investment Fund Management Co., Ltd.	4,900,000.00	11,229,733.70			-2,729,936.01	
Shandong Hualing Cable Co., Ltd.	236,666,700.00	249,362,930.22			1,253,958.66	
Jinan Shanqing Huijian Private Equity Investment Fund	15,000,000.00	6,599,971.87	10,000,000.00		-1,777,337.99	

Invested unit	Investment Cost	Beginning Balance	Current Period Increase and Decrease Changes			
			Additional Investment	Reduction in Investment	Investment Gains and Losses Recognized under the Equity Method	Adjustment of Other Comprehensive Income
Partnership (Limited Partnership)						
Jinan Shanfa Xitou Jinyuan Private Fund Management Partnership (Limited Partnership)	10,000,000.00	10,370,405.55			12.19	
Jinan West Jinzheng Investment Management Center (Limited Partnership)	12,000,000.00		12,000,000.00			
Lu Guangdong New Industry Equity Investment (Jinan) Partnership (Limited Partnership)	2,400,000.00		2,400,000.00			
Guangzhou Gongchuang Green Technology Industry Investment Fund Partnership (Limited Partnership)	2,678,100.00		2,678,100.00		132.50	
Jinan Evergrande West Jin Investment Consulting Partnership (Limited Partnership)	1,873,800.00		1,873,800.00			
Jinan Guotai Logistics Investment Consulting Partnership (Limited Partnership)	60,593,000.00		60,593,000.00			
Shandong Laiwu Rural Commercial Bank Co., Ltd.	247,500,000.00	319,943,433.41			12,593,693.36	-6,798,682.88
Shandong Derun Jinling Health Development Co., Ltd.	4,900,000.00					
Jinan Rail Transit Construction Segment Manufacturing Co., Ltd.	14,900,000.00	157,792,319.22			21,349,106.34	
Yantai Yeda Construction Co., Ltd.	65,420,000.00	92,711,038.19			20,690,438.82	
Jinan Greenland Kanglu Real Estate Co., Ltd.	543,100,000.00	510,164,422.55			-3,397,601.01	

Invested unit	Investment Cost	Beginning Balance	Current Period Increase and Decrease Changes			
			Additional Investment	Reduction in Investment	Investment Gains and Losses Recognized under the Equity Method	Adjustment of Other Comprehensive Income
Lile (Jinan) Commercial Management Limited Liability Company	1,500,000.00	2,847,416.97			841,019.88	
Jinan Spring Agricultural Morning Equity Investment Partnership (Limited Partnership)	80,000,000.00	26,666,667.00	53,333,333.00			
Jinan Xiantou Quehua Cultural Operation Co., Ltd.	1,225,000.00		1,225,000.00			
Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	71,857,895.00	115,016,869.06			10,618,998.67	
Qingdao Ruifangda Construction Management Co., Ltd.	735,000.00					
Shandong Xinyida Construction Management Co., Ltd.	1,960,000.00	5,427,386.01			1,215,141.87	
Shandong Heyida Construction Management Co., Ltd.	1,400,000.00	1,424,868.31			399,882.67	
Shandong Qishun Construction Management Co., Ltd.		451,011.39			149,414.72	
Shandong Longyida Construction Management Co., Ltd.	735,000.00	40,234.00			-40,234.00	
Jinan Caijin Investment Co., Ltd.	509,000,000.00	614,296,367.88			-5,032,317.24	
Qilu Bank Co., Ltd.	3,909,285,589.89	4,336,906,268.77			446,052,826.03	-155,498,061.42
Small Calculation	9,103,909,505.46	8,658,242,331.78	703,083,833.92		578,573,763.34	-162,296,744.30
Total	9,496,224,005.46	8,839,022,191.80	757,110,333.92	83,081,110.79	579,805,332.47	-162,296,744.30

Invested unit	Current Period Increase and Decrease Changes	Ending Balance	Ending balance of

	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Joint Venture						
Jinan West Jin Shida Investment Management Center (Limited Partnership)						100,000,000.00
Jinan West Jin Taini Investment Management Center (Limited Partnership)					97,932,000.00	
Jinan West Jin Shiqi Investment Management Center (Limited Partnership)						90,000,000.00
Jinan West Jin Cultural Industry Investment Management Center (Limited Partnership)					13,530,000.00	52,470,000.00
Jinan West Jin Investment Management Center (Limited Partnership)						
Jinan Guotai High-tech Construction Investment Partnership (Limited Partnership)		1,880,749.23			4,209,782.49	
Jinan Guotai Jiantou Kechuang Investment Partnership (Limited Partnership)					9,678,491.15	
Jinan Guotai Jiantou No. 1 Investment Partnership (Limited Partnership)						
Jinan High-tech Guotai Investment No. 2 Partnership Enterprise (Limited Partnership)					10,517,846.61	
Jinan Construction Investment Mountain Industry-University-Research Investment Partnership (Limited Partnership)					15,207,948.88	

Subtotal		1,880,749.23			151,076,069.13	242,470,000.00
Joint venture						
Jinan Kunlun Investment and Construction North Co., Ltd.					74,692,678.33	
Jinan Zhongjian Xinhao Real Estate Co., Ltd.					56,125,312.53	
Jinan Evergrande West District Real Estate Co., Ltd.						808,941,417.96
Jinan Jinke West City Real Estate Development Co., Ltd.		2,950,000.00			401,747,803.86	398,102,400.06
Shandong Shangaogao Development Investment Construction Co., Ltd.					218,972,945.93	
Shandong Zhongjian West City Investment Co., Ltd.					120,118,792.20	
Jinan Xianxing Smart Digital Technology Co., Ltd.					7,437,224.41	
Huachuang Fantawild (Jinan) Tourism Development Co., Ltd.						
Shandong Chengtai Xinrui Supply Chain Co., Ltd.					9,813,220.13	
Shandong Expressway Jinghu Expressway Co., Ltd.					426,380,417.73	
Shandong Zhongjin Petrochemical Co., Ltd.					7,867,713.00	
Jinan Zhengjintongda Investment Management Co., Ltd.				-1,500,707,863.96		
Shandong Dacheng Software Co., Ltd.		18,890.00			5,525,290.40	
Shandong Xijin Equity Investment Fund Management Co., Ltd.					8,499,797.69	
Shandong Hualing Cable Co., Ltd.		4,800,000.00			245,816,888.88	
Jinan Shanqing Huijian Private Equity Investment Fund Partnership (Limited Partnership)					14,822,633.88	
Jinan Shanfa Xitou Jinyuan Private Fund Management Partnership (Limited Partnership)					10,370,417.74	

Jinan West Jinzheng Investment Management Center (Limited Partnership)					12,000,000.00	
Lu Guangdong New Industry Equity Investment (Jinan) Partnership (Limited Partnership)					2,400,000.00	
Guangzhou Gongchuang Green Technology Industry Investment Fund Partnership (Limited Partnership)					2,678,232.50	
Jinan Evergrande West Jin Investment Consulting Partnership (Limited Partnership)					1,873,800.00	
Jinan Guotai Logistics Investment Consulting Partnership (Limited Partnership)					60,593,000.00	
Shandong Laiwu Rural Commercial Bank Co., Ltd.					325,738,443.89	
Shandong Derun Jinling Health Development Co., Ltd.						
Jinan Rail Transit Construction Segment Manufacturing Co., Ltd.		21,070,000.00			158,071,425.56	
Yantai Yeda Construction Co., Ltd.		9,800,000.00			103,601,477.01	
Jinan Greenland Kanglu Real Estate Co., Ltd.					506,766,821.54	
Lile (Jinan) Commercial Management Limited Liability Company		876,992.57			2,811,444.28	
Jinan Spring Agricultural Morning Equity Investment Partnership (Limited Partnership)					80,000,000.00	
Jinan Xiantou Quehua Cultural Operation Co., Ltd.					1,225,000.00	
Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.					125,635,867.73	
Qingdao Ruifangda Construction Management Co., Ltd.						
Shandong Xinyida Construction Management Co., Ltd.					6,642,527.88	

Shandong Heyida Construction Management Co., Ltd.					1,824,750.98	
Shandong Qishun Construction Management Co., Ltd.					600,426.11	
Shandong Longyida Construction Management Co., Ltd.						
Jinan Caijin Investment Co., Ltd.					609,264,050.64	
Qilu Bank Co., Ltd.	-494,174,572.78	114,564,637.51			4,018,721,823.09	
Subtotal	-494,174,572.78	154,080,520.08		-1,500,707,863.96	7,628,640,227.92	1,207,043,818.02
Total	-494,174,572.78	155,961,269.31		-1,500,707,863.96	7,779,716,297.05	1,449,513,818.02

(XIII) Other equity instrument investments

Item	Ending Balance	Beginning Balance	Dividend income recognized in this period	Gains and losses included in other comprehensive income for this period	Cumulative gains or losses included in other comprehensive income as of the end of the period	Amount transferred from other comprehensive income to retained earnings	Reasons for the transfer from other comprehensive income to retained earnings
Qingdao Bank Co., Ltd.	402,330,316.80	535,251,120.00	21,430,140.49	-17,104,826.43	-17,104,826.43	-192,163,860.00	Disposal
China Thailand Securities Co., Ltd.	1,210,453,023.00	1,223,488,670.94	4,655,588.55	-9,776,735.95	320,985,861.40		
Shandong Expressway Jinan Ring West Line Road Co., Ltd.	464,576,700.00	434,576,700.00					
Jinan Quanxing Construction Investment Management Co., Ltd.		100,000,000.00					
Jinan New and Old Kinetic Energy Conversion Investment and M&A Fund Partnership (Limited Partnership)	73,170,000.00	73,170,000.00					
Jinan Zhongjian Quanhui Investment Operation Co., Ltd.		8,639,582.00	456,629.05				
Shandong Huiquan Jingjian Investment Management Co., Ltd.	4,499,400.00	22,497,000.00	6,053,583.08				
Jinan Beikong Lashan Sewage Treatment Co., Ltd.	4,503,200.00	4,503,200.00					
Shandong Luhua Construction Engineering Co., Ltd.	3,000,000.00	3,000,000.00					
Shandong Huirong Hengxin Investment Partnership (Limited Partnership)	2,697,363,459.49	2,891,385,311.90	96,155,660.38	-145,516,389.31	-226,977,405.39		

Item	Ending Balance	Beginning Balance	Dividend income recognized in this period	Gains and losses included in other comprehensive income for this period	Cumulative gains or losses included in other comprehensive income as of the end of the period	Amount transferred from other comprehensive income to retained earnings	Reasons for the transfer from other comprehensive income to retained earnings
Jinan Quanyu Construction Management and Operation Co., Ltd.	10,745,470.00	10,745,470.00					
Jinan Jiayue Transportation Investment Development Partnership (Limited Partnership)	74,200,000.00	59,550,000.00	2,922,635.21				
Jinan Yingxin Ruitong Equity Investment Fund Partnership (Limited Partnership)	95,000,000.00	69,680,000.00	4,234,482.23				
Shandong Expressway Jibei Road Co., Ltd.	415,881,700.00	415,881,700.00					
Shandong Expressway Jihua Weifang Expressway Co., Ltd.	415,220,800.00	415,220,800.00					
Shandong Expressway East Ring City Expressway Co., Ltd.	134,447,000.00	134,447,000.00					
Jinan Quehua No. 1 Construction Investment Partnership (Limited Partnership)	200,000,000.00	200,000,000.00	8,000,000.00				
Shandong Expressway Jide Road Co., Ltd.	199,026,000.00	199,026,000.00					
Jinan Quehua No. 2 Construction Investment Partnership (Limited Partnership)	150,000,000.00	100,000,000.00	4,000,000.00				
Shandong Expressway Jiwei Highway Co., Ltd.	92,050,500.00	92,050,500.00					
Jinan Huijian Jun'an Intelligent Manufacturing Industry	8,666,311.76	9,000,000.00		-250,266.18	-250,266.18		

Item	Ending Balance	Beginning Balance	Dividend income recognized in this period	Gains and losses included in other comprehensive income for this period	Cumulative gains or losses included in other comprehensive income as of the end of the period	Amount transferred from other comprehensive income to retained earnings	Reasons for the transfer from other comprehensive income to retained earnings
Investment Fund Partnership (Limited Partnership)							
Jinan Huijian Jun'an Green Industry Investment Fund Partnership (Limited Partnership)	8,892,870.78	9,000,000.00		-80,346.91	-80,346.91		
Jinan Jixin Industry Development Investment Partnership (Limited Partnership)	619,397,631.29	492,029,320.53		95,526,233.07	89,548,223.47		
Shandong Expressway Gaoshang Highway Co., Ltd.	438,700,000.00	438,700,000.00					
Shandong Expressway Qingzhang Expressway Co., Ltd.	115,956,800.00	115,956,800.00					
Jinan Xinheng Yintong Equity Investment Fund Partnership (Limited Partnership)	9,901,118.76	9,901,118.76					
Total	7,847,982,301.88	8,067,700,294.13	147,908,718.99	-77,202,331.71	166,121,239.96	-192,163,860.00	

(XIV) Other non-current financial assets

Item	Fair value at the end of the period	Fair value at the beginning of the period
Classified as financial assets measured at fair value with changes recognized in profit or loss for the period	6,482,130,187.03	2,518,882,312.86
Among them: Debt instrument investments	2,280,919,138.82	268,926,628.61
Investment in equity instruments	3,861,211,048.21	1,939,955,684.25
Fund	340,000,000.00	310,000,000.00
Total	6,482,130,187.03	2,518,882,312.86

(XV) Investment properties

Item	Houses and buildings	Land use rights	Construction in progress	Total
Beginning Balance	16,506,385,973.58	273,318,300.00	140,572,371.53	16,920,276,645.11
Current period changes	6,214,196,334.35	290,221,206.00		6,504,417,540.35
Add: Purchases	1,481,312,028.20			1,481,312,028.20
Transfer of fixed assets, intangible assets, construction in progress, and other long-term assets	4,797,504,132.01	264,899,681.92		5,062,403,813.93
Others	15,546,610.80			15,546,610.80
Less: Disposal	2,290,279.00			2,290,279.00
Transfer back to other assets	7,220,614.70			7,220,614.70
Fair value changes	-70,655,542.96	25,321,524.08		-45,334,018.88
Ending Balance	22,720,582,307.93	563,539,506.00	140,572,371.53	23,424,694,185.46

(XVI) Fixed assets

1. Detailed Information

Item	Ending Balance	Beginning Balance
Fixed assets	4,627,010,235.23	4,531,241,376.74
Fixed Asset Disposal		12,548.84
Total	4,627,010,235.23	4,531,253,925.58

2. Fixed Asset Status

Item	Buildings and Structures	Machinery and Equipment	Transportation Tools
Book Value			
Beginning Balance	5,044,226,403.43	711,848,449.17	147,299,247.13
Amount added this period	667,007,417.59	41,696,144.65	5,531,769.25

Item	Buildings and Structures	Machinery and Equipment	Transportation Tools
(1) Purchase	41,199,370.30	39,327,837.14	4,870,528.87
(2) Transfer of construction projects	553,841,303.59		
(3) Increase in business mergers		2,368,307.51	661,240.38
(4) Others	71,966,743.70		
Amount decreased this period	453,826,568.31	7,076,561.09	4,204,061.41
(1) Disposal or scrapping	342,077.00	7,076,561.09	4,204,061.41
(2) Investment property	450,419,888.31		
(3) Others	3,064,603.00		
Ending balance	5,257,407,252.71	746,468,032.73	148,626,954.97
Accumulated Depreciation			
Beginning Balance	828,384,593.92	512,472,652.05	117,819,983.74
Amount added this period	142,372,420.05	38,560,727.59	7,957,218.85
(1) Provision	142,372,420.05	37,635,498.88	7,316,058.32
(2) Increase in business combinations		925,228.71	641,160.53
Amount decreased this period	13,823,004.91	3,505,102.82	4,288,419.03
(1) Disposal or scrapping	324,973.15	3,505,102.82	4,288,419.03
(2) Investment property	13,498,031.76		
Reduction in subsidiary disposal			
Ending balance	956,934,009.06	547,528,276.82	121,488,783.56
Impairment provision			
Beginning Balance	11,723,532.02		5,751.40
Amount added this period			
Amount decreased this period			
Ending balance	11,723,532.02		5,751.40
Book Value			
Ending book value	4,288,749,711.63	198,939,755.91	27,132,420.01
Beginning book value	4,204,118,277.49	199,375,797.12	29,473,511.99

(Continued from the above table)

Item	Office equipment	Other equipment	Total
Book Value			
Beginning Balance	185,978,674.92	131,902,659.68	6,221,255,434.33
Amount added this period	17,755,224.18	38,871,157.44	770,861,713.11

Item	Office equipment	Other equipment	Total
(1) Purchase	14,050,742.56	13,051,761.09	112,500,239.96
(2) Transfer of construction projects	21,844.66	20,929,997.66	574,793,145.91
(3) Increase in business mergers	3,682,636.96	4,889,398.69	11,601,583.54
(4) Others			71,966,743.70
Amount decreased this period	3,968,233.49	2,921,291.36	471,996,715.66
(1) Disposal or scrapping	3,968,233.49	2,921,291.36	18,512,224.35
(2) Investment property			450,419,888.31
(3) Others			3,064,603.00
Ending balance	199,765,665.61	167,852,525.76	6,520,120,431.78
Accumulated Depreciation			
Beginning Balance	132,602,385.32	86,970,706.66	1,678,250,321.69
Amount added this period	18,798,534.47	22,047,150.27	229,736,051.23
(1) Provision	15,405,438.29	17,740,183.49	220,469,599.03
(2) Increase in business combinations	3,393,096.18	4,306,966.78	9,266,452.20
Amount decreased this period	2,354,401.08	2,668,984.43	26,639,912.27
(1) Disposal or scrapping	2,354,401.08	2,668,984.43	13,141,880.51
(2) Investment property			13,498,031.76
Reduction in subsidiary disposal			
Ending balance	149,046,518.71	106,348,872.50	1,881,346,460.65
Impairment provision			
Beginning Balance	34,452.48		11,763,735.90
Amount added this period			
Amount decreased this period			
Ending balance	34,452.48		11,763,735.90
Book Value			
Ending book value	50,684,694.42	61,503,653.26	4,627,010,235.23
Beginning book value	53,341,837.12	44,931,953.02	4,531,241,376.74

3. Fixed Asset Disposal Situation

Item	Ending Book Value	Initial book value	Reasons for the transfer to cleanup
Transport equipment		12,548.84	
Subtotal		12,548.84	

(XVII) Ongoing projects

1. Detailed Information

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment provision	Book Value	Book Balance	Impairment provision	Book Value
Jinan Airport Expansion Project	23,544,677,218.14		23,544,677,218.14	18,657,338,729.68		18,657,338,729.68
Bridge and tunnel projects	15,368,019,617.49		15,368,019,617.49	12,127,265,237.04		12,127,265,237.04
Xiao Qing River Comprehensive Management Project	12,850,814,347.45		12,850,814,347.45	12,817,431,689.77		12,817,431,689.77
Jixi Wetland Park	5,203,510,214.37		5,203,510,214.37	4,777,571,870.89		4,777,571,870.89
Municipal Utility Tunnels and Other Municipal Assets	4,840,892,957.18		4,840,892,957.18	4,505,160,188.93		4,505,160,188.93
Huashan Wetland	4,304,800,510.44		4,304,800,510.44	4,168,070,690.37		4,168,070,690.37
Institute of Electromagnetic Drive, Chinese Academy of Sciences	3,378,646,024.31		3,378,646,024.31	3,251,308,302.08		3,251,308,302.08
Phase III of University Science Park Relocation Housing	2,974,821,107.98		2,974,821,107.98	2,884,365,913.70		2,884,365,913.70
Intangible Cultural Heritage Park	2,957,664,974.44		2,957,664,974.44	2,960,934,298.94		2,960,934,298.94
Institute of Physics and Chemistry, Chinese Academy of Sciences	2,781,465,143.77		2,781,465,143.77	2,551,976,268.98		2,551,976,268.98
Zhangliu Area Resettlement Housing	2,396,162,856.80		2,396,162,856.80	2,247,944,112.99		2,247,944,112.99
Phase II of the Three Museums				2,429,838,656.13		2,429,838,656.13
Yufu River	2,178,163,975.72		2,178,163,975.72	2,154,590,614.26		2,154,590,614.26

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment provision	Book Value	Book Balance	Impairment provision	Book Value
Comprehensive Improvement Project						
Jinan Yaoqiang Airport Supporting Facilities Project	1,233,395,318.86		1,233,395,318.86	1,108,199,246.30		1,108,199,246.30
East B of the Grand Theatre	1,189,009,297.39		1,189,009,297.39	1,122,708,762.26		1,122,708,762.26
Taishan Ecological Environment Research Institute Project	1,085,473,111.33		1,085,473,111.33	991,836,411.98		991,836,411.98
National-level Park Ming Shui Economic Development Zone Longshan Innovation Port Industrial Park Infrastructure Construction Project	921,653,749.71		921,653,749.71	739,039,283.52		739,039,283.52
Jishui Academy Phase II Rental Housing Project	706,840,777.78		706,840,777.78	620,094,272.13		620,094,272.13
Jinan Longshan Innovation Port Industry-Education Integration Training Base Construction Project	503,152,114.66		503,152,114.66			
Headquarters Economic Zone E-1 Plot Project in the Qianxing District Bridge	486,686,735.30		486,686,735.30	367,438,270.53		367,438,270.53

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment provision	Book Value	Book Balance	Impairment provision	Book Value
Area						
High Research Institute Main Campus Project	360,568,790.16		360,568,790.16	885,689,123.68		885,689,123.68
Yellow River Landscape Belt Construction and Improvement Project	211,719,658.55		211,719,658.55	200,598,195.97		200,598,195.97
China State Construction Jinxiu Plaza Rental Housing Project	167,273,452.55		167,273,452.55	167,082,247.72		167,082,247.72
East Caishi Village Resettlement Area Northwest Side Plot Project	129,646,126.58		129,646,126.58	120,769,490.68		120,769,490.68
Jinan Yaoqiang Airport Runway North Supporting Project	122,111,511.44		122,111,511.44			
Four Seasons Village Hotel Upgrade and Renovation Project	89,637,368.61		89,637,368.61	84,662,601.25		84,662,601.25
Science and Technology Innovation City Industrial Park	673,403,024.54		673,403,024.54	669,252,319.11		669,252,319.11
Huashan Valley Project	41,074,434.92		41,074,434.92	40,414,784.59		40,414,784.59
Fengda Bridge Supporting Project	37,198,509.34		37,198,509.34	36,905,581.92		36,905,581.92
China Railway Zijing Rental				1,006,795,903.79		1,006,795,903.79

Item	Ending Balance			Beginning Balance		
	Book Balance	Impairment provision	Book Value	Book Balance	Impairment provision	Book Value
Housing Project						
Tianqiao District Vehicle Management Office Site				536,727,329.43		536,727,329.43
West Railway Station Resettlement Area 2, Three Plots Rental Housing Project				596,805,890.08		596,805,890.08
Water Resources Department Rental Housing				228,674,246.56		228,674,246.56
Digital Economy Industrial Park C-2 Plot Project in the Pilot Zone Cuizhai Area				171,767,170.24		171,767,170.24
Liuchangshan South Plot B-1 in Lashan Area				280,948,484.17		280,948,484.17
Others	334,778,995.23		334,778,995.23	247,942,080.52		247,942,080.52
Engineering Materials	214,289,611.86		214,289,611.86	216,577,246.03		216,577,246.03
Total	91,287,551,536.90		91,287,551,536.90	85,974,725,516.22		85,974,725,516.22

2. Changes in Important Ongoing Construction Projects for This Period

Project Name	Beginning Balance	Increase in the current period	Transferred to Fixed Assets
Jinan Airport Expansion Project	18,657,338,729.68	4,887,338,488.46	
Bridge and tunnel projects	12,127,265,237.04	3,502,758,551.73	
Xiao Qing River Comprehensive Management Project	12,817,431,689.77	33,382,657.68	
Jixi Wetland Park	4,777,571,870.89	425,938,343.48	
Municipal Utility Tunnels and Other Municipal Assets	4,505,160,188.93	387,493,611.45	

Project Name	Beginning Balance	Increase in the current period	Transferred to Fixed Assets
Huashan Wetland	4,168,070,690.37	136,729,820.07	
Institute of Electromagnetic Drive, Chinese Academy of Sciences	3,251,308,302.08	127,337,722.23	
Phase III of University Science Park Relocation Housing	2,884,365,913.70	90,455,194.28	
Intangible Cultural Heritage Park	2,960,934,298.94	1,494,667.00	
Institute of Physics and Chemistry, Chinese Academy of Sciences	2,551,976,268.98	229,488,874.79	
Zhangliu Area Resettlement Housing	2,247,944,112.99	148,218,743.81	
Phase II of the Three Museums	2,429,838,656.13		
Yufu River Comprehensive Improvement Project	2,154,590,614.26	23,573,361.46	
Jinan Yaoqiang Airport Supporting Facilities Project	1,108,199,246.30	525,196,072.56	
East B of the Grand Theatre	1,122,708,762.26	66,300,535.13	
Taishan Ecological Environment Research Institute Project	991,836,411.98	93,636,699.35	
National-level Park Ming Shui Economic Development Zone Longshan Innovation Port Industrial Park Infrastructure Construction Project	739,039,283.52	182,614,466.19	
Jishui Academy Phase II Rental Housing Project	620,094,272.13	86,746,505.65	
Jinan Longshan Innovation Port Industry-Education Integration Training Base Construction Project		503,152,114.66	
Headquarters Economic Zone E-1 Plot Project in the Qianxing District Bridge Area	367,438,270.53	119,248,464.77	
High Research Institute Main Campus Project	885,689,123.68	14,879,666.48	
Yellow River Landscape Belt Construction and Improvement Project	200,598,195.97	11,121,462.58	
China State Construction Jinxiu Plaza Rental Housing Project	167,082,247.72	191,204.83	
East Caishi Village Resettlement Area Northwest Side Plot Project	120,769,490.68	8,876,635.90	
Jinan Yaoqiang Airport Runway North Supporting Project		122,111,511.44	
Four Seasons Village Hotel Upgrade and Renovation Project	84,662,601.25	4,974,767.36	

Project Name	Beginning Balance	Increase in the current period	Transferred to Fixed Assets
Science and Technology Innovation City Industrial Park	669,252,319.11	4,150,705.43	
Huashan Valley Project	40,414,784.59	659,650.33	
Fengda Bridge Supporting Project	36,905,581.92	292,927.42	
China Railway Zijing Rental Housing Project	1,006,795,903.79	173,530,524.10	503,975,038.05
Tianqiao District Vehicle Management Office Site	536,727,329.43	81,508,237.67	
West Railway Station Resettlement Area 2, Three Plots Rental Housing Project	596,805,890.08	93,553,942.36	
Water Resources Department Rental Housing	228,674,246.56	7,439,634.32	
Digital Economy Industrial Park C-2 Plot Project in the Pilot Zone Cuizhai Area	171,767,170.24	12,513,296.48	
Liuchangshan South Plot B-1 in Lashan Area	280,948,484.17	112,255,873.02	
Others	247,942,080.52	242,353,331.42	70,818,107.86
Subtotal	85,758,148,270.19	12,461,518,265.89	574,793,145.91

(Continued from the above table)

Project Name	Transfer to investment property	Other reductions	Ending Balance
Jinan Airport Expansion Project			23,544,677,218.14
Bridge and tunnel projects		262,004,171.28	15,368,019,617.49
Xiao Qing River Comprehensive Management Project			12,850,814,347.45
Jixi Wetland Park			5,203,510,214.37
Municipal Utility Tunnels and Other Municipal Assets		51,760,843.20	4,840,892,957.18
Huashan Wetland			4,304,800,510.44
Institute of Electromagnetic Drive, Chinese Academy of Sciences			3,378,646,024.31
Phase III of University Science Park Relocation Housing			2,974,821,107.98
Intangible Cultural Heritage Park		4,763,991.50	2,957,664,974.44
Institute of Physics and Chemistry, Chinese Academy of Sciences			2,781,465,143.77
Zhangliu Area Resettlement Housing			2,396,162,856.80
Phase II of the Three Museums	2,372,597,556.40	57,241,099.73	

Project Name	Transfer to investment property	Other reductions	Ending Balance
Yufu River Comprehensive Improvement Project			2,178,163,975.72
Jinan Yaoqiang Airport Supporting Facilities Project		400,000,000.00	1,233,395,318.86
East B of the Grand Theatre			1,189,009,297.39
Taishan Ecological Environment Research Institute Project			1,085,473,111.33
National-level Park Ming Shui Economic Development Zone Longshan Innovation Port Industrial Park Infrastructure Construction Project			921,653,749.71
Jishui Academy Phase II Rental Housing Project			706,840,777.78
Jinan Longshan Innovation Port Industry-Education Integration Training Base Construction Project			503,152,114.66
Headquarters Economic Zone E-1 Plot Project in the Qianxing District Bridge Area			486,686,735.30
High Research Institute Main Campus Project		540,000,000.00	360,568,790.16
Yellow River Landscape Belt Construction and Improvement Project			211,719,658.55
China State Construction Jinxiu Plaza Rental Housing Project			167,273,452.55
East Caishi Village Resettlement Area Northwest Side Plot Project			129,646,126.58
Jinan Yaoqiang Airport Runway North Supporting Project			122,111,511.44
Four Seasons Village Hotel Upgrade and Renovation Project			89,637,368.61
Science and Technology Innovation City Industrial Park			673,403,024.54
Huashan Valley Project			41,074,434.92
Fengda Bridge Supporting Project			37,198,509.34
China Railway Zijing Rental Housing Project	676,351,389.84		
Tianqiao District Vehicle Management Office Site		618,235,567.10	
West Railway Station Resettlement	690,359,832.44		

Project Name	Transfer to investment property	Other reductions	Ending Balance
Area 2, Three Plots Rental Housing Project			
Water Resources Department Rental Housing	236,113,880.88		
Digital Economy Industrial Park C-2 Plot Project in the Pilot Zone Cuizhai Area	184,280,466.72		
Liuchangshan South Plot B-1 in Lashan Area		393,204,357.19	
Others	10,026,141.32	74,672,167.53	334,778,995.23
Subtotal	4,169,729,267.60	2,401,882,197.53	91,073,261,925.04

(XVIII) Productive Biological Assets

Item	Timber	Total
Book Value		
Beginning Balance	728,374.00	728,374.00
Amount added this period		
1.Purchased		
2.Self-cultivated		
3.Increased through business mergers		
4.Others		
Amount decreased this period		
1.Disposal		
2. Disposal of subsidiaries reduction		
3. Others		
Ending balance	728,374.00	728,374.00
Accumulated Depreciation		
Beginning Balance	115,520.74	115,520.74
Amount added this period	34,597.80	34,597.80
1. Provision	34,597.80	34,597.80
2. Increase in business combinations		
3. Others		
Amount decreased this period		
1.Disposal		
2. Disposal of subsidiaries reduction		
3. Others		
Ending balance	150,118.54	150,118.54
Impairment provision		

Item	Timber	Total
Beginning Balance		
Amount added this period		
Amount decreased this period		
Ending balance		
Book Value		
Ending book value	578,255.46	578,255.46
Beginning book value	612,853.26	612,853.26

(XIX) Right-of-use assets

Item	Buildings and Structures	Land use rights	Total
Book Value			
Beginning Balance	123,335,084.68	19,652,365.09	142,987,449.77
Amount added this period	42,053,413.67	-31,603.20	42,021,810.47
Lease	42,053,413.67	-31,603.20	42,021,810.47
Amount decreased this period	32,819,477.72	3,061,814.76	35,881,292.48
1.Disposal	29,393,875.10		29,393,875.10
2. Others	3,425,602.62	3,061,814.76	6,487,417.38
Ending balance	132,569,020.63	16,558,947.13	149,127,967.76
Accumulated Depreciation			
Beginning Balance	58,049,183.00	4,715,592.02	62,764,775.02
Amount added this period	23,047,044.43	2,601,536.71	25,648,581.14
Provision	23,047,044.43	2,601,536.71	25,648,581.14
Amount decreased this period	31,491,430.98	2,837,962.10	34,329,393.08
1.Disposal	28,582,635.36		28,582,635.36
2. Others	2,908,795.62	2,837,962.10	5,746,757.72
Ending balance	49,604,796.45	4,479,166.63	54,083,963.08
Impairment provision			
Beginning balance			
Amount added this period			
Amount decreased this period			
Ending balance			
Book Value			
Ending book value	82,964,224.18	12,079,780.50	95,044,004.68
Beginning book value	65,285,901.68	14,936,773.07	80,222,674.75

(XX) intangible assets

1. Classification of intangible assets

Item	PPP construction projects	Franchise rights	Land use rights	Brand usage fee	Housing usage rights
Book Value					
Beginning Balance	4,059,445,949.12	3,832,310,830.70	3,686,637,692.24	170,721,979.88	55,208,700.00
Amount added this period	316,118,276.03	1,722,730,112.76	90,568,345.14		
1. Purchase	316,118,276.03	2,485,533.84	29,958,866.34		
2. Increase in business combinations		2,941,382.91			
3. Others		1,717,303,196.01	60,609,478.80		
Amount decreased this period	1,717,036,961.68	1,856,930,724.86	479,567,052.23	169,811,320.84	
1. Investment property transfer			479,567,052.23		
2. Disposal of subsidiaries				169,811,320.84	
3. Others	1,717,036,961.68	1,856,930,724.86			
Ending balance	2,658,527,263.47	3,698,110,218.60	3,297,638,985.15	910,659.04	55,208,700.00
Accumulated amortization					
Beginning Balance		2,839,975,618.06	408,889,325.10	107,239,102.66	10,592,094.79
Amount added this period		294,808,847.55	74,676,421.55	91,065.96	4,611,189.32
1. Current amortization		294,808,847.55	74,676,421.55	91,065.96	4,611,189.32
2. Increase in business combinations					
Amount decreased this period		1,856,797,621.58	37,270,774.61	106,761,006.38	
1.Disposal					
2. Investment property transfer			23,814,362.45		
3. Disposal of Subsidiaries				106,761,006.38	

Item	PPP construction projects	Franchise rights	Land use rights	Brand usage fee	Housing usage rights
4.Others		1,856,797,621.58	13,456,412.16		
Ending balance		1,277,986,844.03	446,294,972.04	569,162.24	15,203,284.11
Impairment provision					
Beginning Balance				63,050,314.46	
Amount added this period					
Amount decreased this period				63,050,314.46	
Ending balance					
Book Value					
Ending book value	2,658,527,263.47	2,420,123,374.57	2,851,344,013.11	341,496.80	40,005,415.89
Beginning book value	4,059,445,949.12	992,335,212.64	3,277,748,367.14	432,562.76	44,616,605.21

(Continued from the above table)

Item	Software	Patent rights	Trademark rights	Others	Total
Book Value					
Beginning Balance	61,218,154.63	732,498.41	129,500.00	1,569,312.84	11,867,974,617.82
Amount added this period	14,578,685.76	2,877,677.40		4,698,467.61	2,151,571,564.70
1. Purchase	14,554,412.26	2,877,677.40		807,509.43	366,802,275.30
2. Increase in business combinations	24,273.50				2,965,656.41
3. Others				3,890,958.18	1,781,803,632.99
Amount decreased this period	1,784,626.16				4,225,130,685.77
1. Investment property transfer					479,567,052.23
2. Disposal of subsidiaries	897,080.67				170,708,401.51
3. Others	887,545.49				3,574,855,232.03
Ending balance	74,012,214.23	3,610,175.81	129,500.00	6,267,780.45	9,794,415,496.75
Accumulated amortization					
Beginning Balance	39,799,159.77	165,077.58	129,500.00	50,094.74	3,406,839,972.70
Amount added this period	5,861,975.22	72,670.92		334,390.49	380,456,561.01
1. Current amortization	5,840,235.89	72,670.92		334,390.49	380,434,821.68

Item	Software	Patent rights	Trademark rights	Others	Total
2. Increase in business combinations	21,739.33				21,739.33
Amount decreased this period	1,132,822.38				2,001,962,224.95
1.Disposal					
2. Investment property transfer					23,814,362.45
3. Disposal of Subsidiaries	1,132,822.38				107,893,828.76
4.Others					1,870,254,033.74
Ending balance	44,528,312.61	237,748.50	129,500.00	384,485.23	1,785,334,308.76
Impairment provision					
Beginning Balance					63,050,314.46
Amount added this period					
Amount decreased this period					63,050,314.46
Ending balance					
Book Value					
Ending book value	29,483,901.62	3,372,427.31		5,883,295.22	8,009,081,187.99
Beginning book value	21,418,994.86	567,420.83		1,519,218.10	8,398,084,330.66

2. Confirmed as intangible asset data resources

Item	Purchased data resource intangible assets	Self-developed data resource intangible assets	Total
Book Value			
Beginning Balance		1,569,312.84	1,569,312.84
Amount added this period	807,509.43	3,890,958.18	4,698,467.61
Of which: Purchased	807,509.43		807,509.43
Internal R&D		3,890,958.18	3,890,958.18
Other increases			
Amount reduced this period			
Ending Balance	807,509.43	5,460,271.02	6,267,780.45
Accumulated amortization			
Beginning Balance		50,094.74	50,094.74
Amount added this period	10,130.72	324,259.77	334,390.49
Amount reduced this period			
Ending Balance	10,130.72	374,354.51	384,485.23
Impairment provision			

Item	Purchased data resource intangible assets	Self-developed data resource intangible assets	Total
Beginning Balance			
Amount added this period			
Amount reduced this period			
Ending Balance			
Book Value			
Ending Book Value	797,378.71	5,085,916.51	5,883,295.22
Initial book value		1,519,218.10	1,519,218.10

(XXI) Development Expenditure

Item	Beginning Balance	Increase in the current period		Decrease in the current period			Ending Balance
		Internal Development Expenditure	Others	Recognized as Intangible Assets	Transferred to Current Profit and Loss	Others	
Software	4,690,319.60	77,343.08		768,967.17	3,563,015.51		435,680.00
Technology Research and Development	194,174.76						194,174.76
Total	4,884,494.36	77,343.08		768,967.17	3,563,015.51		629,854.76

(XXII) Goodwill

Name of the unit or matters forming goodwill	Carrying amount of goodwill				Provision for goodwill impairment			
	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Jinan West City Shizhong Real Estate Co., Ltd.	6,608,409.00			6,608,409.00				
Jinan Wanrong Real Estate Co., Ltd.	729,357.53			729,357.53				
Shandong	633,980.09			633,980.09				

Name of the unit or matters forming goodwill	Carrying amount of goodwill				Provision for goodwill impairment			
	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Jixi Wetland Ecological Farm Co., Ltd.								
Jinan Rongde Real Estate Co., Ltd.	228,577.53			228,577.53				
Jinan West Railway Station Transportation Co., Ltd.	67,874.40			67,874.40				
Jinan Futai Real Estate Co., Ltd.	500.00			500.00				
Shandong Kangqiao Real Estate Co., Ltd.	963,824.90			963,824.90				
Ningguo City Port Investment Municipal Engineering Construction Co., Ltd.	33,000,000.00			33,000,000.00				
Jinan Urban Construction Group (Shenzhen) Municipal Engineering Co., Ltd.	30,999,997.60			30,999,997.60				
Jinan Urban	23,205,000.00			23,205,000.00				

Name of the unit or matters forming goodwill	Carrying amount of goodwill				Provision for goodwill impairment			
	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Construction Group (Jiangxi) Construction Engineering Co., Ltd.								
Jinan Urban Construction Group Construction Engineering Co., Ltd.	1,000,000.00	180,000.00		1,180,000.00				
Jinan Urban Construction Group Co., Ltd.	2,450,000.00			2,450,000.00				
Shandong International Exhibition Group Co., Ltd.		38,954,171.34		38,954,171.34				
Langneng Engineering Design Consulting (Shandong) Co., Ltd.		979,830.20		979,830.20				
Total	99,887,521.05	40,114,001.54		140,001,522.59				

(XXIII) Long-term Deferred Expenses

Item	Beginning Balance	Increase in the current period	Current Period Amortization	Other reductions	Ending Balance	Other Reasons for Decrease

Item	Beginning Balance	Increase in the current period	Current Period Amortization	Other reductions	Ending Balance	Other Reasons for Decrease
Renovation costs	236,323,193.55	16,002,158.91	63,715,297.49	1,470,103.73	187,139,951.24	Settlement reduction
Others	1,569,497.84	265,825.32	926,189.81		909,133.35	
Total	237,892,691.39	16,267,984.23	64,641,487.30	1,470,103.73	188,049,084.59	

(XXIV) Deferred tax assets and deferred tax liabilities

1. Unoffset deferred tax assets and deferred tax liabilities

Item	Ending Balance		Beginning Balance	
	Deductible/Taxable temporary differences	Deferred tax assets/liabilities	Deductible/Taxable temporary differences	Deferred tax assets/liabilities
Deferred tax assets	3,615,428,692.80	672,932,417.02	3,470,227,429.85	653,631,421.74
Asset impairment provision	2,847,290,877.83	518,426,191.29	2,457,958,286.29	442,149,575.47
Provision for warranty	300,448,795.02	45,278,778.68	405,002,496.07	63,634,631.47
Unrealized profits from internal transactions	19,263,131.88	2,889,469.78	22,204,514.79	3,330,677.22
Deductible losses	34,996,490.58	8,740,169.07	41,037,379.41	10,259,344.85
Changes in the fair value of other equity instruments	205,349,410.02	47,707,680.55	372,803,847.57	93,200,961.89
Changes in the fair value of investment properties	94,261,711.72	23,466,176.48	99,216,246.81	24,717,447.32
Lease liabilities	113,818,275.75	26,423,951.17	72,004,658.91	16,338,783.52
Deferred tax liabilities	1,797,339,102.07	445,016,540.19	1,807,171,101.86	445,438,060.17
Changes in the fair value of other equity instruments	431,007,969.27	107,244,999.84	441,016,796.47	110,254,199.12
Changes in the fair value of investment properties	1,197,550,504.06	298,106,713.20	1,201,834,730.95	296,993,521.60
Right-of-use asset	95,044,004.68	21,777,000.36	80,222,674.75	17,788,873.00
Long-term receivables	887,629.18	221,907.30	1,301,486.99	325,371.75
One-time additional deduction for fixed assets	1,235,458.42	185,318.76	1,305,538.18	195,830.73
Difference in transfer of investment property to self-use	11,945,885.68	2,692,031.10	23,105,654.45	5,284,208.95
Changes in fair value of investment property transferred to inventory	59,667,650.78	14,788,569.63	58,384,220.07	14,596,055.02

2. Deferred tax assets or liabilities presented at net amounts after offsetting

Item	Final		Beginning of the period	
	Amount of deferred tax assets and liabilities offset	Balance of deferred tax assets or liabilities after offsetting	Amount of deferred tax assets and liabilities offset	Balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	137,956,493.89	534,975,923.13	131,350,498.32	522,280,923.42
Deferred tax liabilities	137,956,493.89	307,060,046.30	131,350,498.32	314,087,561.85

(XXV) Other non-current assets

Item	Ending Balance		
	Book Value	Impairment provision	Book Value
Advance project payment	1,299,069,681.70		1,299,069,681.70
Advance land payment	642,327,144.01		642,327,144.01
Advance house purchase payment	296,631,811.82	102,959,821.79	193,671,990.03
Project and investment funds	917,581,545.64	60,000,000.00	857,581,545.64
Community Development Supporting Public Facilities	1,385,896,653.03		1,385,896,653.03
Municipal Utility Tunnels and Other Municipal Assets	17,727,108,809.25		17,727,108,809.25
Provincial Capital Cultural and Arts Center Project	3,943,235,799.92		3,943,235,799.92
Public Rental Housing	5,349,203,687.19		5,349,203,687.19
Garden Expo Park Project	271,384,522.96		271,384,522.96
Renovation Project of the Entrance to Fohui Mountain Kaiyuan Temple	774,729,554.97		774,729,554.97
Bridge and tunnel projects	14,682,097,579.92		14,682,097,579.92
Chinese painting works	442,000.00		442,000.00
Prepaid purchase of assets	1,790,265.47		1,790,265.47
Others	21,726,382.50		21,726,382.50
Total	47,313,225,438.38	162,959,821.79	47,150,265,616.59

(Continued from the above table)

Item	Beginning Balance		
	Book Value	Impairment provision	Book Value
Advance project payment	948,700,078.61		948,700,078.61

Item	Beginning Balance		
	Book Value	Impairment provision	Book Value
Advance land payment	307,474,892.01		307,474,892.01
Advance house purchase payment	1,479,985,264.10	102,959,821.79	1,377,025,442.31
Project and investment funds	930,695,045.64	60,000,000.00	870,695,045.64
Community Development Supporting Public Facilities	1,380,787,702.09		1,380,787,702.09
Municipal Utility Tunnels and Other Municipal Assets	17,517,162,417.52		17,517,162,417.52
Provincial Capital Cultural and Arts Center Project	3,928,359,853.08		3,928,359,853.08
Public Rental Housing	5,347,826,165.72		5,347,826,165.72
Garden Expo Park Project	271,384,522.96		271,384,522.96
Renovation Project of the Entrance to Fohui Mountain Kaiyuan Temple	774,729,554.97		774,729,554.97
Bridge and tunnel projects	14,535,776,064.12		14,535,776,064.12
Chinese painting works	442,000.00		442,000.00
Prepaid purchase of assets	6,073,172.51		6,073,172.51
Others	21,726,382.50		21,726,382.50
Total	47,451,123,115.83	162,959,821.79	47,288,163,294.04

(XXVI) Short-term Loans

Loan Category	Ending Balance	Beginning Balance
Pledged Loans	116,000,000.00	20,200,000.00
Guaranteed Loans	1,533,990,000.00	994,322,305.56
Credit Borrowing	19,115,762,175.50	13,034,972,197.81
Discounted but not terminated confirmed receivable notes	88,000,000.00	
Total	20,853,752,175.50	14,049,494,503.37

(XXVII) Notes Payable

Types of Notes	Ending Balance	Beginning Balance
Bank Acceptance Bills	1,725,609,932.15	1,365,739,362.45
Commercial Acceptance Bill	190,962,328.12	913,583,661.49
Letter of Credit	322,703,866.18	679,640,376.16
Total	2,239,276,126.45	2,958,963,400.10

(XXVIII) Accounts Payable

1. Aging Analysis

Aging	Ending Balance	Beginning Balance
within one year	13,777,340,043.83	14,395,641,640.13
1-2 years	3,871,242,290.84	4,389,911,922.48
2-3 years	2,207,264,510.41	2,716,089,453.53
More than 3 years	3,710,227,457.38	2,603,824,343.49
Total	23,566,074,302.46	24,105,467,359.63

2. Accounts payable situation of the top five by year-end balance

Unit Name	Relationship with our company	Ending Balance	Proportion of accounts payable (%)
China Railway 14th Bureau Group Co., Ltd.	Non-related party	843,796,967.51	3.58
China State Construction Engineering Corporation No. 8 Bureau Ltd.	Non-related party	611,558,909.58	2.60
China Enterprise Cloud Chain Co., Ltd.	Non-related party	563,449,887.62	2.39
Shandong Jieshun Construction Installation Engineering Co., Ltd.	Non-related party	247,179,306.86	1.05
Shandong Guanquan Municipal Engineering Co., Ltd.	Non-related party	202,189,730.43	0.86
Small Account		2,468,174,802.00	10.48

(XXIX) Advance Payments

Aging	Ending Balance	Beginning Balance
within one year	96,947,073.58	118,631,238.52
1-2 years	61,173,122.94	9,833,968.89
2-3 years	8,644,978.47	23,113,736.93
More than 3 years	29,988,865.64	9,545,099.53
Total	196,754,040.63	161,124,043.87

(XXX) Contract Liabilities

Item	Ending Balance	Beginning Balance
Advance Construction Payments	8,117,153,782.76	8,217,097,691.81
Advance Sales Proceeds	5,980,254,284.77	2,571,106,810.36
Advance Project Management Fees	26,812,289.21	26,892,070.38
Advance property management fees	8,009,128.75	10,709,482.61
Advance operation and maintenance fees	141,327,408.28	113,769,167.97
Advance project management, supervision, and testing fees	2,902,502.00	6,727,126.01
Advance payment for goods	443,113,356.32	855,636,816.22
Others	8,485,451.65	10,127,727.48
Total	14,728,058,203.74	11,812,066,892.84

(XXXI) Employee Compensation

1. Detailed Information

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Short-term Compensation	1,151,152,080.65	2,350,023,350.73	2,184,954,854.33	1,316,220,577.05
Post-termination benefits - Establishing a contribution plan	14,270,834.73	304,073,587.05	298,303,315.26	20,041,106.52
Dismissal benefits		671,426.01	671,426.01	
Total	1,165,422,915.38	2,654,768,363.79	2,483,929,595.60	1,336,261,683.57

2. Short-term compensation details

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Salary, bonuses, allowances, and subsidies	1,121,231,398.80	1,956,186,497.09	1,797,750,701.92	1,279,667,193.97
Employee welfare expenses	1,621,371.63	67,347,170.66	68,450,453.19	518,089.10
Social insurance fee	6,368,569.57	161,096,765.33	155,699,744.50	11,765,590.40
Among them: medical insurance fee	372,026.39	94,672,769.84	94,880,137.56	164,658.67
Work Injury Insurance Premium	24,307.78	8,957,509.32	8,971,688.33	10,128.77
Supplementary Medical Insurance	5,972,235.40	57,466,486.17	51,847,918.61	11,590,802.96
Housing Provident Fund	570,843.22	146,877,932.54	147,050,465.80	398,309.96
Union funds and employee education funds	21,359,897.43	16,173,914.63	14,145,286.44	23,388,525.62
Short-term profit-sharing plan		2,341,070.48	1,858,202.48	482,868.00
Total	1,151,152,080.65	2,350,023,350.73	2,184,954,854.33	1,316,220,577.05

3. Set up a contribution plan

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Basic pension insurance	1,149,457.51	188,961,290.62	189,478,384.09	632,364.04
Unemployment insurance premium	38,923.13	8,241,166.00	8,263,019.53	17,069.60
Enterprise annuity contribution	13,082,454.09	106,871,130.43	100,561,911.64	19,391,672.88
Total	14,270,834.73	304,073,587.05	298,303,315.26	20,041,106.52

(XXXII) Taxes and Fees Payable

Item	Ending Balance	Beginning Balance
Value-added Tax	134,563,501.20	546,506,081.18
Corporate Income Tax	87,470,404.82	108,931,668.41
Property Tax	28,368,382.27	24,705,344.76
Land Use Tax	23,943,761.99	20,519,340.82
Stamp Duty	16,283,460.90	13,925,118.67
Individual Income Tax	8,510,591.14	6,966,817.06
Urban Maintenance and Construction Tax	4,469,140.68	4,064,164.52
Education surcharge	2,090,930.17	2,081,830.36
Local education surcharge	1,215,437.45	1,200,547.05
Deed tax	658,481.18	658,481.18
Land value increment tax	251,409.23	33,052,168.65
Resource Tax	94,250.88	
Environmental Protection Tax	81,024.41	79,315.29
Local Water Conservancy Construction Fund	3,744.12	3,358.75
Cultural Undertakings Fund		30,682.50
Water Resource Tax		200.00
Total	308,004,520.44	762,725,119.20

(XXXIII) Other payables

1. Detailed items

Item	Ending Balance	Beginning Balance
Interest payable	22,408,178.30	20,612,486.07
Dividends Payable	2,866,907.50	4,706,900.77
Other Payables	9,130,885,726.65	12,174,722,859.08
Total	9,156,160,812.45	12,200,042,245.92

2. Interest Payable

Item	Ending Balance	Beginning Balance
Interest Payable on Short-term Loans	22,408,178.30	20,612,486.07
Total	22,408,178.30	20,612,486.07

3. Dividends Payable

Item	Ending Balance	Beginning Balance
Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	1,973,271.67	4,103,451.95
Tongyuan Design Group Co., Ltd.	893,635.83	603,448.82
Total	2,866,907.50	4,706,900.77

4.Other payables

(1) Aging analysis

Aging	Ending Balance	Beginning Balance
within one year	3,572,410,628.62	4,419,990,205.78
1-2 years	1,604,769,716.98	2,423,814,875.97
2-3 years	758,485,760.86	2,624,639,785.02
More than 3 years	3,195,219,620.19	2,706,277,992.31
Total	9,130,885,726.65	12,174,722,859.08

(2) Other payables situation of the top five by year-end balance

Unit Name	Relationship with our company	Ending Balance	Proportion of other payables (%)
Xinan International Commercial Factoring Co., Ltd.	Non-related party	2,983,599,557.28	32.68
Qingdao Junyi Holding Group Co., Ltd.	Non-related party	924,400,000.00	10.12
Laiwu Urban Development Group Co., Ltd.	Non-related party	714,757,961.90	7.83
Jinan Zhangqiao Holding Group Co., Ltd.	Non-related party	501,684,500.00	5.49
Jinan Land Reserve Center	Non-related party	500,000,000.00	5.48
Small Account		5,624,442,019.18	61.60

(XXXIV) Non-current liabilities due within one year

Item	Ending Balance	Beginning Balance
Long-term loans due within one year	20,302,780,660.11	22,607,705,050.52
Bonds payable due within one year	14,723,840,452.93	1,226,432,715.30
Long-term payables due within one year	4,022,397,625.72	3,530,391,130.85
Lease liabilities due within one year	20,230,609.93	17,067,966.66
Other long-term liabilities due within one year	50,000,000.00	500,000,000.00
Interest payable due within one year	926,137,144.35	954,249,551.54
Provisions due within one year	218,885,991.33	146,535,144.60
Total	40,264,272,484.37	28,982,381,559.47

(XXXV) Other Current Liabilities

Item	Ending Balance	Beginning Balance
Pending Transfer of Output Tax	928,187,369.73	388,574,576.70
Endorsed but Not Terminated Confirmed Accounts Receivable Notes	178,052,587.29	48,741,956.19
Endorsed but not terminated accounts receivable certificates	545,981.49	828,495.51
Short-term financing loans	5,000,000,000.00	5,000,000,000.00
Total	6,106,785,938.51	5,438,145,028.40

(XXXVI) Long-term loans

Item	Ending Balance	Beginning Balance
Pledged Loans	5,885,969,882.57	5,123,388,267.91

Item	Ending Balance	Beginning Balance
Mortgage loan	1,541,981,658.45	1,069,180,767.41
Guaranteed Loans	27,417,234,805.87	22,261,875,325.43
Credit Borrowing	50,383,006,516.18	36,992,848,855.55
Mortgage and guarantee loan	2,355,729,180.23	1,524,342,876.91
Pledge and Guarantee Loan	6,213,264,585.32	9,324,388,799.67
Mortgage, pledge, and guarantee loans	595,348,442.44	488,848,442.44
Total	94,392,535,071.06	76,784,873,335.32

(XXXVII) Bonds payable

1. Detailed Information

Item	Ending Balance	Beginning Balance
20 Jinan Urban Construction Bond 01	2,999,847,380.92	2,999,356,816.27
21 Jinan Urban Construction Bond 01	2,402,938,457.72	2,402,320,515.22
23 Jinan Construction 01	497,004,452.34	495,767,079.52
23 Jinan Construction 03	1,496,524,622.84	1,495,352,521.04
23 Jijiang 04	499,705,522.12	499,295,872.70
23 Jijiang 05	997,644,181.34	996,868,573.16
23 Jijiang G2	1,997,843,948.65	1,997,166,578.44
24 Jijiang 02	1,502,009,818.74	1,501,076,386.93
24 Jijiang 03	400,526,627.13	400,272,893.91
24 Jijiang 04	1,602,122,553.07	1,601,124,719.07
24 Jijiang G1	1,497,475,029.88	1,496,166,603.83
22 Jinan Urban Construction PPN001	1,195,243,978.24	1,191,532,721.57
23 Jinan Urban Construction PPN001	999,118,943.61	998,743,479.74
23 Jinan Urban Construction PPN002	1,299,590,083.97	1,298,691,527.96
23 Jinan Urban Construction PPN003	999,586,829.51	998,917,915.85
23 Jinan Urban Construction PPN004	699,618,523.75	699,153,120.72
G22 Jinan Construction 01		599,648,572.37
G22 Jinan Construction 02		599,484,142.93
22 Jinan Urban Construction MTN003	1,497,235,715.05	1,495,455,465.37
23 Jinan Urban Construction MTN001	498,417,957.89	498,330,085.83
23 Jinan Urban Construction MTN002	996,828,761.61	996,652,658.92
23 Jinan Urban Construction MTN003	1,193,622,008.44	1,192,931,712.97
23 Jinan Urban Construction MTN004A	499,729,901.25	499,397,529.38
23 Jinan Urban Construction MTN004B	1,497,131,213.06	1,496,168,733.00
24 Jinan Urban Construction MTN001	1,796,125,706.45	1,794,976,551.06
Januchgs 3.8 01/29/27	1,999,299,028.39	1,998,674,042.14
24 Jinan Construction G2	1,497,285,877.17	1,495,972,109.22

Item	Ending Balance	Beginning Balance
Januchgs 3.9 07/04/29	1,985,692,332.83	1,981,318,848.98
24 Jinan Urban Construction PPN001	399,043,692.55	398,789,051.47
24 Jinan Urban Construction PPN002	599,263,163.06	598,864,381.43
Januchgs 3.15 2028/03/27	1,240,456,697.10	
22 Jixi City Investment PPN001		1,456,001,522.74
23 Xicheng Investment MTN001	2,579,434,322.35	2,577,689,368.27
18 Jixi Investment	3,297,297,093.43	3,296,446,035.31
22 Jixi 02	1,997,380,471.75	1,995,444,600.09
24 Jixi 01	1,496,359,704.12	1,495,406,787.19
24 Jixi 04	1,496,109,519.15	1,495,165,727.71
Impression One You	945,800,000.00	968,600,000.00
25 West City Investment MTN001A	459,637,780.00	
25 West City Investment MTN001B	998,527,573.89	
GC Ji Jian You	1,418,192,924.53	1,418,192,924.53
Januchgs 2.4 2026-09-23	2,142,237,730.08	2,188,724,023.45
Januchgs 4 2026-12-08	1,998,821,215.37	1,997,164,778.20
Januchgs 5 2027-11-06	3,550,293,709.66	3,627,784,106.18
Guojun Wanhe Asset-Backed Special Plan CMBS Bonds	1,325,500,000.00	1,330,000,000.00
24 Jicheng Construction Collection MTN001	999,685,749.39	1,001,787,397.26
25 Jicheng Construction Collection MTN001	1,017,295,373.47	
25 Jiji Z1	598,760,678.21	
Less: Bonds payable due within one year	14,723,840,452.93	1,226,432,715.30
Total	48,384,426,401.15	60,340,445,766.63

2. Changes in the Amount of Bonds Payable

Bond Name	Face Value	Issue Date	Bond Term	Issue Amount	Beginning Balance
20 Jinan Urban Construction Bond 01	3,000,000,000.00	2020/4/21	3+3+3+1 years	3,000,000,000.00	2,999,356,816.27
21 Jinan Urban Construction Bond 01	2,400,000,000.00	2021/1/27	3+3+3+1 years	2,400,000,000.00	2,402,320,515.22
23 Jinan Construction 01	500,000,000.00	2023/3/10	5 years	500,000,000.00	495,767,079.52
23 Jinan Construction 03	1,500,000,000.00	2023/8/28	5 years	1,500,000,000.00	1,495,352,521.04
23 Jijiang 04	500,000,000.00	2023/9/12	3 years	500,000,000.00	499,295,872.70
23 Jijiang 05	1,000,000,000.00	2023/9/12	5 years	1,000,000,000.00	996,868,573.16
23 Jijiang G2	2,000,000,000.00	2023/12/25	5 years	2,000,000,000.00	1,997,166,578.44
24 Jijiang 02	1,500,000,000.00	2024/1/12	5 years	1,500,000,000.00	1,501,076,386.93
24 Jijiang 03	400,000,000.00	2024/1/22	3 years	400,000,000.00	400,272,893.91
24 Jijiang 04	1,600,000,000.00	2024/1/22	5 years	1,600,000,000.00	1,601,124,719.07
24 Jijiang G1	1,500,000,000.00	2024/3/25	10 years	1,500,000,000.00	1,496,166,603.83
22 Jinan Urban Construction PPN001	1,200,000,000.00	2022/3/22	5 years	1,200,000,000.00	1,191,532,721.57
23 Jinan Urban Construction PPN001	1,000,000,000.00	2023/3/15	3+2 years	1,000,000,000.00	998,743,479.74
23 Jinan Urban Construction PPN002	1,300,000,000.00	2023/6/9	3 years	1,300,000,000.00	1,298,691,527.96
23 Jinan Urban Construction PPN003	1,000,000,000.00	2023/8/9	3 years	1,000,000,000.00	998,917,915.85
23 Jinan Urban Construction PPN004	700,000,000.00	2023/10/17	3 years	700,000,000.00	699,153,120.72
G22 Jinan Construction 01	600,000,000.00	2022/4/13	3 years	600,000,000.00	599,648,572.37
G22 Jinan Construction 02	600,000,000.00	2022/6/6	3 years	600,000,000.00	599,484,142.93
22 Jinan Urban Construction MTN003	1,500,000,000.00	2022/6/27	5 years	1,500,000,000.00	1,495,455,465.37
23 Jinan Urban Construction MTN001	500,000,000.00	2023/4/18	5+5+5 years	500,000,000.00	498,330,085.83
23 Jinan Urban Construction MTN002	1,000,000,000.00	2023/5/26	5+5+5 years	1,000,000,000.00	996,652,658.92

Bond Name	Face Value	Issue Date	Bond Term	Issue Amount	Beginning Balance
23 Jinan Urban Construction MTN003	1,200,000,000.00	2023/9/12	10 years	1,200,000,000.00	1,192,931,712.97
23 Jinan Urban Construction MTN004A	500,000,000.00	2023/10/13	3 years	500,000,000.00	499,397,529.38
23 Jinan Urban Construction MTN004B	1,500,000,000.00	2023/10/13	5 years	1,500,000,000.00	1,496,168,733.00
24 Jinan Urban Construction MTN001	1,800,000,000.00	2024/3/5	5 years	1,800,000,000.00	1,794,976,551.06
Januchgs 3.8 01/29/27	2,000,000,000.00	2024/1/29	3 years	2,000,000,000.00	1,998,674,042.14
24 Jinan Construction G2	1,500,000,000.00	2024/5/10	10 years	1,500,000,000.00	1,495,972,109.22
Januchgs 3.9 07/04/29	2,000,000,000.00	2024/7/4	5 years	2,000,000,000.00	1,981,318,848.98
24 Jinan Urban Construction PPN001	400,000,000.00	2024/7/24	5 years	400,000,000.00	398,789,051.47
24 Jinan Urban Construction PPN002	600,000,000.00	2024/10/11	3 years	600,000,000.00	598,864,381.43
Januchgs 3.15 2028/03/27	1,243,000,000.00	2025/3/27	3 years	1,243,000,000.00	
22 Jixi City Investment PPN001	1,460,000,000.00	2022/4/25	5 years	1,460,000,000.00	1,456,001,522.74
23 Xicheng Investment MTN001	2,580,000,000.00	2023/4/26	5 years	2,580,000,000.00	2,577,689,368.27
18 Jixi Investment	3,300,000,000.00	2018/12/18	10 years	3,300,000,000.00	3,296,446,035.31
22 Jixi 02	2,000,000,000.00	2022/4/19	5 years	2,000,000,000.00	1,995,444,600.09
24 Jixi 01	1,500,000,000.00	2024/8/13	5 years	1,500,000,000.00	1,495,406,787.19
24 Jixi 04	1,500,000,000.00	2024/11/14	5 years	1,500,000,000.00	1,495,165,727.71
Impression One You	1,000,000,000.00	2020/10/30	17.85 years	1,000,000,000.00	968,600,000.00
25 West City Investment MTN001A	460,000,000.00	2025/4/18	3 years	460,000,000.00	
25 West City Investment MTN001B	1,000,000,000.00	2025/4/18	5 years	1,000,000,000.00	
GC Ji Jian You	1,425,000,000.00	2024/3/12	18 years	1,425,000,000.00	1,418,192,924.53
Januchgs 2.4 2026-09-23	1,970,269,500.00	2021/9/23	5 years	1,970,269,500.00	2,188,724,023.45
Januchgs 4 2026-12-08	2,000,000,000.00	2023/12/8	3 years	2,000,000,000.00	1,997,164,778.20

Bond Name	Face Value	Issue Date	Bond Term	Issue Amount	Beginning Balance
Januchgs 5 2027-11-06	3,637,330,400.00	2024/11/6	3 years	3,637,330,400.00	3,627,784,106.18
Guojun Wanhe Asset-Backed Special Plan CMBS Bonds	1,330,000,000.00	2023/4/26	18 years	1,330,000,000.00	1,330,000,000.00
24 Jicheng Construction Collection MTN001	1,000,000,000.00	2024/12/4	3+2 years	1,000,000,000.00	1,001,787,397.26
25 Jicheng Construction Collection MTN001	1,000,000,000.00	2025/1/14	3 years	1,000,000,000.00	
25 Jiji Z1	600,000,000.00	2025/12/11	3 years	600,000,000.00	
Total	65,805,599,900.00			65,805,599,900.00	61,566,878,481.93

(Continued from the above table)

Bond Name	This issue's issuance	Interest accrued at face value	Amortization of premium and discount	Repayment for this period	Other reductions	Ending Balance	Of which: bonds payable due within one year
20 Jinan Urban Construction Bond 01		105,000,000.00	490,564.65			2,999,847,380.92	2,999,847,380.92
21 Jinan Urban Construction Bond 01		92,880,000.00	617,942.50			2,402,938,457.72	
23 Jinan Construction 01		22,500,000.00	1,237,372.82			497,004,452.34	
23 Jinan Construction 03		52,500,000.00	1,172,101.80			1,496,524,622.84	
23 Jijiang 04		16,400,000.00	409,649.42			499,705,522.12	499,705,522.12
23 Jijiang 05		37,500,000.00	775,608.18			997,644,181.34	
23 Jijiang G2		65,000,000.00	677,370.21			1,997,843,948.65	
24 Jijiang 02		48,000,000.00	933,431.81			1,502,009,818.74	
24 Jijiang 03		12,000,000.00	253,733.22			400,526,627.13	
24 Jijiang 04		52,000,000.00	997,834.00			1,602,122,553.07	

Bond Name	This issue's issuance	Interest accrued at face value	Amortization of premium and discount	Repayment for this period	Other reductions	Ending Balance	Of which: bonds payable due within one year
24 Jijiang G1		49,200,000.00	1,308,426.05			1,497,475,029.88	
22 Jinan Urban Construction PPN001		46,680,000.00	3,711,256.67			1,195,243,978.24	
23 Jinan Urban Construction PPN001		39,000,000.00	375,463.87			999,118,943.61	999,118,943.61
23 Jinan Urban Construction PPN002		44,200,000.00	898,556.01			1,299,590,083.97	1,299,590,083.97
23 Jinan Urban Construction PPN003		33,000,000.00	668,913.66			999,586,829.51	999,586,829.51
23 Jinan Urban Construction PPN004		24,360,000.00	465,403.03			699,618,523.75	699,618,523.75
G22 Jinan Construction 01		6,852,459.02	351,427.63	600,000,000.00			
G22 Jinan Construction 02		10,029,508.20	515,857.07	600,000,000.00			
22 Jinan Urban Construction MTN003		52,350,000.00	1,780,249.68			1,497,235,715.05	
23 Jinan Urban Construction MTN001		18,500,000.00	87,872.06			498,417,957.89	
23 Jinan Urban Construction MTN002		35,850,000.00	176,102.69			996,828,761.61	
23 Jinan Urban Construction MTN003		49,200,000.00	690,295.47			1,193,622,008.44	

Bond Name	This issue's issuance	Interest accrued at face value	Amortization of premium and discount	Repayment for this period	Other reductions	Ending Balance	Of which: bonds payable due within one year
23 Jinan Urban Construction MTN004A		16,400,000.00	332,371.87			499,729,901.25	499,729,901.25
23 Jinan Urban Construction MTN004B		52,200,000.00	962,480.06			1,497,131,213.06	
24 Jinan Urban Construction MTN001		49,860,000.00	1,149,155.39			1,796,125,706.45	
Januchgs 3.8 01/29/27		76,000,000.00	624,986.25			1,999,299,028.39	
24 Jinan Construction G2		45,600,000.00	1,313,767.95			1,497,285,877.17	
Januchgs 3.9 07/04/29		78,000,000.00	4,373,483.85			1,985,692,332.83	
24 Jinan Urban Construction PPN001		9,080,000.00	254,641.08			399,043,692.55	
24 Jinan Urban Construction PPN002		14,820,000.00	398,781.63			599,263,163.06	
Januchgs 3.15 2028/03/27	1,243,000,000.00	29,365,875.00	-2,543,302.90			1,240,456,697.10	
22 Jixi City Investment PPN001		15,640,000.00	3,998,477.26	1,460,000,000.00			
23 Xicheng Investment MTN001		91,590,000.00	1,744,954.08			2,579,434,322.35	2,579,434,322.35
18 Jixi Investment		115,500,000.00	851,058.12			3,297,297,093.43	
22 Jixi 02		76,400,000.00	1,935,871.66			1,997,380,471.75	
24 Jixi 01		34,800,000.00	952,916.93			1,496,359,704.12	

Bond Name	This issue's issuance	Interest accrued at face value	Amortization of premium and discount	Repayment for this period	Other reductions	Ending Balance	Of which: bonds payable due within one year
24 Jixi 04		37,650,000.00	943,791.44			1,496,109,519.15	
Impression One You				22,800,000.00		945,800,000.00	
25 West City Investment MTN001A	460,000,000.00	6,626,268.49	-362,220.00			459,637,780.00	
25 West City Investment MTN001B	1,000,000,000.00	15,796,712.34	-1,472,426.11			998,527,573.89	
GC Ji Jian You						1,418,192,924.53	
Januchgs 2.4 2026-09-23		53,065,887.07	2,191,706.63	48,678,000.00		2,142,237,730.08	2,142,237,730.08
Januchgs 4 2026-12-08		79,697,207.93	1,656,437.17			1,998,821,215.37	1,998,821,215.37
Januchgs 5 2027-11-06		180,198,019.94	3,267,203.48	80,757,600.00		3,550,293,709.66	
Guojun Wanhe Asset-Backed Special Plan CMBS Bonds				4,500,000.00		1,325,500,000.00	6,150,000.00
24 Jicheng Construction Collection MTN001		23,300,000.00	-2,101,647.87			999,685,749.39	
25 Jicheng Construction Collection MTN001	1,000,000,000.00	20,597,260.27	17,295,373.47			1,017,295,373.47	
25 Jiji Z1	600,000,000.00	628,602.74	-1,239,321.79			598,760,678.21	
Total	4,303,000,000.00	2,035,817,801.00	55,123,972.15	2,816,735,600.00		63,108,266,854.08	14,723,840,452.93

(XXXVIII) Lease Liabilities

Item	Ending Balance	Beginning Balance
Outstanding Lease Payments	108,418,002.30	89,086,754.56
Reduction: Unconfirmed financing costs	12,350,500.39	12,805,462.56
Reclassified to non-current liabilities due within one year	20,230,609.93	17,067,966.66
Net lease liabilities	75,836,891.98	59,213,325.34

(XXXIX) Long-term payables

1. Detailed Information

Item	Ending Balance	Beginning Balance
Long-term payables	40,849,974,857.29	43,139,822,700.32
Special payables	521,873,244.63	588,335,018.97
Total	41,371,848,101.92	43,728,157,719.29

2. Long-term payables

Item	Ending Balance	Beginning Balance
Long-term payables	45,018,609,094.72	46,835,528,002.40
Reduction: Unconfirmed financing costs	146,236,611.71	165,314,171.23
Long-term payables due within one year	4,022,397,625.72	3,530,391,130.85
Net amount of long-term payables	40,849,974,857.29	43,139,822,700.32

3. Special payables

Item	Ending Balance	Beginning Balance
Funds for urban renewal	336,830,983.27	336,830,983.27
Funds for the remediation of black and odorous water bodies		26,913,208.15
Special funds for water ecological river system connectivity projects	40,000,000.00	40,000,000.00
Huashan Lake Ecological Protection and Restoration		35,000,000.00
Beihu Wetland		14,010,000.00
Provincial Pollution Control Project Funding	13,000,000.00	13,000,000.00
Drinking Water Source Supplement	10,000,000.00	10,000,000.00
Management Fees for Relocation Housing in Sunshine Shuncheng	5,529,045.45	5,876,114.11
Provincial Environmental Protection Fund Subsidy for the Muli Gate at the Source of the Xiaoqing River	5,690,000.00	5,690,000.00
Operation and maintenance costs for the reclaimed water station and pump station	347,334.95	362,433.88

Item	Ending Balance	Beginning Balance
Special funds for affordable housing in the Huashan area		12,233,529.41
Special funds for affordable housing in the Beihu area	14,766,470.59	14,766,470.59
Renovation and repair project for the Longdong reclaimed water station	477,845.61	477,845.61
Special funds for the procurement of electrical facilities	40,000,000.00	40,000,000.00
Emergency rescue and disaster relief special funds	29,766,420.85	30,993,261.30
Funding for the Postdoctoral Innovation Practice Base in Shandong Province	342,000.00	342,000.00
Funding for the Jinan Association for Science and Technology frontline innovation engineer training project	56,603.77	56,603.77
Municipal projects such as the southwest extension of the Second Ring Road	8,376,241.73	
Jinan Yaoqiang Airport Supporting Facilities Project	15,000,000.00	
Others	1,690,298.41	1,782,568.88
Subtotal	521,873,244.63	588,335,018.97

(XL) Estimated Liabilities

Item	Ending Balance	Beginning Balance
Product Quality Guarantee	81,562,803.66	258,467,351.47
Late Delivery Penalty		946,446.06
Late Certificate Processing Penalty	2,432,744.50	2,432,744.50
Total	83,995,548.16	261,846,542.03

(XLI) Deferred Income

1. Detailed Information

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Government Subsidies	1,402,521,271.78	58,622,552.04	86,904,104.24	1,374,239,719.58
Total	1,402,521,271.78	58,622,552.04	86,904,104.24	1,374,239,719.58

2. Government Subsidy Situation

Item	Beginning Balance	New Subsidy Amount for This Period	Amount Included in Other Income for This Period	Amount Included in Non-Operating Income for This Period

Item	Beginning Balance	New Subsidy Amount for This Period	Amount Included in Other Income for This Period	Amount Included in Non-Operating Income for This Period
Government grants related to assets	1,213,614,533.49	47,212,593.44	45,125,323.78	
Government grants related to income	188,906,738.29	11,409,958.60	593,838.35	
Total	1,402,521,271.78	58,622,552.04	45,719,162.13	

(Continued from the above table)

Item	Amount of cost expenses deducted in this period	Amount of asset reduction for this period	Other reductions	Ending Balance
Government grants related to assets	41,130,000.00		54,942.11	1,174,516,861.04
Government grants related to income				199,722,858.54
Total	41,130,000.00		54,942.11	1,374,239,719.58

(XLII) Other Non-Current Liabilities

Item	Ending Balance	Beginning Balance
Pending Transfer of Output Tax	3,073,948.18	
Debt Investment Plan	400,000,000.00	450,000,000.00
Total	403,073,948.18	450,000,000.00

(XLIII) Paid-in Capital

1. Detailed Information

Investor Name	Beginning Balance		Increase in the current period	Decrease in the current period	Ending Balance	
	Investment Amount	Proportion (%)			Investment Amount	Proportion (%)
Jinan State-owned Assets Supervision and Administration Commission	33,252,606,478.32	90.07	93,300,394.00		33,345,906,872.32	90.09
Shandong Caixin Asset Operation Co., Ltd.	3,666,600,397.59	9.93			3,666,600,397.59	9.91
Total	36,919,206,875.91	100.00	93,300,394.00		37,012,507,269.91	100.00

2. Other Instructions

This period received registered capital of 93,300,394.00 yuan paid by the shareholders, Jinan State-owned Assets Supervision and Administration Commission.

(XLIV) Other Equity Instruments

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
22 Jinan Urban Construction MTN001	998,113,207.55		998,113,207.55	
22 Jinan Urban Construction MTN002	1,297,547,169.81		1,297,547,169.81	
24 Jinan Urban Construction MTN002A	1,000,000,000.00			1,000,000,000.00
24 Jinan Urban Construction MTN002B	300,000,000.00			300,000,000.00
24 Jinan Urban Construction MTN003A	600,000,000.00			600,000,000.00
24 Jinan Urban Construction MTN003B	500,000,000.00			500,000,000.00
22 Jinan Construction Y4	1,495,754,716.98			1,495,754,716.98
22 Jinan Construction Y5	797,600,000.00	2,400,000.00	800,000,000.00	
22 Jijiang Y6	598,200,000.00	1,800,000.00	600,000,000.00	
23 Jijiang Y1	1,100,000,000.00		1,100,000,000.00	
22 Jijiang Y1	2,991,509,433.96		2,991,509,433.96	
22 Jijiang Y3	1,994,339,622.64			1,994,339,622.64
24 Jijiang Y1	200,000,000.00			200,000,000.00
24 Jinan Construction Y2	900,000,000.00			900,000,000.00
25 Jinan Urban Construction MTN001		500,000,000.00		500,000,000.00
25 Jinan Construction Y1		800,000,000.00		800,000,000.00
25 Jinan Construction Y2		1,000,000,000.00		1,000,000,000.00
25 Jinan Construction Y3		200,000,000.00		200,000,000.00
25 Jinan Construction Y4		1,000,000,000.00		1,000,000,000.00
25 Jinan Urban Construction MTN002A		550,000,000.00		550,000,000.00
25 Jinan Urban Construction MTN002B		290,000,000.00		290,000,000.00
25 Jinan Construction Y5		800,000,000.00		800,000,000.00
25 Jinan Construction Y6		600,000,000.00		600,000,000.00
25 Jinan Urban Construction MTN003A		600,000,000.00		600,000,000.00
25 Jinan Urban Construction		400,000,000.00		400,000,000.00

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
MTN003B				
Yongfeng Hongli No. 18 Collective Fund Trust Plan	205,000,000.00	354,100,000.00		559,100,000.00
Government Special Bonds	5,999,000,000.00	1,030,000,000.00		7,029,000,000.00
Total	20,977,064,150.94	8,128,300,000.00	7,787,169,811.32	21,318,194,339.62

(XLV) Capital Reserve

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Capital Premium	28,628,285,207.23	4,380,045,937.34	607,559,055.90	32,400,772,088.67
Other capital reserves			494,174,572.78	-494,174,572.78
Total	28,628,285,207.23	4,380,045,937.34	1,101,733,628.68	31,906,597,515.89

(XLVI) Special reserves

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Safety production expenses	180,227,557.27	436,386,478.89	416,665,731.38	199,948,304.78
Total	180,227,557.27	436,386,478.89	416,665,731.38	199,948,304.78

(XLVII) Surplus Reserve

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Statutory Surplus Reserve	115,768,539.38			115,768,539.38
Total	115,768,539.38			115,768,539.38

(XLVIII) Undistributed Profit

1. Detailed Information

Item	Current Period Amount	Previous Period Amount
End of Last Year Balance	11,471,394,987.99	11,255,231,945.69
Initial adjustment amount	1,804,560.74	2,520,000.00
Beginning balance for this period	11,473,199,548.73	11,257,751,945.69
Increase for this period	1,001,953,186.15	1,096,710,573.49
Among them: Net profit for this period transferred in	1,001,953,186.15	989,024,302.86
Other adjustment factors		107,686,270.63
Current period reduction amount	1,057,140,718.23	881,262,970.45
Among them: surplus reserve extracted in the current period		

Item	Current Period Amount	Previous Period Amount
General risk reserve extracted in the current period	266,115.17	1,826,884.83
Cash dividend allocation for this period	960,806,055.18	879,401,342.47
Other reductions	96,068,547.88	34,743.15
Ending balance for this period	11,418,012,016.65	11,473,199,548.73

2. Other Instructions

Retrospective adjustment for prior period error correction of 1,804,560.74 yuan.

(XLIX) Operating income, operating costs

Item	Amount for this period		Amount of last period	
	Revenue	Cost	Revenue	Cost
Main business	39,187,623,434.46	35,054,633,706.22	39,036,912,487.77	34,924,395,944.50
Engineering construction	29,105,405,405.40	26,565,656,125.25	29,645,919,678.57	27,235,617,300.06
Commercial housing sales	3,128,721,299.17	2,831,343,581.40	2,828,874,362.30	2,415,486,591.60
Land development	1,806,047,240.00	1,818,249,640.00	1,247,205,875.40	1,156,776,201.60
Goods Sales	1,562,259,657.92	1,416,234,484.47	1,454,241,991.08	1,424,425,298.92
Operation and Maintenance	949,752,733.19	759,779,813.84	1,814,822,611.03	1,443,436,615.81
Project management, supervision, testing, design, and other services	783,928,084.83	552,111,549.15	556,388,848.39	322,998,581.36
Leasing and property services	736,783,994.06	410,305,466.86	611,176,239.65	258,802,637.17
Toll	418,947,801.08	140,894,147.65	261,910,113.09	101,077,047.11
Sales of refined oil	285,426,313.77	230,443,523.05	307,678,077.62	245,474,089.71
Main business other	410,350,905.04	329,615,374.55	308,694,690.64	320,301,581.16
Other business	41,727,197.46	30,231,643.10	42,791,625.33	24,375,908.34
Other business other	41,727,197.46	30,231,643.10	42,791,625.33	24,375,908.34
Total	39,229,350,631.92	35,084,865,349.32	39,079,704,113.10	34,948,771,852.84

(L) Taxes and Surcharges

Item	Amount for this period	Amount of last period
Land value increment tax	159,432,121.80	166,040,741.55
Land Use Tax	77,059,791.77	73,470,635.99
Property Tax	105,355,917.90	101,059,855.87
Urban Maintenance and Construction Tax	33,151,729.55	29,332,603.81
Stamp Duty	43,287,496.23	42,002,115.52

Item	Amount for this period	Amount of last period
Education surcharge	14,521,829.52	12,899,513.49
Local education surcharge	9,674,791.36	8,608,527.87
Local Water Conservancy Construction Fund	202,032.05	213,917.37
Vehicle and Vessel Tax	237,074.72	259,587.87
Resource Tax	26,584.80	1,345,462.00
Cultural Undertaking Construction Fee	19,725.01	104,523.27
Environmental Protection Tax	903,423.11	1,013,382.68
Water Resource Tax	174,348.32	169,350.00
Total	444,046,866.14	436,520,217.29

(LI) Selling Expenses

Item	Amount for this period	Amount of last period
Employee Compensation	151,274,790.05	120,788,075.46
Agency Fees	34,408,143.82	35,132,670.62
Property management energy fees	16,266,416.29	19,395,617.42
Asset depreciation and amortization expenses	20,271,334.87	16,693,207.31
Office repair expenses	12,038,627.06	12,516,171.15
Business promotion expenses	8,181,949.31	11,700,821.95
Rental fee	10,059,703.57	10,369,714.09
Advertising fee	2,445,193.48	3,308,763.17
Others	13,403,020.31	11,828,091.88
Total	268,349,178.76	241,733,133.05

(LII) Management Expenses

Item	Amount for this period	Amount of last period
Employee Compensation	704,307,237.70	645,967,056.44
Asset depreciation and amortization expenses	121,157,336.00	203,201,723.28
Operating Expenses	141,950,915.49	112,588,773.52
Agency Service Fees	89,794,332.59	85,181,218.20
Office expenses	30,472,813.45	33,998,857.23
Property management energy fees	28,247,970.03	29,991,011.40
Party building work expenses	4,723,783.00	7,562,301.03
Vehicle expenses	5,041,468.61	5,851,355.83
Rental fee	7,294,760.15	3,950,820.89
Others	90,787,003.39	80,985,234.78

Item	Amount for this period	Amount of last period
Total	1,223,777,620.41	1,209,278,352.60

(LIII) Research and Development Expenses

Item	Amount for this period	Amount of last period
Material Costs	370,141,322.45	356,153,824.71
Employee Compensation	276,830,382.98	279,109,296.84
Technical service fee	4,400,595.07	7,023,518.09
Asset depreciation and amortization expenses	7,121,987.04	5,789,359.44
Rental fee	5,113,370.12	5,355,625.63
Others	8,419,248.18	8,192,026.17
Total	672,026,905.84	661,623,650.88

(LIV) Financial Expenses

Item	Amount for this period	Amount of last period
Interest Expenses	1,608,700,949.68	1,320,944,107.27
Less: Interest Income	273,694,086.36	355,550,315.97
Exchange net loss	249,380.10	44,686,135.05
Less: Exchange net gain	64,652,193.62	285,323.50
Service charge	45,562,902.20	35,053,522.99
Total	1,316,166,952.00	1,044,848,125.84

(LV) Other Income

Item	Amount for this period	Amount of last period	Is it a government subsidy?
Government Subsidies	67,227,707.19	65,898,174.70	Yes
Withholding personal income tax handling fee refund	1,120,121.46	961,409.36	No
Value-added tax input credit deduction	2,314,061.08	7,129,597.13	No
Tax reduction	153,678.68	14,550.84	No
Among them: Government subsidies	67,227,707.19	65,898,174.70	
Total	70,815,568.41	74,003,732.03	

(LVI) Investment income

Item	Amount for this period	Amount of last period
Long-term equity investment income accounted for using the equity method	579,805,332.47	430,417,188.63
Disposal of investment income generated from long-term equity investments	40,236,748.78	240,149.50

Item	Amount for this period	Amount of last period
Loss from the discounting of receivables financing	-226,872.77	
Investment income from trading financial assets during the holding period	95,570,691.87	55,204,495.67
Investment income obtained from the disposal of trading financial assets	87,905.29	
Dividend income obtained from other equity investments during the holding period	147,908,718.99	146,922,664.25
Interest income obtained from debt investments during the holding period	254,826,006.03	26,526,404.09
Investment income from other non-current financial assets during the holding period	3,281,864.57	4,215,177.52
Debt restructuring	184,746,092.60	97,583.37
Related costs of acquiring trading financial assets		-27,047.67
Investment income from the disposal of other non-current financial assets		-40,572.89
Total	1,306,236,487.83	663,556,042.47

(LVII) Gains from changes in fair value

Item	Amount for this period	Amount of last period
Trading financial assets	2,427,820.62	
Disposal of investment properties	-1,547,572.26	-828,700.04
Other non-current financial assets	-2,081,906.19	-6,882,918.42
Investment property measured at fair value	-45,334,018.88	-347,674,246.44
Total	-46,535,676.71	-355,385,864.90

(LVIII) Credit impairment losses

Item	Amount for this period	Amount of last period
Bad debt loss	-396,613,943.53	-202,114,445.04
Total	-396,613,943.53	-202,114,445.04

(LIX) Asset impairment loss

Item	Amount for this period	Amount of last period
Contract asset impairment loss	-11,999,175.77	-22,329,372.40
Inventory write-down loss	-784,264.00	-25,190,641.16
Long-term equity investment impairment loss		-1,166,490,534.43
Impairment loss of fixed assets		-11,723,532.02
Impairment loss of intangible assets		-63,050,314.46
Other impairment losses		-81,479,910.89
Total	-12,783,439.77	-1,370,264,305.36

(LX) Gain on asset disposal

Item	Amount for this period	Amount of last period
Gain on disposal of fixed assets	-1,043,960.52	-503,209.48
Gain on disposal of right-of-use assets	44,714.16	381,806.78
Total	-999,246.36	-121,402.70

(LXI) Non-operating income

Item	Amount for this period	Amount of last period	Amount included in current non-recurring gains and losses
Default compensation income	134,601,675.16	3,273,478.78	134,601,675.16
Payments not required	7,681,522.54	1,652,131.95	7,681,522.54
Relocation compensation	7,607,124.59	9,567,060.48	7,607,124.59
Income from waste disposal	4,434,615.90	6,584,386.24	4,434,615.90
Forfeited income	2,109,792.58	1,476,122.40	2,109,792.58
Insurance compensation	1,500,056.75	2,338,337.41	1,500,056.75
Government subsidies unrelated to the daily activities of the enterprise	280,200.00	458,250.00	280,200.00
Gains from the disposal of non-current assets	16,337.67	106,083.97	16,337.67
Accept donations		79,673.05	
Adjust initial investment cost of long-term equity investments accounted for under the equity method		1,854,874,608.87	
Others	736,256.72	460,482.14	736,256.72
Total	158,967,581.91	1,880,870,615.29	158,967,581.91

(LXII) Non-operating expenses

Item	Amount for this period	Amount of last period	Amount included in current non-recurring gains and losses
Compensation and penalty fees	7,897,283.90	7,986,021.94	7,897,283.90
Tax late fees	6,735,016.36	5,030,210.84	6,735,016.36
Loss from the destruction and scrapping of non-current assets	2,753,260.48	94,742.31	2,753,260.48
External donation expenditure	839,137.30	1,245,599.00	839,137.30
Fine expenses	501,629.34		501,629.34
Others	52,986.99	445,133.69	52,986.99
Total	18,779,314.37	14,801,707.78	18,779,314.37

(LXIII) Income tax expense

Item	Amount for this period	Amount of last period
Current income tax expense	292,064,616.33	297,471,833.37
Deferred income tax expense	-73,134,878.08	-91,550,949.85
Total	218,929,738.25	205,920,883.52

(LXIV) Net amount of other comprehensive income after tax

Item	Amount for this period			Amount of last period		
	Pre-tax amount	Income tax	Net amount after tax	Pre-tax amount	Income tax	Net amount after tax
1. Other comprehensive income that cannot be reclassified to profit or loss	-98,276,407.61	-21,570,537.94	-76,705,869.67	243,019,708.96	-9,513,909.14	252,533,618.10
1. Other comprehensive income under the equity method that cannot be transferred to profit or loss	496,462.04		496,462.04	4,497,102.84		4,497,102.84
2. Changes in fair value of other equity instruments	-98,772,869.65	-21,570,537.94	-77,202,331.71	238,522,606.12	-9,513,909.14	248,036,515.26
II. Other comprehensive income reclassifie	-121,715,404.84	10,269,450.38	-131,984,855.22	242,662,009.83	346,930.47	242,315,079.36

Item	Amount for this period			Amount of last period		
	Pre-tax amount	Income tax	Net amount after tax	Pre-tax amount	Income tax	Net amount after tax
d to profit or loss						
1. Other comprehensive income that can be transferred to profit or loss under the Equity Law	-162,793,206.34		-162,793,206.34	239,914,818.63		239,914,818.63
Subtotal	-162,793,206.34		-162,793,206.34	239,914,818.63		239,914,818.63
2. Others	41,077,801.50	10,269,450.38	30,808,351.12	2,747,191.20	346,930.47	2,400,260.73
Subtotal	41,077,801.50	10,269,450.38	30,808,351.12	2,747,191.20	346,930.47	2,400,260.73
III. Total other comprehensive income	-219,991,812.45	-11,301,087.56	-208,690,724.89	485,681,718.79	-9,166,978.67	494,848,697.46

(LXV) Consolidated Cash Flow Statement

1. Supplementary Information for the Cash Flow Statement

Item	Amount for this period	Last Year's Amount
(1) Adjusting Net Profit to Operating Activities Cash Flow:		
Net Profit	1,071,261,681.09	997,480,464.94
Provision for asset impairment	12,783,439.77	1,370,264,305.36
Provision for credit impairment	396,613,943.53	202,114,445.04
Depreciation of fixed assets, depreciation of right-of-use assets, depletion of oil and gas assets, depreciation of productive biological assets	246,038,906.65	273,344,313.38
Amortization of intangible assets	372,015,605.59	1,401,648,570.03
Amortization of long-term deferred expenses	64,641,487.30	64,752,913.05
Loss on disposal of fixed assets, intangible assets, and other long-term assets (gains are indicated with a "-" sign)	999,246.36	121,402.70
Loss on scrapping of fixed assets (gains are indicated with a "-" sign)	2,736,922.81	-11,341.66

Item	Amount for this period	Last Year's Amount
Loss on changes in fair value (income is filled in with a "–" sign)	46,535,676.71	355,385,864.90
Financial expenses (income is filled in with a "–" sign)	1,424,325,108.82	1,303,370,196.52
Investment losses (income is filled in with a "–" sign)	-1,306,236,487.83	-663,556,042.47
Decrease in deferred tax assets (increase is filled in with a "–" sign)	-53,535,526.91	-74,593,961.01
Deferred tax liabilities increase (decrease filled in with a "–" sign)	-19,599,351.17	-16,956,988.84
Decrease in inventory (increase filled in with a "–" sign)	-15,154,805,289.13	2,254,298,574.15
Decrease in operating receivables (increase filled in with a "–" sign)	2,711,293,005.01	-10,601,448,313.56
Increase (decrease filled in with "－") in operating payables	5,082,060,714.29	-153,571,932.67
Others	19,720,747.51	-1,848,900,535.83
Net cash flow from operating activities	-5,083,150,169.60	-5,136,258,065.97
(2) Significant investment and financing activities not involving cash receipts and payments:		
Debt converted to equity		
Convertible corporate bonds maturing within one year		
Newly added right-of-use assets	42,021,810.47	10,849,375.67
(3) Net change in cash and cash equivalents:		
Ending balance of cash	17,006,520,856.67	21,163,302,381.80
Less: Beginning balance of cash	21,163,302,381.80	20,693,871,266.98
Ending balance of cash equivalents		
Less: Beginning balance of cash and cash equivalents		
Net increase in cash and cash equivalents	-4,156,781,525.13	469,431,114.82

2. Composition of cash and cash equivalents

Item	Current Period	Same period last year
(1) Cash	17,006,520,856.67	21,163,302,381.80
Of which: Cash on hand	42,011.35	58,924.70
Bank deposits available for payment at any time	16,549,971,722.27	20,707,440,956.55
Other currency funds available for payment at any time	456,507,123.05	455,802,500.55
(2) Cash equivalents		
Of which: Bond investments maturing within three months		
(3) Cash and cash equivalents balance at the end of the period	17,006,520,856.67	21,163,302,381.80
Of which: Restricted cash and cash equivalents used by the parent company or subsidiaries within the group	149,011,367.10	443,689,775.62

(LXVI) Foreign currency monetary items

Item	Ending foreign currency balance	Conversion exchange rate	Ending balance converted to RMB
Monetary funds			376,373,529.25
Of which: US dollars	52,222,833.35	7.03	367,126,518.45
Hong Kong dollars	10,274,456.44	0.90	9,247,010.80
Bond Payable			5,693,480,966.76
Of which: US dollars	809,883,494.56	7.03	5,693,480,966.76

(LXVII) Assets with Ownership or Usage Rights Restricted

Item	Ending Book Value	Reason for Restriction
Monetary Funds	1,386,308,345.05	Judicial freezing, pledged time deposits, and various types of margin deposits are restricted from external use.
Trading financial assets	529,065.09	Frozen
Notes receivable	266,052,587.29	Endorsed but not terminated confirmed notes receivable
Accounts receivable	1,997,449,455.09	Pledged loans, ABS pledges, supply chain bill endorsements not terminated confirmed
Other receivables	18,318,855.60	Loan Pledge
Inventory	3,114,491,075.07	Loan Mortgage
Investment Property	3,062,332,863.16	Loan Mortgage
Fixed Assets	714,814,976.56	Sale and Leaseback Assets, Loan Mortgage
Construction in Progress	8,987,128,834.33	Loan pledge, loan mortgage
Intangible assets	418,105,650.07	Loan mortgage, loan pledge
Other non-current assets	10,002,014,222.48	Loan Pledge
Small Account	29,967,545,929.79	

IX. Commitments and contingencies

(I) Contingencies

As of December 31, 2025, the Company provided suretyship guarantee for borrowings as follows:

Guaranteed parties	Guaranteed amount (in ten thousand yuan)	Commencement date	Maturity date
Jinan Urban Investment Group Co., Ltd.	100,000.00	2024/12/20	2027/6/20
Jinan Urban Investment Group Co., Ltd.	400,000.00	2025/6/20	2030/6/20
Jinan Urban Investment Group Co., Ltd.	98,000.00	2025/12/27	2027/11/26

Save for the above matters relating to external guarantees, the Company has no other material contingencies requiring disclosure.

(I) Commitments

As of the balance sheet date, the Company has no significant commitments to be disclosed.

X. Events after the balance sheet date

As of the date of approval for issuing the financial statements, the Company has no significant non-adjusting events after the balance sheet date to be disclosed.

XI. Fair value disclosure

Details of fair value of assets and liabilities at fair value at the balance sheet date

Items	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
1. Held-for-trading financial assets and other non-current financial assets			7,254,728,853.07	7,254,728,853.07
Financial assets classified as at fair value through profit or loss			7,254,728,853.07	7,254,728,853.07
Debt instrument investments			3,045,517,804.86	3,045,517,804.86
Equity instrument investments			3,861,211,048.21	3,861,211,048.21
Funds			340,000,000.00	340,000,000.00
Others			8,000,000.00	8,000,000.00
2. Receivables financing			959,064,308.27	959,064,308.27
3. Other equity instrument investments	1,612,783,339.80		6,235,198,962.08	7,847,982,301.88
4. Investment property		19,124,129,676.64	4,300,564,508.82	23,424,694,185.46
(1) Land use right held for lease		563,539,506.00		563,539,506.00
(2) Buildings and construction in progress for lease		18,560,590,170.64	4,300,564,508.82	22,861,154,679.46
Total assets at recurring fair value measurement	1,612,783,339.80	19,124,129,676.64	18,749,556,632.24	39,486,469,648.68

XII. Related party relationships and transactions

(I) The actual controller of the Company

The actual controller of the Company is Jinan SASAC.

(II) Subsidiaries of the Company

Please refer to section VIII (I) of notes to the financial statements for details on the Company's significant subsidiaries.

(III) Joint ventures and associates of the Company

Please refer to Note VIII (XII) to the financial statements for details of the Company's significant joint ventures and associates.

(IV) Information regarding other related parties of the Company

Name of other related parties	Relationships with the Company
Shandong Airport Management Group Jinan International Airport Co., Ltd.	Branch of non-controlling shareholder of subsidiaries
CCCC Tunnel Engineering Bureau Co., Ltd.	Branch of non-controlling shareholder of subsidiaries
Shun Teng (Jinan) Private Equity Fund Management Co., Ltd.	General partner of the subsidiary
CCCC (Linyi) Construction Technology Co., Ltd.	Branch of non-controlling shareholder of subsidiaries
Jinan Zongbao Industry Development Co., Ltd.	Branch of non-controlling shareholder of subsidiaries
CCCC First Highway Engineering Bureau No.3 Engineering Co., Ltd.	Branch of non-controlling shareholder of subsidiaries
Sinopec Sales Co., Ltd., Shandong Jinan Petroleum Branch	Branch of non-controlling shareholder of subsidiaries
China Railway 14th Bureau Group Fangqiao Co., Ltd. Intelligent Equipment Branch	Branch of non-controlling shareholder of subsidiaries
China Railway 14th Bureau Group Fangqiao Co., Ltd. Steel Structure Branch	Branch of non-controlling shareholder of subsidiaries
Tangshan Shoutangbaosheng Functional Materials Co., Ltd.	Non-controlling shareholder of subsidiaries
Tangshan Xuqi Metal Materials Co., Ltd.	Non-controlling shareholder of subsidiaries
CCCC First Highway Engineering Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Wanhua Composite Materials (Yantai) Co., Ltd.	Non-controlling shareholder of subsidiaries
Shandong Gangtong Construction Co., Ltd.	Non-controlling shareholder of subsidiaries
Jinan Ben'an Technology Development Co., Ltd.	Non-controlling shareholder of subsidiaries
Shandong International Convention and Exhibition Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Tongyuan Design Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Jinan Maiqiu Holdings Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Shandong Airport Management Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Shandong Up Tong Startup Service Co., Ltd.	Non-controlling shareholder of subsidiaries
Zoucheng Municipal Engineering Company	Non-controlling shareholder of subsidiaries

Name of other related parties	Relationships with the Company
Huayi Brothers (Tianjin) Real Time Entertainment Co., Ltd.	Non-controlling shareholder of subsidiaries
Shandong Longquan Shuyuan Hotel Management Co., Ltd.	Non-controlling shareholder of subsidiaries
China Railway 14th Bureau Group Fangqiao Co., Ltd.	Non-controlling shareholder of subsidiaries
Jinan Qingyuan Water Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Jinan Jinling Hostels for the Elderly	Entity with overlapping senior management of subsidiaries
Jinan Jinling Health Nursing Institute	Entity with overlapping senior management of subsidiaries
Jinan Jinling Health Vocational Training School	Entity with overlapping senior management of subsidiaries
Shandong Zhongjian Xicheng Jiaxin Real Estate Co., Ltd.	Subsidiary of an associate
Shandong Zhongjian Xicheng Yixin Real Estate Co., Ltd.	Subsidiary of an associate
Shandong Zhongjian Xicheng Kaitai Real Estate Co., Ltd.	Subsidiary of an associate

(V) Related party transactions

1. Purchase and sale of goods, rendering and receiving of services

(1) Purchase of goods and receiving of services

Related parties	Current period cumulative	Preceding period comparative
Tangshan Shoutangbaosheng Functional Materials Co., Ltd.	1,383,324,006.92	
Tangshan Xuqi Metal Materials Co., Ltd.	752,301,474.62	
Sinopec Sales Co., Ltd., Shandong Jinan Petroleum Branch	235,906,305.41	248,030,043.25
CCCC First Highway Engineering Group Co., Ltd.	72,006,441.68	144,164,369.43
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	28,459,302.94	36,541,282.66
China Railway 14th Bureau Group Fangqiao Co., Ltd. Intelligent Equipment Branch	18,350,018.23	
China Railway 14th Bureau Group Fangqiao Co., Ltd.	6,651,971.06	
Shandong Hualing Cable Co., Ltd.	4,884,174.58	90,649.35
China Railway 14th Bureau Group Fangqiao Co., Ltd. Steel Structure Branch	3,683,002.16	
CCCC (Linyi) Construction Technology Co., Ltd.	3,363,254.62	1,064,232.25
Shandong Provincial Transport Planning & Design Institute Group Co., Ltd.	3,220,754.72	2,292,725.05
Jinan Ben'an Technology Development Co., Ltd.	2,822,621.57	1,086,746.77
Jinan Jinling Hostels for the Elderly	2,464,061.31	
Yantai Yeda Construction Eng. Co., Ltd.	1,763,300.00	1,681,035.28
Shandong Airport Management Group Jinan	368,348.62	416,900.00

Related parties	Current period cumulative	Preceding period comparative
International Airport Co., Ltd.		
Shun Teng (Jinan) Private Equity Fund Management Co., Ltd.	71,068.50	70,191.78
Shandong Gangtong Construction Co., Ltd.	43,012.96	1,328,919.61
Wanhua Composite Materials (Yantai) Co., Ltd.		2,722,584.06
Qingdao Ruifangda Construction Mgmt. Co., Ltd.		934,055.67
Shandong Xinyida Construction Mgmt. Co., Ltd.		932,341.93
Jinan Xianxing Smart Digital Tech. Co., Ltd.		183,018.87
Subtotal	2,519,683,119.90	441,539,095.96

(2) Sale of goods and rendering of services

Related parties	Current period cumulative	Preceding period comparative
CCCC First Highway Engineering Group Co., Ltd.	73,448,758.86	35,873,508.68
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	49,126,368.96	72,315,336.28
Shandong Provincial Transport Planning & Design Institute Group Co., Ltd.	13,170,530.06	8,114,915.09
Shandong Gangtong Construction Co., Ltd.	10,349,566.53	9,485,749.49
Jinan Jinling Hostels for the Elderly	9,682,497.65	9,293,635.45
Jinan Kunlun Inv. North Construction Co., Ltd.	8,851,846.53	2,713,207.55
CCCC (Linyi) Construction Technology Co., Ltd.	8,645,074.40	4,292,747.09
Jinan Jinling Health Nursing Institute	4,136,135.48	4,121,057.50
Lile (Jinan) Commercial Mgmt. Co., Ltd.	485,003.77	
Yantai Yeda Construction Eng. Co., Ltd.	149,999.99	1,509.43
Jinan Xiantou Quehua Culture Op. Co., Ltd.	140,671.77	
Fantawild (Jinan) Tourism Dev. Co., Ltd.	58,584.05	
Shandong Qishun Construction Mgmt. Co., Ltd.	48,186.19	99,754.93
Shandong Heyida Construction Mgmt. Co., Ltd.	43,648.11	
Shandong Hi-speed Dev. Inv. & Construction Co., Ltd.	13,275.66	
Shandong International Convention and Exhibition Group Co., Ltd.		46,788,990.83
Jinan Ben'an Technology Development Co., Ltd.		16,454,919.15
Tongyuan Design Group Co., Ltd.		1,339,900.00
Jinan Zongbao Industry Development Co., Ltd.		1,231,129.18
Jinan Maiqiu Holdings Group Co., Ltd.		855,445.54
Jinan Jinke Xicheng Real Estate Dev. Co., Ltd.		130,134.15

Related parties	Current period cumulative	Preceding period comparative
Shandong Airport Management Group Jinan International Airport Co., Ltd.		26,548.67
Subtotal	178,350,148.01	213,138,489.01

2. Related party leases

Leasing out by the Company

Lessees	Types of assets leased	Lease income for the current period	Lease income for the preceding period
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	Investment property	16,560,000.00	16,560,000.00
Fantawild (Jinan) Tourism Dev. Co., Ltd.	Investment property	7,732,777.37	
Shandong Heyida Construction Mgmt. Co., Ltd.	Investment property	699,568.82	183,300.49
Subtotal		24,992,346.19	16,743,300.49

3. Related party guarantees

The Company and its subsidiaries as guaranteed parties

Guarantors	Amount of borrowings	Commencement date	Maturity date
Shandong Airport Management Group Co., Ltd.	565,667,217.04	2023/9/8	2063/9/7

(VI) Balances due to or from related parties

1. Balances due from related parties

Items	Lessees	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Shandong Hi-Speed Beijing-Shanghai Expwy Co., Ltd.	73,520,209.10	7,267,402.11	91,827,833.00	4,767,211.74
Accounts receivable	Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	59,239,074.50		80,640,543.72	
Accounts receivable	Jinan Jinling Hostels for the Elderly	18,395,159.82		9,317,810.39	
Accounts receivable	Fantawild (Jinan) Tourism Dev. Co., Ltd.	9,292,144.91	464,607.25		
Accounts receivable	Shandong Provincial Transport Planning & Design Institute Group Co., Ltd.	8,527,672.20	426,383.61	9,456,142.64	569,027.76
Accounts receivable	Shandong Gangtong Construction Co., Ltd.	7,368,862.82	368,443.14	10,141,912.39	507,095.62

Items	Lessees	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Jinan Jinling Health Nursing Institute	4,368,320.95		4,368,320.95	
Accounts receivable	CCCC (Linyi) Construction Technology Co., Ltd.	4,141,536.44	207,076.82	4,850,804.28	242,540.21
Accounts receivable	Shandong Heyida Construction Mgmt. Co., Ltd.	3,977,931.12		2,584,405.55	
Accounts receivable	Jinan Kunlun Inv. North Construction Co., Ltd.	442,800.00	22,140.00	7,137,736.30	540,381.63
Accounts receivable	Jinan Jinke Xicheng Real Estate Dev. Co., Ltd.	11,787.21	1,178.72	11,787.21	589.36
Accounts receivable	Sinopec Sales Co., Ltd., Shandong Jinan Petroleum Branch	1,499.36		1,599,979.87	
Accounts receivable	Lile (Jinan) Commercial Mgmt. Co., Ltd.	1,000.00	50.00	3,000.00	150.00
Accounts receivable	Jinan Jinling Health Vocational Training School			208,760.00	
Accounts receivable	Jinan Ben'an Technology Development Co., Ltd.			9,334,578.46	466,728.92
Accounts receivable	Jinan Maiqiu Holdings Group Co., Ltd.			864,000.00	43,200.00
Accounts receivable	Shandong Qishun Construction Mgmt. Co., Ltd.			28,714.46	
Subtotal		189,287,998.43	8,757,281.65	232,376,329.22	7,136,925.24
Prepayments	Tangshan Xuqi Metal Materials Co., Ltd.	732,441,485.40			
Prepayments	Tangshan Shoutangbaosheng Functional Materials Co., Ltd.	86,369,262.13			
Prepayments	Sinopec Sales Co., Ltd., Shandong Jinan Petroleum Branch	20,897,808.82		18,032,885.72	
Prepayments	Shandong Up Tong Startup Service Co., Ltd.	1,703,275.75		1,703,275.75	
Prepayments	Shandong Hualing Cable Co., Ltd.	702,072.96		18,884.00	
Prepayments	Shandong Zhongjian Xicheng Jiaxin Real Estate Co., Ltd.	449,261.59		449,261.59	
Prepayments	Zoucheng Municipal Engineering Company	302,568.11		9,946,321.15	
Prepayments	Jinan Qingyuan Water Group Co., Ltd.	281,151.31		281,151.31	
Prepayments	Shandong Zhongjian Xicheng Yixin Real Estate Co., Ltd.	1,654.39		1,654.39	
Subtotal		843,148,540.46		30,433,433.91	

Items	Lessees	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Other receivables	Jinan Jinke Xicheng Real Estate Dev. Co., Ltd.	167,817,495.64	16,010,804.77	157,523,599.81	8,273,887.36
Other receivables	Qingdao Ruifangda Construction Mgmt. Co., Ltd.	4,523,635.58	1,465,654.41	4,421,688.15	687,113.65
Other receivables	Shandong Qishun Construction Mgmt. Co., Ltd.	2,938,570.20		2,938,570.20	
Other receivables	Jinan Guotai Logistics Inv. Consulting LP	2,407,000.00			
Other receivables	Jinan Evergrande West District Real Estate Co., Ltd.	1,405,939.94	374,539.94	1,261,939.94	198,739.94
Other receivables	CCCC First Highway Engineering Group Co., Ltd.	789,596.47		870,711.82	
Other receivables	Jinan Xijin Shida Inv. Management Center (LP)	887,982.00	887,982.00	887,982.00	887,982.00
Other receivables	Shandong Hualing Cable Co., Ltd.	738,276.72		512,475.77	
Other receivables	Jinan Xijin Shiqi Inv. Management Center (LP)	590,747.00	590,747.00	590,747.00	590,747.00
Other receivables	Shandong Zhongjian Xicheng Investment Co., Ltd.	223,127.22	223,127.22	223,127.22	221,391.08
Other receivables	Jinan Xijin Inv. Management Center (LP)	56,790.00		10,930,590.00	10,930,590.00
Other receivables	Shandong Xijin Equity Investment Fund Management Co., Ltd.	44,435.35		44,435.35	
Other receivables	Jinan Maiqiu Holdings Group Co., Ltd.	20,000.00		18,000.00	
Other receivables	Shandong Xinyida Construction Mgmt. Co., Ltd.			241,514.39	24,151.44
Subtotal		182,443,596.12	19,552,855.34	180,465,381.65	21,814,602.47
合同资产	Shandong Provincial Transport Planning & Design Institute Group Co., Ltd.	18,913,744.74	945,687.24	69,387.36	3,469.37
合同资产	Jinan Kunlun Inv. North Construction Co., Ltd.	2,205,256.30	110,262.82		
合同资产	Tongyuan Design Group Co., Ltd.	1,420,300.00	71,015.00	1,420,300.00	71,015.00
Subtotal		22,539,301.04	1,126,965.06	1,489,687.36	74,484.37
其他非流动资产	Shandong Zhongjian Xicheng Kaitai Real Estate Co., Ltd.			243,000,000.00	
其他非流动资产	CCCC First Highway Engineering Group Co., Ltd.			23,431,461.36	

Items	Lessees	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Subtotal				266,431,461.36	

2. Balances due

Items	Related parties	Closing balance	Opening balance
Accounts payable	Yantai Yeda Construction Eng. Co., Ltd.	85,081,195.99	84,250,531.35
Accounts payable	Shandong Hualing Cable Co., Ltd.	17,968,905.75	27,772,416.92
Accounts payable	Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	17,579,342.61	157,197,189.52
Accounts payable	China Railway 14th Bureau Group Fangqiao Co., Ltd. Intelligent Equipment Branch	3,799,630.33	
Accounts payable	Shandong Provincial Transport Planning & Design Institute Group Co., Ltd.	3,240,000.00	1,574,339.62
Accounts payable	China Railway 14th Bureau Group Fangqiao Co., Ltd.	3,055,584.19	
Accounts payable	Jinan Jinling Hostels for the Elderly	2,464,061.31	
Accounts payable	Tongyuan Design Group Co., Ltd.	1,330,216.97	1,466,216.97
Accounts payable	China Railway 14th Bureau Group Fangqiao Co., Ltd. Steel Structure Branch	1,156,851.60	
Accounts payable	Jinan Ben'an Technology Development Co., Ltd.	1,055,182.35	319,785.45
Accounts payable	Shandong Xinyida Construction Mgmt. Co., Ltd.	636,614.04	988,282.45
Accounts payable	Jinan Xianxing Smart Digital Tech. Co., Ltd.	604,174.00	604,174.00
Accounts payable	Shandong Gangtong Construction Co., Ltd.	223,802.16	
Accounts payable	CCCC (Linyi) Construction Technology Co., Ltd.	46,196.40	1,064,232.25
Accounts payable	Shun Teng (Jinan) Private Equity Fund Management Co., Ltd.	36,094.26	35,287.68
Accounts payable	CCCC First Highway Engineering Group Co., Ltd.		
Accounts payable	Qingdao Ruifangda Construction Mgmt. Co., Ltd.		336,418.52
Accounts payable	Huayi Brothers (Tianjin) Real Time Entertainment Co., Ltd.		235,000.00
Subtotal		138,277,851.96	275,843,874.73
Contract liability	Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	87,843.10	8,393,641.45
Contract liability	Shandong Hualing Cable Co., Ltd.	0.02	0.01
Contract liability	Jinan Kunlun Inv. North Construction Co., Ltd.		5,007,263.63
Subtotal		87,843.12	13,400,905.09
Other payables	Shandong Airport Management Group Co., Ltd.	99,685,244.68	99,381,858.28
Other payables	Zoucheng Municipal Engineering Company	43,077,940.70	34,781,969.17
Other payables	Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	4,927,062.00	4,927,062.00
Other payables	CCCC First Highway Engineering Group Co., Ltd.	3,435,242.44	3,329,220.43
Other payables	Shandong Longquan Shuyuan Hotel Management Co., Ltd.	2,865,437.89	2,857,407.34
Other payables	Shandong Airport Management Group Jinan International	1,381,280.47	864,590.02

Items	Related parties	Closing balance	Opening balance
	Airport Co., Ltd.		
Other payables	Yantai Yeda Construction Eng. Co., Ltd.	718,758.94	718,758.94
Other payables	Jinan Jinling Hostels for the Elderly	710,209.60	675,195.40
Other payables	Jinan Xijin Cultural Industry Inv. Management Center (LP)	541,840.00	541,840.00
Other payables	CCCC First Highway Engineering Bureau No.3 Engineering Co., Ltd.	251,730.38	312,618.08
Other payables	CCCC (Linyi) Construction Technology Co., Ltd.	99,744.90	
Other payables	Shandong Xinyida Construction Mgmt. Co., Ltd.	78,088.75	32,203.14
Other payables	Jinan Zhongjian Xinhe Real Estate Co., Ltd.	22,054.79	22,054.79
Other payables	Shandong Longyida Construction Management Co., Ltd.	21,458.36	39,694.82
Other payables	Sinopec Sales Co., Ltd., Shandong Jinan Petroleum Branch	4,635.59	3,956.17
Other payables	Shandong Heyida Construction Mgmt. Co., Ltd.	2,076.80	2,076.80
Other payables	Jinan Jinke Xicheng Real Estate Dev. Co., Ltd.	300.00	300.00
Other payables	Wanhua Composite Materials (Yantai) Co., Ltd.		1,009,243.75
Other payables	CCCC Tunnel Engineering Bureau Co., Ltd.		111,209.90
Other payables	Qingdao Ruifangda Construction Mgmt. Co., Ltd.		19,697.60
Subtotal		157,823,106.29	149,630,956.63

XIII.Notes on Major Items of the Parent Company's Financial Statements

(I) Other Receivables

1. Detailed Items

Item	Ending Balance	Beginning Balance
Interest Receivable	19,729,709.42	19,729,709.42
Other receivables	162,331,684,693.73	146,612,973,457.44
Total	162,351,414,403.15	146,632,703,166.86

2. Accounts Receivable Dividends

Unit Name	Ending Balance	Beginning Balance
Shandong Jinyue Transportation Development Group Co., Ltd.	19,729,709.42	19,729,709.42
Subtotal	19,729,709.42	19,729,709.42

3. Other Receivables

(1) Disclose other receivables by aging

Aging	Ending Balance	Beginning Balance

	Book Balance	Allowance for Bad Debts	Book Balance	Allowance for Bad Debts
Within 1 year (including 1 year)	130,407,226,176.15		36,618,797,639.86	40,802.15
1-2 years	14,235,561,144.99	9,909.32	39,978,162,940.55	1,180.00
2-3 years	3,523,706,109.14		35,916,275,297.53	67,263.00
3-4 years	3,225,597,940.47		32,122,621,824.65	
4-5 years	10,008,387,960.88			
5 years or more	931,215,271.42		1,977,225,000.00	
Total	162,331,694,603.05	9,909.32	146,613,082,702.59	109,245.15

(2) Disclosure of other receivables classified by the method of provision for bad debts

Type	Ending Balance				
	Book Balance		Allowance for Bad Debts		Book Value
	Amount	Percentage (%)	Amount	Provisioning Ratio (%)	
Provision for bad debts based on combinations	162,331,694,603.05	100.00	9,909.32		162,331,684,693.73
Total	162,331,694,603.05	100.00	9,909.32		162,331,684,693.73

(Continued from the above table)

Type	Beginning Balance				
	Book Balance		Allowance for Bad Debts		Book Value
	Amount	Percentage (%)	Amount	Provisioning Ratio (%)	
Provision for bad debts based on combinations	146,613,082,702.59	100.00	109,245.15		146,612,973,457.44
Total	146,613,082,702.59	100.00	109,245.15		146,612,973,457.44

(3) Other receivables for bad debt provision calculated by combination

1) Provision for bad debts on other receivables using aging combination

Item	Ending Balance			Beginning Balance		
	Book Balance	Provision ratio (%)	Allowance for Bad Debts	Book Balance	Provision ratio (%)	Allowance for Bad Debts
Within 1 year (including 1 year)				816,043.20	5.00	40,802.15
1-2 years	99,093.20	10.00	9,909.32	11,800.00	10.00	1,180.00
2-3 years				224,210.00	30.00	67,263.00
Subtotal	99,093.20	10.00	9,909.32	1,052,053.20	10.38	109,245.15

2) Other receivables for which bad debt provisions are made using other combination methods

Item	Ending Balance			Beginning Balance		
	Book Balance	Provisioning Ratio (%)	Allowance for Bad Debts	Book Balance	Provisioning Ratio (%)	Allowance for Bad Debts
Combination of receivables from government agencies and other entities	1,577,954,433.34			3,447,141,344.45		
Combination of receivables from state-owned enterprises controlled by the Jinan State-owned Assets Supervision and Administration Commission	2,163,824,756.47			2,149,972,029.79		
Receivables from related parties within the scope of the company's consolidation	158,538,861,909.24			140,966,897,238.48		
Special Recognition Combination	50,954,410.80			48,020,036.67		
Subtotal	162,331,595,509.85			146,612,030,649.39		

(4) Changes in Bad Debt Provision

Allowance for Bad Debts	First stage	Second stage	Third stage	Total
	Expected credit loss over the next 12 months	Expected credit losses over the entire lifetime (not yet incurred credit impairment)	Expected credit losses over the entire lifetime (incurred credit impairment)	
Beginning	40,802.15	1,180.00	67,263.00	109,245.15

Allowance for Bad Debts	First stage	Second stage	Third stage	Total
	Expected credit loss over the next 12 months	Expected credit losses over the entire lifetime (not yet incurred credit impairment)	Expected credit losses over the entire lifetime (incurred credit impairment)	
Balance				
Beginning balance for this period				
--Transferred to Stage 2	4,954.65	-4,954.65		
--Transferred to Stage 3				
--Transferred back to Stage 2				
--Transferred back to Stage 1				
Provision for this period	-35,847.50	3,774.67	-67,263.00	-99,335.83
Reversal for this period				
Write-off for this period				
This period's write-off				
Other changes				
Ending Balance		9,909.32		9,909.32

(5) Other receivables situation based on the top five end-of-period balances collected from the debtor

Debtor name	Nature of the funds	Book Balance	Account Age	Proportion of Other Receivables (%)	Allowance for Bad Debts
Jinan Binhe New District Construction Investment Group Co., Ltd.	Intercompany Receivables	72,303,377,009.61	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years	44.54	
Jinan West City Investment Development Group Co., Ltd.	Company Loan	54,829,874,851.66	Within 1 year, 1-2 years, 2-3 years, 3-4 years, over 5 years	33.78	

Debtor name	Nature of the funds	Book Balance	Account Age	Proportion of Other Receivables (%)	Allowance for Bad Debts
Jinan Urban Construction Energy Conversion Development and Construction Group Co., Ltd.	Intercompany Receivables	7,530,811,670.91	within one year	4.64	
Jinan Wanrong Industrial Development Group Co., Ltd.	Intercompany Receivables	3,537,275,536.00	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years	2.18	
Jinan West City Shizhong Real Estate Co., Ltd.	Intercompany Receivables	2,540,124,188.11	Within 1 year, 1-2 years, 2-3 years, 3-4 years, 4-5 years	1.56	
Small Account		140,741,463,256.29		86.70	

(II) Long-term equity investments

1. Classification of Long-term Equity Investments

Item	Beginning Balance	Increase in the current period	Decrease in the current period	Ending Balance
Investment in subsidiaries	53,751,996,321.94	7,741,435,776.22	3,070,323,860.06	58,423,108,238.10
Investment in Associated Enterprises	26,033,731.98	48,658,946.35		74,692,678.33
Subtotal	53,778,030,053.92	7,790,094,722.57	3,070,323,860.06	58,497,800,916.43
Provision for impairment of long-term equity investments				
Total	53,778,030,053.92	7,790,094,722.57	3,070,323,860.06	58,497,800,916.43

2. Details of long-term equity investments

Invested unit	Investment Cost	Beginning	Current Period Increase and Decrease Changes

			Additional Investment	Reduction in Investment	Investment Gains and Losses Recognized under the Equity Method	Adjustment of Other Comprehensive Income
Subsidiary						
Jinan West City Investment Development Group Co., Ltd.	21,048,000,335.47	21,048,000,335.47				
Shandong Changna Digital Technology Co., Ltd.		20,000,000.00		20,000,000.00		
Jinan Binhe New District Construction Investment Group Co., Ltd.	24,548,745,384.45	22,148,745,384.45	2,400,000,000.00			
Jinan Urban Construction Group Co., Ltd.	2,093,966,112.53	4,063,462,965.75	21,600,000.00	1,991,096,853.22		
Jinan Chengfeng Highway Engineering Co., Ltd.	573,668,100.00	13,500,000.00	560,168,100.00			
Jinan Urban Construction Energy Conversion Development and Construction Group Co., Ltd.	2,085,000,000.00	1,305,000,000.00	780,000,000.00			
Jinan Chengle Highway Engineering Co., Ltd.		32,000,000.00		32,000,000.00		
Jinan Chenglu Construction	13,500,000.00	13,500,000.00				

Invested unit	Investment Cost	Beginning Balance	Current Period Increase and Decrease Changes			
			Additional Investment	Reduction in Investment	Investment Gains and Losses Recognized under the Equity Method	Adjustment of Other Comprehensive Income
Engineering Co., Ltd.						
Jinan Urban Construction Group Ronggang Development Co., Ltd.	911,299,113.04	474,295,296.88	437,003,816.16			
Jinan Urban Construction Group Investment Co., Ltd.		509,470,375.46		509,470,375.46		
Yunhua International Tourism (Shandong) Group Co., Ltd.	40,000,000.00	10,000,000.00	30,000,000.00			
Jinan Urban Construction Group Asset Operation Management Co., Ltd.	165,229,524.15	165,229,524.15				
Jinan Chengsui Construction Engineering Co., Ltd.	27,000,000.00	27,000,000.00				
Jinan Furen Urban Operation Service Co., Ltd.		30,955,283.09		30,955,283.09		
Jinan Yellow River Bridge	1,900,000,000.00	1,850,000,000.00	50,000,000.00			

Invested unit	Investment Cost	Beginning Balance	Current Period Increase and Decrease Changes			
			Additional Investment	Reduction in Investment	Investment Gains and Losses Recognized under the Equity Method	Adjustment of Other Comprehensive Income
Construction Management Co., Ltd.						
Shandong Jinyue Transportation Development Group Co., Ltd.	515,945,751.84	253,505,241.06	262,440,510.78			
Jinan Sanli Property Management Co., Ltd.	4,585,383.81	4,585,383.81				
Jinan Municipal Public Asset Management and Operation Co., Ltd.	512,400,851.31	874,801,702.61	75,000,000.00	437,400,851.30		
Jinan Wanrong Industrial Development Group Co., Ltd.	460,955,283.09	430,000,000.00	30,955,283.09			
S shake jin super Ron guild testing technology co., Ltd.		34,400,496.99	15,000,000.00	49,400,496.99		
S shake jin to design consulting group co., Ltd.	63,920,731.10	43,920,731.10	20,000,000.00			
S shake Y i zoom construction management group co., Ltd.	28,215,792.02	18,215,792.02	10,000,000.00			

Invested unit	Investment Cost	Beginning Balance	Current Period Increase and Decrease Changes			
			Additional Investment	Reduction in Investment	Investment Gains and Losses Recognized under the Equity Method	Adjustment of Other Comprehensive Income
Shandong Chenghang Supply Chain Group Co., Ltd.	10,000,000.00		10,000,000.00			
Jinan Jianlong Real Estate Investment Co., Ltd.	303,000,000.00		303,000,000.00			
Shandong Tongzhou Industrial Holding Group Co., Ltd.	2,826,100,973.78	89,832,907.59	2,736,268,066.19			
Jinan Construction International Investment Co., Ltd.	13,159,817.12	13,159,817.12				
Jinan Agricultural Development Group Co., Ltd.	278,415,084.39	278,415,084.39				
Small Calculation	58,423,108,238.10	53,751,996,321.94	7,741,435,776.22	3,070,323,860.06		
Joint venture						
Jinan Kunlun Investment and Construction North Co., Ltd.	28,360,431.00	26,033,731.98	49,180,600.92		-521,654.57	
Small Calculation	28,360,431.00	26,033,731.98	49,180,600.92		-521,654.57	
Total	58,451,468,669.10	53,778,030,053.92	7,790,616,377.14	3,070,323,860.06	-521,654.57	

(Continued from the above table)

Invested unit	Current Period Increase and Decrease Changes	Ending Balance	Ending

	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Subsidiary						
Jinan West City Investment Development Group Co., Ltd.					21,048,000,335.47	
Shandong Changna Digital Technology Co., Ltd.						
Jinan Binhe New District Construction Investment Group Co., Ltd.					24,548,745,384.45	
Jinan Urban Construction Group Co., Ltd.					2,093,966,112.53	
Jinan Chengfeng Highway Engineering Co., Ltd.					573,668,100.00	
Jinan Urban Construction Energy Conversion Development and Construction Group Co., Ltd.					2,085,000,000.00	
Jinan Chengle Highway Engineering Co., Ltd.						
Jinan Chenglu Construction Engineering Co., Ltd.					13,500,000.00	
Jinan Urban Construction Group Ronggang Development Co., Ltd.					911,299,113.04	
Jinan Urban Construction Group Investment Co., Ltd.						
Yunhua International Tourism (Shandong) Group Co., Ltd.					40,000,000.00	
Jinan Urban Construction Group Asset Operation Management Co., Ltd.					165,229,524.15	
Jinan Chengsui Construction Engineering Co., Ltd.					27,000,000.00	
Jinan Furen Urban Operation Service Co., Ltd.						
Jinan Yellow River Bridge Construction Management Co., Ltd.					1,900,000,000.00	
Shandong Jinyue Transportation Development Group Co., Ltd.					515,945,751.84	
Jinan Sanli Property Management Co., Ltd.					4,585,383.81	
Jinan Municipal Public Asset Management and Operation Co., Ltd.					512,400,851.31	
Jinan Wanrong Industrial Development					460,955,283.09	

Invested unit	Current Period Increase and Decrease Changes				Ending Balance	Ending balance of impairment provision
	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment	Others		
Group Co., Ltd.						
S shake jin super Ron guild testing technology co., Ltd.						
S shake jin to design consulting group co., Ltd.					63,920,731.10	
S shake Y i zoom construction management group co., Ltd.					28,215,792.02	
Shandong Chenghang Supply Chain Group Co., Ltd.					10,000,000.00	
Jinan Jianlong Real Estate Investment Co., Ltd.					303,000,000.00	
Shandong Tongzhou Industrial Holding Group Co., Ltd.					2,826,100,973.78	
Jinan Construction International Investment Co., Ltd.					13,159,817.12	
Jinan Agricultural Development Group Co., Ltd.					278,415,084.39	
Subtotal					58,423,108,238.10	
Joint venture						
Jinan Kunlun Investment and Construction North Co., Ltd.					74,692,678.33	
Subtotal					74,692,678.33	
Total					58,497,800,916.43	

(III) Operating income and operating costs

Item	Amount for this period		Amount of last period	
	Revenue	Cost	Revenue	Cost
Other business	14,747,659.97	3,906,875.95	9,646,033.56	306,084.90
Rental service income	10,145,263.75	661,592.93	9,635,703.37	306,084.90
Construction management income	4,602,396.22	3,245,283.02		
Others			10,330.19	
Total	14,747,659.97	3,906,875.95	9,646,033.56	306,084.90

(IV) Investment income

Item	Amount for this period	Amount of last period

Item	Amount for this period	Amount of last period
Interest income obtained from debt investments during the holding period	348,021,066.81	212,155,352.26
Long-term equity investment income under the cost method	298,891,860.06	321,401,537.13
Investment income from trading financial assets during the holding period	7,925,096.43	464,673.47
Disposal of investment income generated from long-term equity investments	-6,440,508.02	
Long-term equity investment income accounted for using the equity method	-521,654.57	193,797.41
Total	647,875,860.71	534,215,360.27

(V) Supplementary Information for the Cash Flow Statement

Item	Amount for this period	Last Year's Amount
(1) Adjusting Net Profit to Operating Activities Cash Flow:		
Net Profit	269,007,693.04	314,424,567.66
Provision for asset impairment		
Provision for credit impairment	-99,335.83	76,940.82
Depreciation of fixed assets, depreciation of right-of-use assets, depletion of oil and gas assets, depreciation of productive biological assets	1,494,429.54	1,346,566.67
Amortization of intangible assets	7,477,064.16	7,025,660.64
Amortization of long-term deferred expenses		
Loss on disposal of fixed assets, intangible assets, and other long-term assets (gains are indicated with a “-” sign)		
Loss on scrapping of fixed assets (gains are indicated with a “-” sign)		
Loss on changes in fair value (income is filled in with a "−" sign)	-6,143,300.00	-260,700.00
Financial expenses (income is filled in with a "−" sign)	332,908,099.02	220,203,462.19
Investment losses (income is filled in with a "−" sign)	-647,875,860.71	-534,215,360.27
Decrease in deferred tax assets (increase is filled in with a "−" sign)	1,535,825.00	65,175.00
Deferred tax liabilities increase (decrease filled in with a "−" sign)		
Decrease in inventory (increase filled in with a "−" sign)		
Decrease in operating receivables (increase filled in with a "−" sign)	-15,718,711,236.29	-1,681,396,430.43
Increase (decrease filled in with "－") in operating payables	16,308,425,345.95	2,263,391,359.40
Others		
Net cash flow from operating activities	548,018,723.88	590,661,241.68

Item	Amount for this period	Last Year's Amount
(2) Significant investment and financing activities not involving cash receipts and payments:		
Debt converted to equity		
Convertible corporate bonds maturing within one year		
Newly added right-of-use assets		
(3) Net change in cash and cash equivalents:		
Ending balance of cash	5,797,432,916.25	7,679,284,069.39
Less: Beginning balance of cash	7,679,284,069.39	4,408,404,012.81
Ending balance of cash equivalents		
Less: Beginning balance of cash and cash equivalents		
Net increase in cash and cash equivalents	-1,881,851,153.14	3,270,880,056.58

Jinan City Construction Group Limited Company

April 17, 2026

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Auditor's Report

PCCPAAR [2025] No. 4-180

To the Shareholders of Jinan City Construction Group Limited Company:

I. Audit Opinion

We have audited the accompanying financial statements of Jinan City Construction Group Limited Company (the "Company"), which comprise the consolidated and parent company balance sheets as at December 31, 2024, the consolidated and parent company income statements, consolidated and parent company cash flow statements, and consolidated and parent company statements of changes in equity for the year then ended, as well as notes to financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with China Accounting Standards for Business Enterprises.

II. Basis for Audit Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Certified Public Accountant's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants, and we have fulfilled other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Other Information

The Company's management (the "Management") is responsible for the other information. The other information comprises the information included in the Company's annual report, 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 the other information, we are required to report that fact. We have nothing to report in this regard.

IV. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for preparing and presenting fairly the financial statements in accordance with China Accounting Standards for Business Enterprises, as well as designing, implementing and maintaining internal control relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

V. Certified Public Accountant'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 China Standards on Auditing 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.

We exercise professional judgment and maintain professional skepticism throughout the audit performed in accordance with China Standards on Auditing. We also:

(I) 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.

(II) 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.

(III) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

(IV) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we 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.

(V) 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.

(VI) Obtain sufficient and 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 sole responsibility for our audit opinion.

We communicate with those charged with governance regarding the planned audit scope, time schedule and significant audit findings, including any deficiencies in internal control of concern that we identify during our audit.

Pan-China Certified Public Accountants LLP

Hangzhou · China

Chinese Certified Public Accountant: 王立丽印

Chinese Certified Public Accountant: 安义之印

Date of Report: April 12, 2025

The 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 financial performance 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.

Jinan City Construction Group Limited Company
Consolidated balance sheet as at December 31, 2024
(Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	December 31, 2023
Current assets:			
Cash and bank balances	1	22,445,178,661.41	21,907,673,388.23
Settlement funds			
Loans to other banks			
Held-for-trading financial assets	2	90,278,999.80	80,517,318.10
Derivative financial assets			
Notes receivable	3	361,993,340.06	168,455,174.27
Accounts receivable	4	24,095,507,375.26	19,763,747,588.73
Receivables financing	5	383,999,611.70	184,834,223.55
Advances paid	6	9,240,260,905.99	7,758,924,051.94
Premiums receivable			
Reinsurance accounts receivable			
Reinsurance reserve receivable			
Other receivables	7	12,600,014,409.41	8,038,702,537.49
Financial assets under reverse repo			
Inventories	8	112,762,011,880.08	115,695,981,528.21
Including: Data resources			
Contract assets	9	9,667,118,456.34	9,832,180,472.37
Assets held for sale			
Non-current assets due within one year			
Other current assets	10	3,781,270,067.24	3,915,939,347.13
Total current assets		195,427,633,707.29	187,346,955,630.02
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables	11	11,649,047,327.14	11,694,524,132.08
Long-term equity investments	12	8,839,022,191.80	4,902,768,247.76
Other equity instrument investments	13	8,067,700,294.13	9,170,459,206.90
Other non-current financial assets	14	2,518,882,312.86	1,122,972,485.06
Investment property	15	16,920,276,645.11	16,894,917,475.96
Fixed assets	16	4,531,253,925.58	4,585,190,975.92
Construction in progress	17	85,974,725,516.22	73,986,366,560.62
Productive biological assets	18	612,853.26	647,451.06
Oil & gas assets			
Right-of-use assets	19	80,222,674.75	100,978,745.85
Intangible assets	20	8,398,084,330.66	8,162,623,870.96
Including: Data resources		1,519,218.10	
Development expenditures	21	4,884,494.36	5,403,482.04
Including: Data resources			
Goodwill	22	99,887,521.05	96,437,521.05
Long-term prepayments	23	237,892,691.39	268,466,856.85
Deferred tax assets	24	522,280,923.42	519,651,890.65
Other non-current assets	25	47,288,163,294.04	49,613,205,225.16
Total non-current assets		195,132,936,995.77	181,124,614,127.92
Total assets		390,560,570,703.06	368,471,569,757.94

Legal representative: 许为民印

Officer in charge of accounting: 郝艳艳印

Head of accounting department: 周端涛印

Jinan City Construction Group Limited Company
Consolidated balance sheet as at December 31, 2024 (continued)
(Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	December 31, 2023
Current liabilities:			
Short-term borrowings	26	14,049,494,503.37	12,915,670,411.27
Central bank loans			
Loans from other banks			
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable	27	2,958,963,400.10	2,051,956,837.13
Accounts payable	28	24,105,467,359.63	21,474,956,518.05
Advances received	29	161,124,043.87	158,980,235.38
Contract liabilities	30	11,812,066,892.84	20,567,084,806.37
Financial liabilities under repo			
Absorbing deposit and interbank deposit			
Deposits for agency security transaction			
Deposits for agency security underwriting			
Employee benefits payable	31	1,165,422,915.38	1,120,664,427.41
Taxes and rates payable	32	762,725,119.20	210,850,086.35
Other payables	33	12,201,859,834.19	11,623,682,736.13
Handling fees and commissions payable			
Reinsurance accounts payable			
Liabilities held for sale			
Non-current liabilities due within one year	34	28,982,381,559.47	29,654,121,204.50
Other current liabilities	35	5,438,145,028.40	6,134,618,428.48
Total current liabilities		101,637,650,656.45	105,912,585,691.07
Non-current liabilities:			
Insurance policy reserve		14,877,609.29	3,671,840.62
Long-term borrowings	36	76,784,873,335.32	75,652,530,280.66
Bonds payable	37	60,340,445,766.63	38,397,105,478.41
Including: Preferred shares			
Perpetual bonds			
Lease liabilities	38	59,213,325.34	72,108,866.97
Long-term payables	39	43,728,157,719.29	45,129,766,580.83
Long-term employee benefits payable			
Provisions	40	261,846,542.03	446,910,011.46
Deferred income	41	1,402,521,271.78	1,280,284,396.41
Deferred tax liabilities	24	314,087,561.85	418,314,069.07
Other non-current liabilities	42	450,000,000.00	963,024,175.03
Total non-current liabilities		183,356,023,131.53	162,363,715,699.46
Total liabilities		284,993,673,787.98	268,276,301,390.53
Equity:			
Share capital	43	36,919,206,875.91	36,893,583,975.91
Other equity instruments	44	20,977,064,150.94	21,934,837,735.84
Including: Preferred shares			
Perpetual bonds		14,978,064,150.94	14,251,837,735.84
Capital reserve	45	28,628,285,207.23	23,909,065,193.49
Less: Treasury shares			
Other comprehensive income	46	856,706,814.68	479,270,234.24
Special reserve	47	180,227,557.27	171,975,469.28
Surplus reserve	48	115,768,539.38	115,768,539.38
General risk reserve		1,826,884.83	
Undistributed profit	49	11,471,394,987.99	11,255,231,945.69
Total equity attributable to the parent company		99,150,481,018.23	94,759,733,093.83
Non-controlling interest		6,416,415,896.85	5,435,535,273.58
Total equity		105,566,896,915.08	100,195,268,367.41
Total liabilities & equity		390,560,570,703.06	368,471,569,757.94

Legal representative: 许为民印

Officer in charge of accounting: 郝艳艳印

Head of accounting department: 周端涛印

Jinan City Construction Group Limited Company
Parent company balance sheet as at December 31, 2024
(Expressed in Renminbi Yuan)

Assets	Note No.	Closing balance	December 31, 2023
Current assets:			
Cash and bank balances		7,688,907,260.27	4,417,030,448.10
Held-for-trading financial assets		79,041,000.00	
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivables financing			
Advances paid			1,439,377.86
Other receivables	1	146,632,703,166.86	123,460,153,032.71
Inventories			
Including: Data resources			
Contract assets			
Assets held for sale			
Non-current assets due within one year			
Other current assets		73,064,009.41	75,091,250.50
Total current assets		154,473,715,436.54	127,953,714,109.17
Non-current assets:			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments	2	53,778,030,053.92	52,963,986,233.18
Other equity instrument investments			
Other non-current financial assets		60,188,800.00	
Investment property		213,664,000.00	213,403,300.00
Fixed assets		3,808,864.84	3,008,462.08
Construction in progress		917,226,956.02	855,338,826.44
Productive biological assets			
Oil & gas assets			
Right-of-use assets			
Intangible assets		231,302,322.12	237,034,706.48
Including: Data resources		822,061.97	
Development expenditures			
Including: Data resources			
Goodwill			
Long-term prepayments			
Deferred tax assets		9,553,584.18	9,618,759.18
Other non-current assets		53,597,122.93	48,788,269.00
Total non-current assets		55,267,371,704.01	54,331,178,556.36
Total assets		209,741,087,140.55	182,284,892,665.53

Legal representative: 许为民印

Officer in charge of accounting: 郝艳艳印

Head of accounting department: 周端涛印

Jinan City Construction Group Limited Company

Parent company balance sheet as at December 31, 2024 (continued)

(Expressed in Renminbi Yuan)

Liabilities & Equity	Note No.	Closing balance	December 31, 2023
Current liabilities:			
Short-term borrowings		11,091,140,000.00	9,870,000,000.00
Held-for-trading financial liabilities			
Derivative financial liabilities			
Notes payable		750,638,562.49	
Accounts payable		14,325,775.88	13,498,683.51
Advances received		2,480,504.59	2,194,189.60
Contract liabilities			
Employee benefits payable		88,744,502.56	68,122,686.19
Taxes and rates payable		1,286,389.35	735,505.51
Other payables		16,448,525,171.33	9,607,411,914.34
Liabilities held for sale			
Non-current liabilities due within one year		21,946,725,921.58	15,763,104,171.77
Other current liabilities		5,000,000,000.00	5,000,000,000.00
Total current liabilities		55,343,866,827.78	40,325,067,150.92
Non-current liabilities:			
Long-term borrowings		36,870,717,142.84	41,033,694,285.70
Bonds payable		35,519,338,495.70	22,536,256,027.35
Including: Preferred shares			
Perpetual bonds			
Lease liabilities			
Long-term payables		16,031,003,561.30	14,504,268,113.11
Long-term employee benefits payable			
Provisions			
Deferred income		20,000,000.00	20,000,000.00
Deferred tax liabilities			
Other non-current liabilities			
Total non-current liabilities		88,441,059,199.84	78,094,218,426.16
Total liabilities		143,784,926,027.62	118,419,285,577.08
Equity:			
Share capital		36,919,206,875.91	36,893,583,975.91
Other equity instruments		20,977,064,150.94	21,934,837,735.84
Including: Preferred shares			
Perpetual bonds		14,978,064,150.94	14,251,837,735.84
Capital reserve		9,059,177,428.01	5,471,495,943.82
Less: Treasury shares			
Other comprehensive income		2,341,087.50	2,341,087.50
Special reserve			
Surplus reserve		115,768,539.38	115,768,539.38
Undistributed profit		-1,117,396,968.81	-552,420,194.00
Total equity		65,956,161,112.93	63,865,607,088.45
Total liabilities & equity		209,741,087,140.55	182,284,892,665.53

Legal representative: 许为民印　　Officer in charge of accounting: 孙艳艳印　　Head of accounting department: 周端涛印

Jinan City Construction Group Limited Company
Consolidated income statement for the year ended December 31, 2024
(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Total operating revenue		39,081,506,931.22	36,036,366,423.98
Including: Operating revenue	1	39,079,570,351.63	36,035,295,614.70
Interest income			
Premiums earned		1,936,579.59	1,070,809.28
Revenue from handling fees and commissions			
II. Total operating cost		38,553,982,008.24	35,006,034,397.92
Including: Operating cost	1	34,948,771,852.84	31,464,123,975.32
Interest expenses			
Handling fees and commissions		907.07	1,307.00
Surrender value			
Net payment of insurance claims			
Net provision of insurance policy reserve		11,205,768.67	-7,125,502.54
Premium bonus expenditures			
Reinsurance expenses			
Taxes and surcharges	2	436,520,217.29	464,277,180.89
Selling expenses	3	241,733,133.05	236,777,809.34
Administrative expenses	4	1,209,278,352.60	1,118,106,600.68
R&D expenses	5	661,623,650.88	678,982,197.55
Financial expenses	6	1,044,848,125.84	1,050,890,829.68
Including: Interest expenses		1,320,944,107.27	1,495,263,979.63
Interest income		355,550,315.97	574,319,054.40
Add: Other income	7	74,003,732.03	67,665,685.27
Investment income (or less: losses)	8	663,556,042.47	330,553,189.89
Including: Investment income from associates and joint ventures		430,417,188.63	127,497,022.71
Gains from derecognition of financial assets at amortized cost			
Gains on foreign exchange (or less: losses)			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)	9	-355,385,864.90	5,419,803.21
Credit impairment loss	10	-202,114,445.04	-280,775,707.42
Assets impairment loss	11	-1,370,264,305.36	-75,973,205.47
Gains on asset disposal (or less: losses)	12	-121,402.70	1,987,567.59
III. Operating profit (or less: losses)		-662,801,320.52	1,079,209,359.13
Add: Non-operating revenue	13	1,880,866,664.72	31,902,312.02
Less: Non-operating expenditures	14	13,948,556.48	38,662,027.80
IV. Profit before tax (or less: total loss)		1,204,116,787.72	1,072,449,643.35
Less: Income tax expenses	15	205,920,883.52	238,603,296.86
V. Net profit (or less: net loss)		998,195,904.20	833,846,346.49
(I) Categorized by the continuity of operations			
1. Net profit from continuing operations (or less: net loss)		998,195,904.20	833,846,346.49
2. Net profit from discontinued operations (or less: net loss)			
(II) Categorized by the portion of equity ownership			
1. Net profit attributable to owners of parent company (or less: net loss)		989,739,742.12	816,585,757.98
2. Net profit attributable to non-controlling shareholders (or less: net loss)		8,456,162.08	17,260,588.51
VI. Other comprehensive income after tax	16	494,848,697.46	-111,889,436.67
Items attributable to the owners of the parent company		494,848,697.46	-111,889,436.67
(I) Not to be reclassified subsequently to profit or loss		252,533,618.10	-203,443,023.90
1. Remeasurements of the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss		4,497,102.84	
3. Changes in fair value of other equity instrument investments		248,036,515.26	-203,443,023.90
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss		242,315,079.36	91,553,587.23
1. Items under equity method that may be reclassified to profit or loss		239,914,818.63	1,786,881.86
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve			
7. Others		2,400,260.73	89,766,705.37
Items attributable to non-controlling shareholders			
VII. Total comprehensive income		1,493,044,601.66	721,956,909.82
Items attributable to the owners of the parent company		1,484,588,439.58	704,696,321.31
Items attributable to non-controlling shareholders		8,456,162.08	17,260,588.51
VIII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)			
(II) Diluted EPS (yuan per share)			

Legal representative: 许为民印

Officer in charge of accounting: 范翀翀印

Head of accounting department: 周端涛印

Jinan City Construction Group Limited Company

Parent company income statement for the year ended December 31, 2024

(Expressed in Renminbi Yuan)

Items	Note No.	Current period cumulative	Preceding period comparative
I. Operating revenue	1	9,646,033.56	7,438,837.92
Less: Operating cost	1	306,084.90	297,169.82
Taxes and surcharges		1,456,835.92	1,658,543.40
Selling expenses			
Administrative expenses		85,013,956.83	76,645,734.19
R&D expenses			
Financial expenses		143,389,001.87	124,290,312.44
Including: Interest expenses		220,365,283.10	318,840,850.22
Interest income		93,663,642.66	255,365,161.66
Add: Other income		1,138,154.61	554,009.34
Investment income (or less: losses)	2	534,215,360.27	255,468,812.91
Including: Investment income from associates and joint ventures		193,797.41	
Gains from derecognition of financial assets at amortized cost			
Gains on net exposure to hedging risk (or less: losses)			
Gains on changes in fair value (or less: losses)		260,700.00	5,032,300.00
Credit impairment loss		-76,940.82	-20,273.33
Assets impairment loss			
Gains on asset disposal (or less: losses)			
II. Operating profit (or less: losses)		315,017,428.10	65,581,926.99
Add: Non-operating revenue		0.98	95,626.88
Less: Non-operating expenditures		527,686.42	4,564,869.11
III. Profit before tax (or less: total loss)		314,489,742.66	61,112,684.76
Less: Income tax expenses		65,175.00	1,258,075.00
IV. Net profit (or less: net loss)		314,424,567.66	59,854,609.76
(I) Net profit from continuing operations (or less: net loss)		314,424,567.66	59,854,609.76
(II) Net profit from discontinued operations (or less: net loss)			
V. Other comprehensive income after tax			
(I) Not to be reclassified subsequently to profit or loss			
1. Remeasurements of the net defined benefit plan			
2. Items under equity method that will not be reclassified to profit or loss			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of own credit risk			
5. Others			
(II) To be reclassified subsequently to profit or loss			
1. Items under equity method that may be reclassified to profit or loss			
2. Changes in fair value of other debt investments			
3. Profit or loss from reclassification of financial assets into other comprehensive income			
4. Provision for credit impairment of other debt investments			
5. Cash flow hedging reserve			
6. Translation reserve			
7. Others			
VI. Total comprehensive income		314,424,567.66	59,854,609.76
VII. Earnings per share (EPS):			
(I) Basic EPS (yuan per share)			
(II) Diluted EPS (yuan per share)			

Legal representative: 许为民印 Officer in charge of accounting: 孙艳艳印 Head of accounting department: 周端涛印

Jinan City Construction Group Limited Company
Consolidated cash flow statement for the year ended December 31, 2024
(Expressed in Renminbi Yuan)

Items	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services	36,150,125,771.08	35,135,018,777.83
Net increase of client deposit and interbank deposit		
Net increase of central bank loans		
Net increase of loans from other financial institutions		
Cash receipts from original insurance contract premium		
Net cash receipts from reinsurance		
Net increase of policy-holder deposit and investment		
Cash receipts from interest, handling fees and commissions		
Net increase of loans from others		
Net increase of repurchase		
Net cash receipts from agency security transaction		
Receipts of tax refund	291,908,311.20	361,174,970.08
Other cash receipts related to operating activities	4,879,702,125.75	5,062,113,843.58
Subtotal of cash inflows from operating activities	41,321,736,208.03	40,558,307,591.49
Cash payments for goods purchased and services received	37,570,611,584.83	36,225,972,388.38
Net increase of loans and advances to clients		
Net increase of central bank deposit and interbank deposit		
Cash payments for insurance indemnities of original insurance contracts		
Net increase of loans to others		
Cash payments for interest, handling fees and commissions		
Cash payments for policy bonus		
Cash paid to and on behalf of employees	2,237,892,368.28	1,905,805,520.32
Cash payments for taxes and rates	1,017,039,935.78	1,385,540,058.19
Other cash payments related to operating activities	5,632,450,385.11	6,195,794,140.69
Subtotal of cash outflows from operating activities	46,457,994,274.00	45,713,112,107.58
Net cash flows from operating activities	-5,136,258,065.97	-5,154,804,516.09
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments	765,362,665.82	3,070,168,508.18
Cash receipts from investment income	342,232,145.18	207,341,707.23
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets	514,212.32	8,458,227.50
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	2,383,499,844.21	760,907,048.76
Subtotal of cash inflows from investing activities	3,491,608,867.53	4,046,875,491.67
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	10,756,071,077.78	12,316,057,311.88
Cash payments for investments	4,112,908,629.13	5,947,936,431.00
Net increase of pledged borrowings		
Net cash payments for the acquisition of subsidiaries & other business units	1,290,000.00	87,204,997.60
Other cash payments related to investing activities	3,388,808,429.90	171,036,999.25
Subtotal of cash outflows from investing activities	18,259,078,136.81	18,522,235,739.73
Net cash flows from investing activities	-14,767,469,269.28	-14,475,360,248.06
III. Cash flows from financing activities:		
Cash receipts from absorbing investments	9,593,071,900.00	7,519,068,331.92
Including: Cash received by subsidiaries from non-controlling shareholders as investments	252,800,000.00	1,654,773,057.58
Cash receipts from borrowings	81,880,432,800.71	74,237,675,814.19
Other cash receipts related to financing activities	4,478,781,584.79	7,023,702,293.46
Subtotal of cash inflows from financing activities	95,952,286,285.50	88,780,446,439.57
Cash payments for the repayment of borrowings	58,164,247,720.94	53,565,259,367.02
Cash payments for distribution of dividends or profits and for interest expenses	9,555,176,629.44	8,697,853,755.69
Including: Cash paid by subsidiaries to non-controlling shareholders as dividend or profit	4,632,714.17	12,834,282.33
Other cash payments related to financing activities	7,867,768,773.32	4,427,972,122.62
Subtotal of cash outflows from financing activities	75,587,193,123.70	66,691,085,245.33
Net cash flows from financing activities	20,365,093,161.80	22,089,361,194.24
IV. Effect of foreign exchange rate changes on cash and cash equivalents	8,065,288.27	-11,472,395.26
V. Net increase in cash and cash equivalents	469,431,114.82	2,447,724,034.83
Add: Opening balance of cash and cash equivalents	20,693,871,266.98	18,246,147,232.15
VI. Closing balance of cash and cash equivalents	21,163,302,381.80	20,693,871,266.98

Legal representative: 民许印为　　Officer in charge of accounting: 艳郝印艳　　Head of accounting department: 涛周印端

Jinan City Construction Group Limited Company

Parent company cash flow statement for the year ended December 31, 2024

(Expressed in Renminbi Yuan)

Items	Current period cumulative	Preceding period comparative
I. Cash flows from operating activities:		
Cash receipts from sale of goods or rendering of services		
Receipts of tax refund		
Other cash receipts related to operating activities	8,779,595,802.65	21,760,873,965.38
Subtotal of cash inflows from operating activities	8,779,595,802.65	21,760,873,965.38
Cash payments for goods purchased and services received		
Cash paid to and on behalf of employees	96,765,265.73	109,096,749.07
Cash payments for taxes and rates	2,033,645.32	1,360,347.29
Other cash payments related to operating activities	8,090,135,649.92	18,303,182,236.50
Subtotal of cash outflows from operating activities	8,188,934,560.97	18,413,639,332.86
Net cash flows from operating activities	590,661,241.68	3,347,234,632.52
II. Cash flows from investing activities:		
Cash receipts from withdrawal of investments		1,096,000,000.00
Cash receipts from investment income	321,401,537.13	256,265,619.83
Net cash receipts from the disposal of fixed assets, intangible assets and other long-term assets		
Net cash receipts from the disposal of subsidiaries & other business units		
Other cash receipts related to investing activities	23,944,512,104.88	12,652,213,385.90
Subtotal of cash inflows from investing activities	24,265,913,642.01	14,004,479,005.73
Cash payments for the acquisition of fixed assets, intangible assets and other long-term assets	54,314,347.03	61,714,709.46
Cash payments for investments	4,470,752,388.86	4,473,716,931.00
Net cash payments for the acquisition of subsidiaries & other business units		
Other cash payments related to investing activities	39,998,430,599.42	36,967,527,238.11
Subtotal of cash outflows from investing activities	44,523,497,335.31	41,502,958,878.57
Net cash flows from investing activities	-20,257,583,693.30	-27,498,479,872.84
III. Cash flows from financing activities:		
Cash receipts from absorbing investments	9,340,271,900.00	5,447,471,031.92
Cash receipts from borrowings	53,912,556,944.44	56,153,479,942.66
Other cash receipts related to financing activities	15,398,283,105.01	8,606,722,823.43
Subtotal of cash inflows from financing activities	78,651,111,949.45	70,207,673,798.01
Cash payments for the repayment of borrowings	36,253,320,594.53	33,338,981,038.92
Cash payments for distribution of dividends or profits and for interest expenses	6,450,436,994.27	5,415,370,385.60
Other cash payments related to financing activities	13,009,713,673.36	6,376,150,521.53
Subtotal of cash outflows from financing activities	55,713,471,262.16	45,130,501,946.05
Net cash flows from financing activities	22,937,640,687.29	25,077,171,851.96
IV. Effect of foreign exchange rate changes on cash and cash equivalents	161,820.91	-74,565.16
V. Net increase in cash and cash equivalents	3,270,880,056.58	925,852,046.48
Add: Opening balance of cash and cash equivalents	4,408,404,012.81	3,482,551,966.33
VI. Closing balance of cash and cash equivalents	7,679,284,069.39	4,408,404,012.81

Legal representative: 许为民印 Officer in charge of accounting: 赫艳艳印 Head of accounting department: 周端涛印

Jinan City Construction Group Limited Company

Consolidated statement of changes in equity for the year ended December 31, 2024

(Expressed in Renminbi Yuan)

Items	Current period cumulative												
	Equity attributable to parent company											Non-controlling interest	Total equity
	Share capital	Other equity instruments: Preferred shares	Other equity instruments: Perpetual bonds	Other equity instruments: Others	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
I. Balance at the end of prior year	36,893,583,975.91		14,251,837,735.84	7,683,000,000.00	23,909,065,193.49		479,270,234.24	171,975,469.28	115,768,539.38		11,232,137,237.02	5,435,535,273.58	100,172,173,658.74
Add: Cumulative changes of accounting policies													
Error correction of prior period											23,094,708.67		23,094,708.67
Business combination under common control													
Others													
II. Balance at the beginning of current year	36,893,583,975.91		14,251,837,735.84	7,683,000,000.00	23,909,065,193.49		479,270,234.24	171,975,469.28	115,768,539.38		11,255,231,945.69	5,435,535,273.58	100,195,268,367.41
III. Current period increase (or less: decrease)	25,622,900.00		726,226,415.10	-1,684,000,000.00	4,719,220,013.74		377,436,580.44	8,252,087.99		1,826,884.83	216,163,042.30	980,880,623.27	5,371,628,547.67
(I) Total comprehensive income							494,848,697.46				989,739,742.12	8,456,162.08	1,493,044,601.66
(II) Capital contributed or withdrawn by owners	25,622,900.00		726,226,415.10	-1,684,000,000.00	7,552,626,969.83							912,800,000.00	7,533,276,284.93
1. Ordinary shares contributed by owners	25,622,900.00											912,800,000.00	938,422,900.00
2. Capital contributed by holders of other equity instruments			726,226,415.10	5,616,000,000.00									6,342,226,415.10
3. Amount of share-based payment included in equity													
4. Others				-7,300,000,000.00	7,552,626,969.83								252,626,969.83
(III) Profit distribution										1,826,884.83	-881,228,227.30	-4,632,714.17	-884,034,056.64
1. Appropriation of surplus reserve													
2. Appropriation of general risk reserve										1,826,884.83	-1,826,884.83		
3. Appropriation of profit to owners											-879,401,342.47	-4,632,714.17	-884,034,056.64
4. Others													
(IV) Internal carry-over within equity							-107,686,270.63				107,686,270.63		
1. Transfer of capital reserve to capital													
2. Transfer of surplus reserve to capital													
3. Surplus reserve to cover losses													
4. Changes in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings							-107,686,270.63				107,686,270.63		
6. Others													
(V) Special reserve								8,252,087.99					8,252,087.99
1. Current period appropriation								461,484,529.46					461,484,529.46
2. Current period use								-453,232,441.47					-453,232,441.47
(VI) Others					-2,833,406,956.09		-9,725,846.39				-34,743.15	64,257,175.36	-2,778,910,370.27
IV. Balance at the end of current period	36,919,206,875.91		14,978,064,150.94	5,999,000,000.00	28,628,285,207.23		856,706,814.68	180,227,557.27	115,768,539.38	1,826,884.83	11,471,394,987.99	6,416,415,896.85	105,566,896,915.08

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

Jinan City Construction Group Co., Ltd.

Consolidated statement of changes in equity for the year ended December 31, 2024 (continued)

(Expressed in Renminbi Yuan)

Items	Preceding period comparative												
	Equity attributable to parent company											Non-controlling interest	Total equity
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit		
		Preferred shares	Perpetual bonds	Others									
I. Balance at the end of prior year	36,802,003,975.91		15,146,007,547.16	3,456,000,000.00	23,165,436,087.71		591,159,670.91	143,472,196.20	109,783,078.40		11,218,117,676.01	3,678,668,109.51	94,310,648,341.81
Add: Cumulative changes of accounting policies													
Error correction of prior period											15,434,428.66		15,434,428.66
Business combination under common control													
Others													
II. Balance at the beginning of current year	36,802,003,975.91		15,146,007,547.16	3,456,000,000.00	23,165,436,087.71		591,159,670.91	143,472,196.20	109,783,078.40		11,233,552,104.67	3,678,668,109.51	94,326,082,770.47
III. Current period increase (or less: decrease)	91,580,000.00		-894,169,811.32	4,227,000,000.00	743,629,105.78		-111,889,436.67	28,503,273.08	5,985,460.98		21,679,841.02	1,756,867,164.07	5,869,185,596.94
(I) Total comprehensive income							-111,889,436.67				816,585,757.98	17,260,588.51	721,956,909.82
(II) Capital contributed or withdrawn by owners	91,580,000.00		-894,169,811.32	4,227,000,000.00	743,629,105.78							1,754,773,057.58	5,922,812,352.04
1. Ordinary shares contributed by owners	91,580,000.00				28,891,031.92							1,754,773,057.58	1,875,244,089.50
2. Capital contributed by holders of other equity instruments			-894,169,811.32	4,227,000,000.00									3,332,830,188.68
3. Amount of share-based payment included in equity													
4. Others					714,738,073.86								714,738,073.86
(III) Profit distribution									5,985,460.98		-794,905,916.96	-15,166,482.02	-804,086,938.00
1. Appropriation of surplus reserve									5,985,460.98		-5,985,460.98		
2. Appropriation of general risk reserve													
3. Appropriation of profit to owners											-788,920,455.98	-15,166,482.02	-804,086,938.00
4. Others													
(IV) Internal carry-over within equity													
1. Transfer of capital reserve to capital													
2. Transfer of surplus reserve to capital													
3. Surplus reserve to cover losses													
4. Changes in defined benefit plan carried over to retained earnings													
5. Other comprehensive income carried over to retained earnings													
6. Others													
(V) Special reserve								28,503,273.08					28,503,273.08
1. Current period appropriation								588,566,348.94					588,566,348.94
2. Current period use								-560,063,075.86					-560,063,075.86
(VI) Others													
IV. Balance at the end of current period	36,893,583,975.91		14,251,837,735.84	7,683,000,000.00	23,909,065,193.49		479,270,234.24	171,975,469.28	115,768,539.38		11,255,231,945.69	5,435,535,273.58	100,195,268,367.41

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

Jinan City Construction Group Co., Ltd.

Parent company statement of changes in equity for the year ended December 31, 2024

(Expressed in Renminbi Yuan)

Items	Current period cumulative										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	36,893,583,975.91		14,251,837,735.84	7,683,000,000.00	5,471,495,943.82		2,341,087.50		115,768,539.38	-552,420,194.00	63,865,607,088.45
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	36,893,583,975.91		14,251,837,735.84	7,683,000,000.00	5,471,495,943.82		2,341,087.50		115,768,539.38	-552,420,194.00	63,865,607,088.45
III. Current period increase (or less: decrease)	25,622,900.00		726,226,415.10	-1,684,000,000.00	3,587,681,484.19					-564,976,774.81	2,090,554,024.48
(I) Total comprehensive income										314,424,567.66	314,424,567.66
(II) Capital contributed or withdrawn by owners	25,622,900.00		726,226,415.10	-1,684,000,000.00	3,587,681,484.19						2,655,530,799.29
1. Ordinary shares contributed by owners	25,622,900.00				7,300,000,000.00						7,325,622,900.00
2. Capital contributed by holders of other equity instruments			726,226,415.10	5,616,000,000.00							6,342,226,415.10
3. Amount of share-based payment included in equity											
4. Others				-7,300,000,000.00	-3,712,318,515.81						-11,012,318,515.81
(III) Profit distribution										-879,401,342.47	-879,401,342.47
1. Appropriation of surplus reserve											
2. Appropriation of profit to owners										-879,401,342.47	-879,401,342.47
3. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve											
1. Current period appropriation											
2. Current period use											
(VI) Others											
IV. Balance at the end of current period	36,919,206,875.91		14,978,064,150.94	5,999,000,000.00	9,059,177,428.01		2,341,087.50		115,768,539.38	-1,117,396,968.81	65,956,161,112.93

Legal representative: 民许印为

Officer in charge of accounting: 艳郝印赫

Head of accounting department: 涛周印端

Jinan City Construction Group Co., Ltd.

Parent company statement of changes in equity for the year ended December 31, 2024 (continued)

(Expressed in Renminbi Yuan)

Items	Preceding period comparative										
	Share capital	Other equity instruments			Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total equity
		Preferred shares	Perpetual bonds	Others							
I. Balance at the end of prior year	36,802,003,975.91		15,146,007,547.16	3,456,000,000.00	5,494,848,325.03		2,341,087.50		109,783,078.40	182,631,113.20	61,193,615,127.20
Add: Cumulative changes of accounting policies											
Error correction of prior period											
Others											
II. Balance at the beginning of current year	36,802,003,975.91		15,146,007,547.16	3,456,000,000.00	5,494,848,325.03		2,341,087.50		109,783,078.40	182,631,113.20	61,193,615,127.20
III. Current period increase (or less: decrease)	91,580,000.00		-894,169,811.32	4,227,000,000.00	-23,352,381.21				5,985,460.98	-735,051,307.20	2,671,991,961.25
(I) Total comprehensive income										59,854,609.76	59,854,609.76
(II) Capital contributed or withdrawn by owners	91,580,000.00		-894,169,811.32	4,227,000,000.00	-23,352,381.21						3,401,057,807.47
1. Ordinary shares contributed by owners	91,580,000.00				28,891,031.92						120,471,031.92
2. Capital contributed by holders of other equity instruments			-894,169,811.32	4,227,000,000.00							3,332,830,188.68
3. Amount of share-based payment included in equity											
4. Others					-52,243,413.13						-52,243,413.13
(III) Profit distribution									5,985,460.98	-794,905,916.96	-788,920,455.98
1. Appropriation of surplus reserve									5,985,460.98	-5,985,460.98	
2. Appropriation of profit to owners										-788,920,455.98	-788,920,455.98
3. Others											
(IV) Internal carry-over within equity											
1. Transfer of capital reserve to capital											
2. Transfer of surplus reserve to capital											
3. Surplus reserve to cover losses											
4. Changes in defined benefit plan carried over to retained earnings											
5. Other comprehensive income carried over to retained earnings											
6. Others											
(V) Special reserve											
1. Current period appropriation											
2. Current period use											
(VI) Others											
IV. Balance at the end of current period	36,893,583,975.91		14,251,837,735.84	7,683,000,000.00	5,471,495,943.82		2,341,087.50		115,768,539.38	-552,420,194.00	63,865,607,088.45

Legal representative: 民许印为　　Officer in charge of accounting: 艳郝印艳　　Head of accounting department: 涛周印端

Jinan City Construction Group Limited Company

Notes to Financial Statements

For the year ended December 31, 2024

Monetary unit: RMB Yuan

I. Company profile

Jinan City Construction Group Limited Company (the "Company") was invested and established by the State-owned Assets Supervision and Administration Commission of Jinan People's Government (the "Jinan SASAC") under the approval of the Jinan People's Government. Headquartered in Jinan City, Shandong Province, the Company was registered at the Jinan Administration for Market Regulation on June 2, 2017, and obtained a business license with unified social credit code of 91370100MA3DRJHB1K. The Company's current registered capital is 45 billion yuan.

The main business scope of the Company: licensed items: construction engineering design; construction project construction; general items: enterprise headquarters management; planning and design management; landscape engineering construction; engaging in investment activities with self-owned funds; asset management services invested by self-owned funds; engineering management services; public utilities management services.

The financial statements were approved and authorized for issue by the eighth session of the Board of Directors in 2025.

II. Preparation basis of the financial statements

(I) Preparation basis

The financial statements have been prepared on the basis of going concern.

(II) Assessment of the ability to continue as a going concern

The Company has no events or conditions that may cast significant doubts upon the Company's ability to continue as a going concern within the 12 months after the balance sheet date.

III. Statement of compliance

The financial statements have been prepared in accordance with the requirements of China Accounting Standards for Business Enterprises (CASBEs), and present truly and completely the financial position, financial performance and cash flows of the Company.

IV. Significant accounting policies and estimates

(I) Accounting period

The accounting year of the Company runs from January 1 to December 31 under the Gregorian calendar.

(II) Operating cycle

Except for the real estate industry, the Company has a relatively short operating cycle for its business, an asset or a liability is classified as current if it is expected to be realized or due within 12 months. The operating cycle for real estate industry starts from the development of property and ends at sales, which normally extends over 12 months and is subject to specific projects, therefore, an asset or a liability is classified as current if it is expected to be realized or due within such operating cycle.

(III) Functional currency

The Company's functional currency is Renminbi (RMB) Yuan.

(IV) Business combination

1. Accounting treatment of business combination under common control

Assets and liabilities arising from business combination are measured at carrying amount of the combined party included in the consolidated financial statements of the ultimate controlling party at the combination date. Difference between carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party and that of the combination consideration or total par value of shares issued is adjusted to capital reserve, if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

2. Accounting treatment of business combination not under common control

When combination cost is in excess of the fair value of identifiable net assets obtained from the acquiree at the acquisition date, the excess is recognized as goodwill; otherwise, the fair value of identifiable assets, liabilities and contingent liabilities, and the measurement of the combination cost are reviewed, then the difference is recognized in profit or loss.

(V) Judgement criteria for control and compilation method of consolidated financial statements

1. Judgement of control

An investor controls an investee if and only if the investor has all the following: (1) power over the investee; (2) exposure, or rights, to variable returns from its involvement with the investee; and (3) the ability to use its power over the investee to affect the amount of the investor's returns.

2. Compilation method of consolidated financial statements

The parent company brings all its controlled subsidiaries into the consolidation scope. The consolidated financial statements are compiled by the parent company according to "CASBE 33 – Consolidated Financial Statements", based on relevant information and the financial statements of the parent company and its subsidiaries.

(VI) Classification of joint arrangements and accounting treatment of joint operations

1. Joint arrangements include joint operations and joint ventures.

2. When the Company is a joint operator of a joint operation, it recognizes the following items in relation to its interest in a joint operation:

(1) its assets, including its share of any assets held jointly;

(2) its liabilities, including its share of any liabilities incurred jointly;

(3) its revenue from the sale of its share of the output arising from the joint operation;

(4) its share of the revenue from the sale of the assets by the joint operation; and

(5) its expenses, including its share of any expenses incurred jointly.

(VII) Recognition criteria of cash and cash equivalents

Cash as presented in cash flow statement refers to cash on hand and deposit on demand for payment. Cash equivalents refer to short-term, highly liquid investments that can be readily converted to cash and that are subject to an insignificant risk of changes in value.

(VIII) Foreign currency translation

1. Translation of transactions denominated in foreign currency

Transactions denominated in foreign currency are translated into RMB yuan at the approximate exchange rate similar to the spot exchange rate at the transaction date at initial recognition. At the balance sheet date, monetary items denominated in foreign currency are translated at the spot exchange rate at the balance sheet date with difference, except for those arising from the principal and interest of exclusive borrowings eligible for capitalization, included in profit or loss; non-cash items carried at historical costs are translated at the approximate exchange rate similar to the spot exchange rate at the transaction date, with the RMB amounts unchanged; non-cash items carried at fair value in foreign currency are translated at the spot exchange rate at the date when the fair value was determined, with difference included in profit or loss or other comprehensive income.

2. Translation of financial statements measured in foreign currency

The assets and liabilities in the balance sheet are translated into RMB at the spot exchange rate at the balance sheet date; the equity items, other than undistributed profit, are translated at the spot exchange rate at the transaction date; the revenues and expenses in the income statement are translated into RMB at the approximate exchange rate similar to the spot exchange rate at the transaction date. The difference arising from the aforementioned foreign currency translation is included in other comprehensive income.

(IX) Financial instruments

1. Classification of financial assets and financial liabilities

Financial assets are classified into the following three categories when initially recognized: (1)

financial assets at amortized cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

Financial liabilities are classified into the following four categories when initially recognized: (1) financial liabilities at fair value through profit or loss; (2) financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies; (3) financial guarantee contracts not fall within the above categories (1) and (2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category (1); (4) financial liabilities at amortized cost.

2. Recognition criteria, measurement method and derecognition of financial assets and financial liabilities

(1) Recognition criteria and measurement method of financial assets and financial liabilities

When the Company becomes a party to a financial instrument, it is recognized as a financial asset or financial liability. The financial assets and financial liabilities initially recognized by the Company are measured at fair value; for the financial assets and liabilities at fair value through profit or loss, the transaction expenses thereof are directly included in profit or loss; for other categories of financial assets and financial liabilities, the transaction expenses thereof are included into the initially recognized amount. However, at initial recognition, for accounts receivable that do not contain a significant financing component or in circumstances where the Company does not consider the financing components in contracts within one year, they are measured at the transaction price in accordance with “CASBE 14 – Revenues”.

(2) Subsequent measurement of financial assets

1) Financial assets measured at amortized cost

The Company measures its financial assets at the amortized costs using effective interest method. Gains or losses on financial assets that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial assets are derecognized, reclassified, amortized using effective interest method or recognized with impairment loss.

2) Debt instrument investments at fair value through other comprehensive income

The Company measures its debt instrument investments at fair value. Interests, impairment gains or losses, and gains and losses on foreign exchange that calculated using effective interest method shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into profit or loss when the financial assets are derecognized.

3) Equity instrument investments at fair value through other comprehensive income

The Company measures its equity instrument investments at fair value. Dividends obtained (other than those as part of investment cost recovery) shall be included into profit or loss, while other gains or losses are included into other comprehensive income. Accumulated gains or losses that initially recognized as other comprehensive income should be transferred out into retained earnings when the financial assets are derecognized.

4) Financial assets at fair value through profit or loss

The Company measures its financial assets at fair value. Gains or losses arising from changes in fair value (including interests and dividends) shall be included into profit or loss, except for financial assets that are part of hedging relationships.

(3) Subsequent measurement of financial liabilities

1) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include held-for-trading financial liabilities (including derivatives that are liabilities) and financial liabilities designated as at fair value through profit or loss. The Company measures such kind of liabilities at fair value. The amount of changes in the fair value of the financial liabilities that are attributable to changes in the Company's own credit risk shall be included into other comprehensive income, unless such treatment would create or enlarge accounting mismatches in profit or loss. Other gains or losses on those financial liabilities (including interests, changes in fair value that are attributable to reasons other than changes in the Company's own credit risk) shall be included into profit or loss, except for financial liabilities that are part of hedging relationships. Accumulated gains or losses that originally recognized as other comprehensive income should be transferred out into retained earnings when the financial liabilities are derecognized.

2) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies

The Company measures its financial liabilities in accordance with "CASBE 23 – Transfer of Financial Assets".

3) Financial guarantee contracts not fall within the above categories 1) and 2), and commitments to provide a loan at a below-market interest rate, which do not fall within the above category 1)

The Company measures its financial liabilities at the higher of: a. the amount of loss allowances in accordance with impairment requirements of financial instruments; b. the amount initially recognized less the amount of accumulated amortization recognized in accordance with "CASBE 14 – Revenues".

4) Financial liabilities at amortized cost

The Company measures its financial liabilities at amortized cost using effective interest method. Gains or losses on financial liabilities that are measured at amortized cost and are not part of hedging relationships shall be included into profit or loss when the financial liabilities are derecognized and amortized using effective interest method.

(4) Derecognition of financial assets and financial liabilities

1) Financial assets are derecognized when:

a. the contractual rights to the cash flows from the financial assets expire; or

b. the financial assets have been transferred and the transfer qualifies for derecognition in accordance with “CASBE 23 – Transfer of Financial Assets”.

2) Only when the underlying present obligations of a financial liability are relieved totally or partly may the financial liability be derecognized accordingly.

3. Recognition criteria and measurement method of financial assets transfer

Where the Company has transferred substantially all of the risks and rewards related to the ownership of the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability. If it retained substantially all of the risks and rewards related to the ownership of the financial asset, it continues recognizing the financial asset. Where the Company does not transfer or retain substantially all of the risks and rewards related to the ownership of a financial asset, it is dealt with according to the circumstances as follows respectively: (1) if the Company does not retain its control over the financial asset, it derecognizes the financial asset, and any right or liability arising from such transfer is recognized independently as an asset or a liability; (2) if the Company retains its control over the financial asset, according to the extent of its continuing involvement in the transferred financial asset, it recognizes the related financial asset and recognizes the relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for derecognition, the difference between the amounts of the following two items is included in profit or loss: (1) the carrying amount of the transferred financial asset as of the date of derecognition; (2) the sum of consideration received from the transfer of the financial asset, and the accumulative amount of the changes of the fair value originally included in other comprehensive income proportionate to the transferred financial asset (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income). If the transfer of financial asset partially satisfies the conditions for derecognition, the entire carrying amount of the transferred financial asset is, between the portion which is derecognized and the portion which is not, apportioned according to their respective relative fair value, and the difference between the amounts of the following two items is included into profit or loss: (1) the carrying amount of the portion which is derecognized; (2) the sum of consideration of the portion which is derecognized, and the portion of the accumulative amount of the changes in the fair value originally included in other comprehensive income which is corresponding to the portion which is derecognized (financial assets transferred refer to debt instrument investments at fair value through other comprehensive income).

4. Fair value determination method of financial assets and liabilities

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data and information are available to measure fair value. The inputs to valuation techniques used to measure fair value are arranged in the following hierarchy and used accordingly:

(1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;

(2) 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 2 inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability, for example, interest rates and yield curves observable at commonly quoted intervals; market-corroborated inputs;

(3) Level 3 inputs are unobservable inputs for the asset or liability. Level 3 inputs include interest rate that is not observable and cannot be corroborated by observable market data at commonly quoted intervals, historical volatility, future cash flows to be paid to fulfill the disposal obligation assumed in business combination, financial forecast developed using the Company’s own data, etc.

5. Impairment of financial instruments

The Company, on the basis of expected credit loss, recognizes loss allowances of financial assets at amortized cost, debt instrument investments at fair value through other comprehensive income, contract assets, leases receivable, loan commitments other than financial liabilities at fair value through profit or loss, financial guarantee contracts not belong to financial liabilities at fair value through profit or loss or financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies.

Expected credit losses refer to the weighted average of credit losses with the respective risks of a default occurring as the weights. Credit loss refers to the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Among which, purchased or originated credit-impaired financial assets are discounted at the credit-adjusted effective interest rate.

At the balance sheet date, the Company shall only recognize the cumulative changes in the lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

For accounts receivable and contract assets resulting from transactions regulated in “CASBE 14 – Revenues” which do not contain a significant financing component or in circumstances where the

Company does not consider the financing components in contracts within one year, the Company chooses simplified approach to measure the loss allowance at an amount equal to lifetime expected credit losses.

For financial assets other than the above, on each balance sheet date, the Company shall assess whether the credit risk on the financial instrument has increased significantly since initial recognition. The Company shall measure the loss allowance for the financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition; otherwise, the Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit loss.

Considering reasonable and supportable forward-looking information, the Company compares the risk of a default occurring on the financial instrument as at the balance sheet date with the risk of a default occurring on the financial instrument as at the date of initial recognition, so as to assess whether the credit risk on the financial instrument has increased significantly since initial recognition.

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 relatively low credit risk at the balance sheet date.

The Company shall estimate expected credit risk and measure expected credit losses on an individual or a collective basis. When the Company adopts the collective basis, financial instruments are grouped with similar credit risk features.

The Company shall remeasure expected credit loss on each balance sheet date, and increased or reversed amounts of loss allowance arising therefrom shall be included into profit or loss as impairment losses or gains. For a financial asset measured at amortized cost, the loss allowance reduces the carrying amount of such financial asset presented in the balance sheet; for a debt investment measured at fair value through other comprehensive income, the loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of such financial asset.

6. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet and are not offset. However, the Company offsets a financial asset and a financial liability and presents the net amount in the balance sheet when, and only when, the Company: (1) currently has a legally enforceable right to set off the recognized amounts; and (2) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

For a transfer of a financial asset that does not qualify for derecognition, the Company does not offset the transferred asset and the associated liability.

(X) Recognition criteria and accrual method for expected credit losses of receivables and contract assets

1. Receivables and contract assets with expected credit losses measured on a collective basis by similar credit risk features

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
Bank acceptance receivable	Type of notes	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Trade acceptance receivable		
Accounts receivable – Portfolio grouped with ages	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and expected credit loss rate of accounts receivable, so as to calculate expected credit loss.
Accounts receivable – Portfolio grouped with balances due from government and public institutions, etc.	Credit risk characteristics of debtors	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Accounts receivable – Portfolio grouped with balances due from state-owned enterprises controlled by Jinan SASAC		
Accounts receivable – Portfolio grouped with balances due from platform transaction		
Accounts receivable – Portfolio grouped with balances due from related parties within the consolidation scope		
Contract assets – Portfolio grouped with balances due from government and public institutions, etc.	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and lifetime expected credit loss rate.
Contract assets – Portfolio grouped with balances due from state-owned enterprises controlled by Jinan SASAC		
Contract assets – Portfolio grouped with balances due from related parties within the consolidation scope		
Contract assets – Portfolio grouped with balances due from platform transaction		
Contract assets – Others		Based on historical credit loss experience, the current situation and the forecast of future

Categories	Basis for determination of portfolio	Method for measuring expected credit loss
		economic conditions, the expected credit loss is expected to be 5% through the exposure at default and the lifetime expected credit loss rate.
Other receivables – Portfolio grouped with balances due from government and public institutions, etc.	Nature of receivables	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company calculates expected credit loss through exposure at default and 12-month or lifetime expected credit loss rate.
Other receivables – Portfolio grouped with balances due from state-owned enterprises controlled by Jinan SASAC		
Other receivables – Portfolio grouped with balances due from related parties within the consolidation scope		
Other receivables – Special identification portfolios (employee petty cash, deposits, various financing deposits, bid bonds, employee social security funds)		
Other receivables – Portfolio grouped with ages	Ages	Based on historical credit loss experience, the current situation and the forecast of future economic conditions, the Company prepares the comparison table of ages and expected credit loss rate of other receivables, so as to calculate expected credit loss.

2. Comparison table of ages and expected credit loss rate of portfolio grouped with ages

Ages	Expected credit loss rate of accounts receivable (%)	Expected credit loss rate of other receivables (%)
Within 1 year (inclusive, the same hereinafter)	5.00	5.00
1-2 years	10.00	10.00
2-3 years	30.00	30.00
3-4 years	50.00	50.00
4-5 years	80.00	80.00
Over 5 years	100.00	100.00

(XI) Inventories

1. Inventories include development costs, development products, real estate development costs, agency construction costs, land reserves, goods on hand, raw materials, consumptive biological assets, production costs, work in process, goods dispatched, land development costs, revolving materials, etc.

2. Inventories dispatched from storage are accounted for with specific identification method at the end of each month, FIFO method, weighted average method at the end of each month.

3. Inventory system
Shandong Meiyue Hotel Management Co., Ltd. adopts physical inventory method, whereas other entities within the consolidation scope adopt perpetual inventory method.

4. Revolving materials are amortized using the 50-50 amortization method and the one-off method.

5. Real estate development costs include price of land, public facilities and construction costs, etc.
(1) Accounting method of land used for development: Land acquired for development shall be accounted into the development costs according to the land parcel before it is put into development. When the land is used for the development of commercial housing, the land use right value of the part used during the development of commercial housing shall be transferred into the development cost of relevant commercial housing.

(2) The construction cost shall be included in the development costs according to the actual payment for the project and materials.

(3) If the public supporting facilities are completed earlier than the relevant development products, they shall be included in the development costs of the relevant development projects according to the construction area allocation of the relevant development projects after the final accounts for the completion of the public supporting facilities. If the public supporting facilities are completed later than the relevant development products, the relevant development products shall withhold the public supporting facilities fees, and after the final accounts of the completion of the public supporting facilities, the cost of the relevant development products shall be adjusted according to the difference between the actual incurred amount and the accrued amount.

6. Land development cost includes land requisition and demolition compensation fee, land development fee, land transfer business fee, capital cost, etc. These relevant expenses should be included in the land development cost when occurred. When the government transfers the land, the Company shall carry over the land development cost according to the actual transferred amount and the budget unit cost.

7. Provision for inventory write-down
At the balance sheet date, inventories are measured at the lower of cost and net realizable value; provisions for inventory write-down are made on the excess of its cost over the net realizable value. The net realizable value of inventories held for sale is determined based on the amount of the estimated selling price less the estimated selling expenses and relevant taxes and surcharges in the ordinary course of business; the net realizable value of inventories to be processed is determined based on the amount of the estimated selling price less the estimated costs of

completion, selling expenses and relevant taxes and surcharges in the ordinary course of business; at the balance sheet date, when only part of the same item of inventories have agreed price, their net realizable value are determined separately and are compared with their costs to set the provision for inventory write-down to be made or reversed.

(XII) Long-term equity investments

1. Judgment of joint control and significant influence

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of these policies.

2. Determination of investment cost

(1) For business combination under common control, if the consideration of the combining party is that it makes payment in cash, transfers non-cash assets, assumes its liabilities or issues equity securities, on the date of combination, it regards the share of the carrying amount of the equity of the combined party included in the consolidated financial statements of the ultimate controlling party as the initial cost of the investment. The difference between the initial cost of the long-term equity investments and the carrying amount of the combination consideration paid or the par value of shares issued offsets capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When long-term equity investments are obtained through business combination under common control achieved in stages, the Company determines whether it is a “bundled transaction”.

If it is a “bundled transaction”, stages as a whole are considered as one transaction in accounting treatment. If it is not a “bundled transaction”, on the date of combination, investment cost is initially recognized at the share of the carrying amount of net assets of the combined party included the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost of long-term equity investments at the acquisition date and the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity is adjusted to capital reserve; if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

(2) For business combination not under common control, investment cost is initially recognized at the acquisition-date fair value of considerations paid.

When long-term equity investments are obtained through business combination not under common control achieved in stages, the Company determined whether they are stand-alone financial statements or consolidated financial statements in accounting treatment:

1) In the case of stand-alone financial statements, investment cost is initially recognized at the carrying amount of the previously held long-term equity investments plus the carrying amount of the consideration paid for the newly acquired equity.

2) In the case of consolidated financial statements, the Company determines whether it is a "bundled transaction".

If it is a "bundled transaction", stages as a whole are considered as one transaction in accounting treatment. If it is not a "bundled transaction", the carrying amount of the acquirer's previously held equity interest in the acquiree is remeasured at the acquisition-date fair value, and the difference between the fair value and the carrying amount is recognized in investment income; when the acquirer's previously held equity interest in the acquiree involves other comprehensive income under equity method, the related other comprehensive income is reclassified as income for the acquisition period, excluding other comprehensive income arising from changes in net liabilities or assets from remeasurement of defined benefit plan of the acquiree.

(3) Long-term equity investments obtained through ways other than business combination: the initial cost of a long-term equity investment obtained by making payment in cash is the purchase cost which is actually paid; that obtained on the basis of issuing equity securities is the fair value of the equity securities issued; that obtained through debt restructuring is determined according to "CASBE 12 – Debt Restructuring"; and that obtained through non-cash assets exchange is determined according to "CASBE 7 – Non-cash Assets Exchange".

3. Subsequent measurement and recognition method of profit or loss

For a long-term equity investment with control relationship, it is accounted for with cost method; for a long-term equity investment with joint control or significant influence relationship, it is accounted for with equity method.

4. Impairment test method and method of provision for impairment

For investments in subsidiaries, associates and joint ventures, at the balance sheet date, provision for impairment is made at the difference between the higher carrying amount and the recoverable amount if there is evidence indicating impairment.

5. Disposal of a subsidiary in stages resulting in the Company's loss of control

(1) Judgement principles of "bundled transaction"

For disposal of a subsidiary in stages resulting in the Company's loss of control, the Company determines whether it is a "bundled transaction" based on the agreement terms for each stage, disposal consideration obtained separately, object of the equity sold, disposal method, disposal time point, etc. If the terms, conditions and economic effect of each transaction meet one or more of the following conditions, these transactions are usually considered as a "bundled transaction":

1) these transactions are entered into at the same time or in contemplation of each other;

2) these transactions form a single transaction designed to achieve an overall commercial effect;

3) the occurrence of one transaction is dependent on the occurrence of at least one other transaction; and

4) one transaction considered on its own is not economically justified, but it is economically justified when considered together with other transactions.

(2) Accounting treatments of non-bundled transactions

1) Stand-alone financial statements

The difference between the carrying amount of the disposed equity and the consideration obtained thereof is recognized in profit or loss. If the disposal does not result in the Company's loss of significant influence or joint control, the remained equity is accounted for with equity method; however, if the disposal results in the Company's loss of control, joint control, or significant influence, the remained equity is accounted for according to "CASBE 22 – Financial Instruments: Recognition and Measurement".

2) Consolidated financial statements

Before the Company's loss of control, the difference between the disposal consideration and the proportionate share of net assets in the disposed subsidiary from acquisition date or combination date to the disposal date is adjusted to capital reserve (capital premium), if the balance of capital reserve is insufficient to offset, any excess is adjusted to retained earnings.

When the Company loses control, the remained equity is remeasured at the loss-of-control-date fair value. The aggregated value of disposal consideration and the fair value of the remained equity, less the share of net assets in the disposed subsidiary held before the disposal from the acquisition date or combination date to the disposal date is recognized in investment income in the period when the Company loses control over such subsidiary, and meanwhile goodwill is offset correspondingly. Other comprehensive income related to equity investments in former subsidiary is reclassified as investment income upon the Company's loss of control.

(3) Accounting treatment of bundled transaction

1) Stand-alone financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control over a subsidiary, the difference between the disposal consideration at each stage and the carrying amount of long-term equity investments corresponding to the disposed investments is recognized as other comprehensive income at the stand-alone financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

2) Consolidated financial statements

Stages as a whole are considered as one transaction resulting in loss of control in accounting treatment. However, before the Company loses control over a subsidiary, the difference between the disposal consideration at each stage and the proportionate share of net assets in the disposed subsidiary is recognized as other comprehensive income at the consolidated financial statements and reclassified as profit or loss in the period when the Company loses control over such subsidiary.

(XIII) Investment property

1. Investment property includes land use right of leased-out property and of property held for capital appreciation and buildings that have been leased out.

2. The initial measurement of investment property is based on its cost, and subsequent measurement is made using fair value model. Basis for using fair value model: with reference to the current market price of same or similar real estate in the active market; if the current market price of the same or similar real estate cannot be obtained, the fair value of the investment property shall be reasonably estimated by referring to the recent transaction price of the same or similar real estate in the active market and considering the transaction situation, transaction date, location and other factors; or its fair value is determined based on the expected future lease income and the present value of relevant cash flows.

(XIV) Fixed assets

1. Recognition principles, pricing principles of fixed assets and accounting treatment of subsequent expenditures

Fixed assets are tangible assets held for use in the production of goods or rendering of services, for rental to others, or for administrative purposes, and expected to be used during more than one accounting year. Fixed assets are recognized if, and only if, it is probable that future economic benefits associated with the assets will flow to the Company and the cost of the assets can be measured reliably.

2. Depreciation method of different categories of fixed assets

Items	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Buildings and structures	Straight-line method	3-50	0-10	1.8-33.33
Machinery	Straight-line method	1-20	0-10	4.5-100
Transport facilities	Straight-line method	1-10	0-5	9.5-100
Office equipment	Straight-line method	1-20	0-10	4.5-100
Other equipment	Straight-line method	3-30	1-10	0.3-0.33

3. Impairment test method and method of provision for impairment

At the balance sheet date, provision for impairment is made at the difference between the higher carrying amount and the recoverable amount if there is evidence indicating impairment.

(XV) Construction in progress

1. Construction in progress is recognized if, and only if, it is probable that future economic

benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. Construction in progress is measured at the actual cost incurred to reach its designed usable conditions.

2. Construction in progress is transferred into fixed assets at its actual cost when it reaches the designed usable conditions. When the auditing of the construction in progress is not finished while reaching the designed usable conditions, it is transferred to fixed assets using estimated value first, and then adjusted accordingly when the actual cost is settled, but the accumulated depreciation is not to be adjusted retrospectively.

3. At the balance sheet date, provision for impairment is made at the difference between the higher carrying amount and the recoverable amount if there is evidence indicating impairment.

(XVI) Borrowing costs

1. Recognition principle of borrowing costs capitalization

Where the borrowing costs incurred to the Company can be directly attributable to the acquisition and construction or production of assets eligible for capitalization, it is capitalized and included in the costs of relevant assets; other borrowing costs are recognized as expenses on the basis of the actual amount incurred, and are included in profit or loss.

2. Borrowing costs capitalization period

(1) The borrowing costs are not capitalized unless the following requirements are all met: 1) the asset disbursements have already incurred; 2) the borrowing costs have already incurred; and 3) the acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

(2) Suspension of capitalization: where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs is suspended; the borrowing costs incurred during such period are recognized as expenses, and are included in profit or loss, till the acquisition and construction or production of the asset restarts.

(3) Ceasing of capitalization: when the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs is ceased.

3. Capitalization rate and capitalized amount of borrowing costs

For borrowings exclusively for the acquisition and construction or production of assets eligible for capitalization, the to-be-capitalized amount of interests is determined in light of the actual interest expenses incurred (including amortization of premium or discount based on effective interest method) of the special borrowings in the current period less the interest income on the unused borrowings as a deposit in the bank or as a temporary investment; where a general borrowing is used for the acquisition and construction or production of assets eligible for capitalization, the

Company calculates and determines the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the excess of the accumulative capital disbursements over the special borrowings by the capitalization rate of the general borrowing used.

(XVII) Biological assets

1. Biological assets refer to living animals and plants, which have a classification of consumptive biological assets, productive biological assets, and public welfare biological assets. Biological assets are recognized only when: (1) the Company controls the asset as a result of past transactions or events; (2) it is probable that future economic benefits associated with the asset will flow to the Company; and (3) the fair value or cost of the asset can be measured reliably.

2. Depreciation method

Categories	Depreciation method	Useful life (years)	Residual value proportion (%)	Annual depreciation rate (%)
Draught animal	Straight-line method	5	5	19
Forestry	Straight-line method	20	5	4.75

(XVIII) Intangible assets

1. Intangible assets include PPP projects under construction, franchise, data resources, house use right, brand royalty, land use right, patent right, trademark right, and software. the initial measurement of intangible asset is based on its cost.

2. For intangible assets with finite useful lives, their amortization amounts are amortized within their useful lives systematically and reasonably, if it is unable to determine the expected realization pattern reliably, intangible assets are amortized by the straight-line method with details as follows:

Items	Amortization period (years)
Land use right	30-70
House use right	20
Franchise	10-50
Brand royalty	10
Patent right	2-20
Software	2-10
Trademark	5
Data resources	10

3. At the balance sheet date, provisions for impairment on intangible assets with finite useful lives are made at the difference between the higher carrying amount and the recoverable amount if there is evidence indicating impairment. Impairment tests are performed on intangible assets with

indefinite useful lives and intangible assets not yet reaching the usable conditions on an annual basis, no matter there is evidence indicating impairment or not.

4. Expenditures on the research phase of an internal project are recognized as profit or loss when they are incurred. An intangible asset arising from the development phase of an internal project is recognized if the Company can demonstrate all of the followings: (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale; (2) its intention to complete the intangible asset and use or sell it; (3) how the intangible asset will generate probable future economic benefits, among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset; (4) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and (5) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

(XIX) Long-term prepayments

Long-term prepayments are expenses that have been recognized but with amortization period over one year (excluding one year). They are recorded with actual cost, and evenly amortized within the beneficiary period or stipulated period. If items of long-term prepayments fail to be beneficial to the following accounting periods, residual values of such items are included in profit or loss.

(XX) Contract assets, contract liabilities

The Company presents contract assets or contract liabilities in the balance sheet based on the relationship between its performance obligations and customers' payments. Contract assets and contract liabilities under the same contract shall offset each other and be presented on a net basis.

The Company presents an unconditional right to consideration (i.e., only the passage of time is required before the consideration is due) as a receivable, and presents a right to consideration in exchange for goods that it has transferred to a customer (which is conditional on something other than the passage of time) as a contract asset.

The Company presents an obligation to transfer goods to a customer for which the Company has received consideration (or the amount is due) from the customer as a contract liability.

(XXI) Employee benefits

1. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

2. Short-term employee benefits

The Company recognizes, in the accounting period in which an employee provides service, short-term employee benefits actually incurred as liabilities, with a corresponding charge to profit or loss or the cost of a relevant asset.

3. Post-employment benefits

The Company classifies post-employment benefit plans as either defined contribution plans or defined benefit plans.

(1) The Company recognizes 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 profit or loss or the cost of a relevant asset.

(2) Accounting treatment by the Company for defined benefit plan usually involves the following steps:

1) In accordance with the projected unit credit method, using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, measure the obligations under the defined benefit plan, and determine the periods to which the obligations are attributed. Meanwhile, the Company discounts obligations under the defined benefit plan to determine the present value of the defined benefit plan obligations and the current service cost;

2) When a defined benefit plan has assets, the Company recognizes the deficit or surplus by deducting the fair value of defined benefit plan assets from the present value of the defined benefit plan obligation as a net defined benefit plan liability or net defined benefit plan asset. When a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus in the defined benefit plan and the asset ceiling;

3) At the end of the period, the Company recognizes the following components of employee benefits cost arising from defined benefit plan: a. service cost; b. net interest on the net defined benefit plan liability (asset); and c. changes as a result of remeasurement of the net defined benefit liability (asset). Item a and item b are recognized in profit or loss or the cost of a relevant asset. Item c is recognized in other comprehensive income and is not to be reclassified subsequently to profit or loss. However, the Company may transfer those amounts recognized in other comprehensive income within equity.

4. Termination benefits

Termination benefits provided to employees are recognized as an employee benefit liability for termination benefits, with a corresponding charge to profit or loss at the earlier of the following dates: (1) when the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; or (2) when the Company recognizes cost or expenses related to a restructuring that involves the payment of termination benefits.

5. Other long-term employee benefits

When other long-term employee benefits provided to the employees satisfied the conditions for classifying as a defined contribution plan, those benefits are accounted for in accordance with the requirements relating to defined contribution plan, while other benefits are accounted for in accordance with the requirements relating to defined benefit plan. The Company recognizes the cost of employee benefits arising from other long-term employee benefits as the followings: (1) service cost; (2) net interest on the net liability or net assets of other long-term employee benefits; and (3) changes as a result of remeasurement of the net liability or net assets of other long-term employee benefits. As a practical expedient, the net total of the aforesaid amounts is recognized in profit or loss or included in the cost of a relevant asset.

(XXII) Provisions

1. Provisions are recognized when fulfilling the present obligations arising from contingencies such as providing guarantee for other parties, litigation, products quality guarantee, onerous contract, etc., may cause the outflow of the economic benefit and such obligations can be reliably measured.

2. The initial measurement of provisions is based on the best estimated expenditures required in fulfilling the present obligations, and its carrying amount is reviewed at the balance sheet date.

(XXIII) Other financial instruments such as preferred shares and perpetual bonds

Pursuant to CASBEs on financial instruments and "Regulations on Accounting Treatments of Perpetual Bonds" (Cai Kuai [2019] No. 2) issued by the Ministry of Finance, for financial instruments such as perpetual bonds, etc., the Company classifies a financial instrument or its components at initial recognition as a financial asset or liability or equity instrument, based on contract terms and economic essence it reveals instead of its legal form, combining with the definitions of financial asset, liability and equity instrument.

At the balance sheet date, for a financial instrument classified as an equity instrument, its interest expenditure or dividend distribution is treated as profit distribution, and share repurchase and cancelation are treated as changes in equity; for a financial instrument classified as a financial liability, its interest expenditure or dividend distribution is treated as borrowing expense, and gain or loss on repurchase or redemption is included in profit or loss.

(XXIV) Revenue

1. Revenue recognition principles

At contract inception, the Company shall assess the contracts and shall identify each performance obligation in the contracts, and determine whether the performance obligation should be satisfied over time or at a point in time.

The Company satisfies a performance obligation over time if one of the following criteria is met, otherwise, the performance obligation is satisfied at a point in time: (1) the customer simultaneously receives and consumes the economic benefits provided by the Company's performance as the Company performs; (2) the customer can control goods as they are created by the Company's performance; (3) goods created during the Company's performance have irreplaceable uses and the Company has an enforceable right to the payments for performance completed to date during the whole contract period.

For each performance obligation satisfied over time, the Company shall recognize revenue over time by measuring the progress towards complete satisfaction of that performance obligation. In the circumstance that the progress cannot be measured reasonably, but the costs incurred in satisfying the performance obligation are expected to be recovered, the Company shall recognize revenue only to the extent of the costs incurred until it can reasonably measure the progress. For each performance obligation satisfied at a point in time, the Company shall recognize revenue at the time point that the customer obtains control of relevant goods or services. To determine whether the customer has obtained control of goods, the Company shall consider the following indications: (1) the Company has a present right to payments for the goods, i.e., the customer is presently obliged to pay for the goods; (2) the Company has transferred the legal title of the goods to the customer, i.e., the customer has legal title to the goods; (3) the Company has transferred physical possession of the goods to the customer, i.e., the customer has physically possessed the goods; (4) the Company has transferred significant risks and rewards of ownership of the goods to the customer, i.e., the customer has obtained significant risks and rewards of ownership of the goods; (5) the customer has accepted the goods; (6) other evidence indicating the customer has obtained control over the goods.

2. Revenue measurement principle

(1) Revenue is measured at the amount of the transaction price that is 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 goods or services to a customer, excluding amounts collected on behalf of third parties and those expected to be refunded to the customer.

(2) If the consideration promised in a contract includes a variable amount, the Company shall confirm the best estimate of variable consideration at expected value or the most likely amount. However, the transaction price that includes the amount of variable consideration only to the extent that it is high probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(3) In the circumstance that the contract contains a significant financing component, the Company shall determine the transaction price based on the price that a customer would have paid for if the customer had paid cash for obtaining control over those goods or services. The difference between the transaction price and the amount of promised consideration is amortized under effective interest method over contractual period.

(4) For contracts containing two or more performance obligations, the Company shall determine the stand-alone selling price at contract inception of the distinct good underlying each

performance obligation and allocate the transaction price to each performance obligation on a relative stand-alone selling price basis.

3. Revenue recognition method

(1) Land development and consolidation business

The land development business of the Company is a performance obligation satisfied at a point in time. The time when the transaction confirmation letter is signed between the Jinan Municipal Bureau of Nature and Planning and the land bidder is used as the confirmation time for land consolidation and development income. The land consolidation and development income is recognized based on the amount of receivable land transfer income.

(2) Sale of real estate

The realization of sales revenue shall be confirmed when the real estate is completed and qualified for acceptance, the delivery conditions agreed in the sales contract are met, and the customer obtains the control of the relevant goods or services.

(3) Construction services

Construction services are performance obligations satisfied over time. Revenue from construction services is recognized by the percentage of completion of the performance obligations, which is determined based on the proportion of the incurred costs to the estimated total costs. In the circumstance that the percentage of completion cannot be measured reasonably, but the incurred costs are expected to be recovered, the Company recognizes revenue only to the extent of the incurred costs until it can reasonably measure the percentage of completion.

(4) Toll service

The Company's toll business is a performance obligation satisfied at a point in time, and revenue is recognized when the customer passes through the toll bridge section, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

(5) Product oil sales business

The Company's product oil sales business is a performance obligation satisfied at a point in time, and revenue is recognized when customers refuel, and the Company has collected the payments or has obtained the right to the payments, and related economic benefits are highly probable to flow to the Company.

(6) Engineering construction agency business

The rendering of engineering construction services by the Company is a performance obligation satisfied over time. Revenue from construction services is recognized by the performance progress, which is determined based on percentage of completion.

(XXV) Contract costs

Assets related to contract costs include costs to obtain a contract and costs to fulfill a contract.

The Company recognizes as an asset the incremental costs to obtain a contract if those costs are expected to be recovered. The costs to obtain a contract shall be included into profit or loss when incurred if the amortization period of the asset is one year or less.

If the costs incurred in fulfilling a contract are not within the scope of standards related to inventories, fixed assets or intangible assets, etc., the Company shall recognize the costs to fulfill a contract as an asset if all the following criteria are satisfied:

1. the costs relate directly to a contract or to an anticipated contract, including direct labor, direct materials, manufacturing overhead cost (or similar cost), costs that are explicitly chargeable to the customer under the contract, and other costs that are only related to the contract;

2. the costs enhance resources of the Company that will be used in satisfying performance obligations in the future; and

3. the costs are expected to be recovered.

An asset related to contract costs shall be amortized on a systematic basis that is consistent with related goods or services, with amortization included into profit or loss.

The Company shall make provision for impairment and recognize an impairment loss to the extent that the carrying amount of an asset related to contract costs exceeds the remaining amount of consideration that the Company expects to receive in exchange for the goods or services to which the asset relates less the costs expected to be incurred. The Company shall recognize a reversal of an impairment loss previously recognized in profit or loss when the impairment conditions no longer exist or have improved. The carrying amount of the asset after the reversal shall not exceed the amount that would have been determined on the reversal date if no provision for impairment had been made previously.

(XXVI) Government grants

1. Government grants shall be recognized if, and only if, the following conditions are all met: (1) the Company will comply with the conditions attaching to the grants; (2) the grants will be received. Monetary government grants are measured at the amount received or receivable. Non-monetary government grants are measured at fair value, and can be measured at nominal amount in the circumstance that fair value cannot be assessed.

2. Government grants related to assets

Government grants related to assets are government grants with which the Company purchases, constructs or otherwise acquires long-term assets under requirements of government. In the circumstances that there is no specific government requirement, the Company shall determine based on the primary condition to acquire the grants, and government grants related to assets are government grants whose primary condition is to construct or otherwise acquire long-term assets.

They offset carrying amount of relevant assets, or they are recognized as deferred income. If recognized as deferred income, they are included in profit or loss on a systematic basis over the useful lives of the relevant assets. Those measured at notional amount are directly included into profit or loss. For assets sold, transferred, disposed or damaged within the useful lives, balance of unamortized deferred income is transferred into profit or loss of the period in which the disposal occurred.

3. Government grants related to income

Government grants related to income are government grants other than those related to assets. For government grants that contain both parts related to assets and parts related to income, in which those two parts are blurred, they are thus collectively classified as government grants related to income. For government grants related to income used for compensating the related future cost, expenses or losses, they are recognized as deferred income and included in profit or loss or used to offset relevant cost during the period in which the relevant cost, expenses or losses are recognized; for government grants related to income used for compensating the related cost, expenses or losses incurred to the Company, they are directly included in profit or loss or used to offset relevant cost.

4. Government grants related to the ordinary course of business shall be included into other income or used to offset relevant cost based on business nature, while those not related to the ordinary course of business shall be included into non-operating revenue or expenditures.

5. Policy interest subvention

(1) In the circumstance that government appropriates interest subvention to lending bank, who provides loans for the Company with a policy subsidised interest rate, borrowings are carried at the amount received, with relevant borrowings cost computed based on the principal and the policy subsidised interest rate.

(2) In the circumstance that government directly appropriates interest subvention to the Company, the subsidised interest shall offset relevant borrowing cost.

(XXVII) Deferred tax assets and deferred tax liabilities

1. Deferred tax assets or deferred tax liabilities are calculated and recognized based on the difference between the carrying amount and tax base of assets and liabilities (and the difference of the carrying amount and tax base of items not recognized as assets and liabilities but with their tax base being able to be determined according to tax laws) and in accordance with the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

2. A deferred tax asset is recognized to the extent of the amount of the taxable income, which is most likely to obtain and which can be deducted from the deductible temporary difference. At the balance sheet date, if there is any exact evidence indicating that it is probable that future taxable income will be available against which deductible temporary differences can be utilized, the

deferred tax assets unrecognized in prior periods are recognized.

3. At the balance sheet date, the carrying amount of deferred tax assets is reviewed. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of the deferred tax asset to be utilized. Such reduction is subsequently reversed to the extent that it becomes probable that sufficient taxable income will be available.

4. The income tax and deferred tax for the period are treated as income tax expenses or income through profit or loss, excluding those arising from the following circumstances: (1) business combination; and (2) the transactions or items directly recognized in equity.

5. Deferred tax assets and deferred tax liabilities shall offset each other and be presented on a net basis when the following conditions are all met: (1) the Company has the legal right to settle off current tax assets against current tax liabilities; (2) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority on either: 1) the same taxable entity; or 2) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(XXVIII) Leases

1. The Company as the lessee

At the commencement date, the Company recognizes a lease that has a lease term of 12 months or less as a short-term lease, which shall not contain a purchase option; the Company recognizes a lease as a lease of a low-value asset if the underlying asset is of low value when it is new. 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 short-term leases and leases of low-value assets, lease payments are recognized as cost or profit or loss with straight-line method over the lease term.

Apart from the above-mentioned short-term leases and leases of low-value assets with simplified approach, the Company recognizes right-of-use assets and lease liabilities at the commencement date.

(1) Right-of-use assets

The right-of-use asset is measured at cost and the cost shall comprise: 1) the amount of the initial measurement of the lease liabilities; 2) any lease payments made at or before the commencement date, less any lease incentives received; 3) any initial direct costs incurred by the lessee; and 4) 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 depreciates the right-of-use asset using the straight-line method. If it is reasonable to be certain that the ownership of the underlying asset can be acquired by the end of the lease term, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates 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.

(2) Lease liabilities

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate shall be used. Unrecognized financing expenses, calculated at the difference between the lease payment and its present value, are recognized as interest expenses over the lease term using the discount rate which has been used to determine the present value of lease payment and included in profit or loss. Variable lease payments not included in the measurement of lease liabilities are included in profit or loss in the periods in which they are incurred.

After the commencement date, if there is a change in the following items: 1) actual fixed payments; 2) amounts expected to be payable under residual value guarantees; 3) an index or a rate used to determine lease payments; 4) assessment result or exercise of purchase option, extension option or termination option, the Company remeasures the lease liability based on the present value of lease payments after changes, and adjusts the carrying amount of the right-of-use asset accordingly. If the carrying amount of the right-of-use asset is reduced to zero but there shall be a further reduction in the lease liability, the remaining amount shall be recognized into profit or loss.

2. The Company as the lessor

At the commencement date, the Company classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, it is classified as an operating lease.

(1) Operating lease

Lease receipts are recognized as lease income with straight-line method over the lease term. Initial direct costs incurred shall be capitalized, amortized on the same basis as the recognition of lease income, and included into profit or loss by installments. Variable lease payments related to operating lease which are not included in the lease payment are charged as profit or loss in the periods in which they are incurred.

(2) Finance lease

At the commencement date, the Company recognizes the finance lease payment receivable based on the net investment in the lease (sum of the present value of unguaranteed residual value and lease receipts that are not received at the commencement date, discounted by the interest rate implicit in the lease), and derecognizes assets held under the finance lease. The Company calculates and recognizes interest income using the interest rate implicit in the lease over the lease term.

Variable lease payments not included in the measurement of the net investment in the lease are charged as profit or loss in the periods in which they are incurred.

3. Sale and leaseback

(1) The Company as the lessee

In accordance with the "CASBE 14 – Revenues", the Company would assess and determine whether the transfer of an asset in the sale and leaseback transaction is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company measures the right-of-use asset arising from the leaseback at the proportion of the original carrying amount of the asset that relates to the right of use retained by the Company. Accordingly, the Company recognizes only the amount of any gain or loss that relates to the rights transferred to the lessor.

Otherwise, the Company continues the recognition of the transferred assets, and recognizes a financial liability equal to the amount of transfer income in accordance with the "CASBE 22 – Financial Instruments: Recognition and Measurement" at the same time.

(2) The Company as the lessor

In accordance with the "CASBE 14 – Revenues", the Company would assess and determine whether the transfer of an asset in the sale and leaseback transaction is accounted for as a sale of that asset.

If the transfer of an asset is accounted for as a sale of the asset, the Company accounts for the purchase of assets in accordance with other applicable standards, and accounts for the lease of assets in accordance with the "CASBE 21 – Leases".

Otherwise, the Company does not recognize the transferred asset, but recognizes a financial asset equal to the amount of transfer income in accordance with the "CASBE 22 – Financial Instruments: Recognition and Measurement".

(XXIX) Work safety fund

The Company appropriates work safety fund in accordance with the "Circular on Management Measures on the Appropriation and Use of Work Safety Fund" (Cai Zi [2022] No. 136) issued by the Ministry of Finance and the Ministry of Emergency Management. Standard work safety fund is included in the cost or profit or loss, meanwhile accounted for under "special reserve". When work safety fund is used as an expense, it is to offset special reserve directly. When work safety fund is qualified to be included in the cost of fixed assets, it is accounted for under "construction in progress” and transferred to fixed assets when related safety projects reach the designed useful conditions; meanwhile, the cost included in fixed assets is to offset “special reserve”, and accumulated depreciation shall be recognized at the same amount. Such fixed assets shall not be depreciated in future periods.

V. Remarks on changes in accounting policies and estimates and error corrections

(I) Changes in accounting policies

1. Changes in accounting policies arising from changes in CASBEs

(1) The Company has adopted the regulations about classification of liabilities as current or non-current in the “Interpretation of China Accounting Standards for Business Enterprises No. 17” issued by the Ministry of Finance since January 1, 2024. Such change in accounting policies has no impact on the Company’s financial statements.

(2) The Company has adopted the regulations about disclosure of supplier finance arrangements in the “Interpretation of China Accounting Standards for Business Enterprises No. 17” issued by the Ministry of Finance since January 1, 2024.

(3) The Company has adopted the regulations about accounting treatment of sale and leaseback transactions in the “Interpretation of China Accounting Standards for Business Enterprises No. 17” issued by the Ministry of Finance since January 1, 2024. Such change in accounting policies has no impact on the Company’s financial statements.

(4) The Company has adopted the regulations about accounting treatment of the assurance-type warranty not considered a separate performance obligation in the “Interpretation of China Accounting Standards for Business Enterprises No. 18” issued by the Ministry of Finance since January 1, 2024. Such change in accounting policies has no impact on the Company’s financial statements.

2. Other changes in accounting policies

None.

(II) Changes in accounting estimates

None.

(III) Corrections of prior period errors

Retroactive restatement method

Contents of error corrections	Correction process	Financial statement items affected in comparative periods	Cumulative effects
Adjust downward the property management fees improperly allocated to the subsidiary Shandong Gold Qidong Real Estate Co., Ltd.	Errors are corrected based on retroactive restatement method.	Cost of other operations	-4,260,780.24
		Other payables	-4,260,780.24
		Undistributed profit	4,260,780.24
The debt not required to be paid by the subsidiary Shandong Rongxiang Industrial Investment Co., Ltd. to Shandong Zhongjian Real Estate Development Co., Ltd.	Errors are corrected based on retroactive restatement method.	Undistributed profit	2,302,128.66
		Other receivables	2,302,128.66
The costs recorded in 2023 by the subsidiary Jinan Garden Expo Park Scenic Area Management and Operation Co., Ltd. for the cultural-themed catering project, bar project, and certain office expenses contained errors.	Errors are corrected based on retroactive restatement method.	Accounts payable	-3,154,600.00
		Undistributed profit	3,154,600.00
		Cost of main operations	-3,150,000.00
		Administrative expenses	-4,600.00
Accounting errors identified in the former subsidiary Laiwu Urban Development Group Co., Ltd.	Errors are corrected based on retroactive restatement method.	Inventories	13,132,300.00
		Undistributed profit	13,132,300.00
In the current period, the subsidiary Shandong Meiyue Hotel Management Co., Ltd. reversed the deferred tax assets recognized in the prior period.	Errors are corrected based on retroactive restatement method.	Deferred tax assets	-719,218.99
		Undistributed profit	-719,218.99
		Income tax expenses	719,218.99
The subsidiary Jinan Urban Construction Group Asset Operation Management Co., Ltd. adjusted the costs that were incorrectly recorded in the prior period.	Errors are corrected based on retroactive restatement method.	Accounts payable	-964,118.76
		Undistributed profit	964,118.76
		Operating cost	-964,118.76

(IV) Others

The Company has adopted the "Interim Provisions on Accounting Treatment of Enterprise Data Resources" issued by the Ministry of Finance since January 1, 2024 using prospective application method.

VI. Taxes

(I) Main taxes and tax rates

Taxes	Tax bases	Tax rates
Value-added tax (VAT)	The output tax calculated based on the revenue from sales of goods or rendering of services in accordance with the tax law, net of the input tax that is allowed to be deducted in the current period	1%, 3%, 5%, 6%, 9%, 13%
Land appreciation tax	The incremental amount arising from the transfer of state-owned land use right and the buildings and structures that are constructed on the land	Extra progressive tax rate at 30%-60%
Land appreciation tax	The amount of advance payments for housing received before liquidation	3%
Land use tax	Taxable land area	16.00 yuan/㎡, 12.80 yuan/㎡, 8.00 yuan/㎡, 6.40 yuan/㎡, 5.12 yuan/㎡, 4.80 yuan/㎡, 3.00 yuan/㎡, 2.00 yuan/㎡, 1.50 yuan/㎡
Housing property tax	For housing property levied on the basis of price, housing property tax is levied at the rate of 1.2% of the balance after deducting 30% of the cost; for housing property levied on the basis of rent, housing property tax is levied at the rate of 12% of lease income	1.2%, 12%
Urban maintenance and construction tax	Turnover tax actually paid	5%, 7%
Education surcharge	Turnover tax actually paid	3%
Local education surcharge	Turnover tax actually paid	2%
Enterprise income tax	Taxable income	15%, 20%, 25%

Different enterprise income tax rates applicable to different taxpayers:

Taxpayers	Income tax rate
Shandong Jinchao Ronghui Testing Technology Co., Ltd.	15%
Shandong Jinyue Transportation Development Group Co., Ltd.	15%
Shandong Jinyu Information Technology Group Co., Ltd.	15%
Jinan Quanze Urban Construction and Operation Co., Ltd.	15%
Jinan Municipal Public Assets Management and Operation Co., Ltd.	15%
Shandong Yifangda Construction Management Group Co., Ltd.	15%
Jinan Urban Construction Group Co., Ltd.	15%
Shandong Huitong Construction Group Co., Ltd.	15%
Jinan Municipal Engineering Construction Group Co., Ltd.	15%
Shandong Huiyou Municipal Landscape Group Co., Ltd.	15%
Shandong Quanjian Engineering Testing Co., Ltd.	15%

Taxpayers	Income tax rate
Shandong Huida New Building Materials Co., Ltd.	15%
Shandong Jinqu Design Consulting Group Co., Ltd.	15%
Jinan Jinnuo Highway Project Supervision Co., Ltd.	15%
Jinan Ruiyuan Intelligent City Development Co., Ltd.	15%
Shandong Renyuan Industrial Operation Service Co., Ltd.	20%
Jinan Rongyu Real Estate Development Co., Ltd.	20%
Jinan Wanrong Yiju Industrial Investment Co., Ltd.	20%
Jinan Jianlong Real Estate Investment Co., Ltd.	20%
Shandong Directone Century Industry Co., Ltd.	20%
Shandong Jinyu Huiang Intelligent Technology Co., Ltd.	20%
Shandong Jinyu Yongang Construction Technology Co., Ltd.	20%
Jinan New City Cultural Media Co., Ltd.	20%
Jinan Lu'ao Ronghui Industrial Development Co., Ltd.	20%
Jinan Ronghua New Materials Technology Co., Ltd.	20%
Jinan Rongyuan Industrial Development Co., Ltd.	20%
Shandong Cheng'an Intelligent Technology Co., Ltd.	20%
Shandong Chaoguang Yunhui Network Technology Co., Ltd.	20%
Jinan Garden Expo Park Scenic Area Management and Operation Co., Ltd.	20%
Jinan Binhe New Area Construction Investment Group Huashan Scenic Area Management Co., Ltd.	20%
Fuzhan (Jinan Shanghe) International Trade Co., Ltd.	20%
Shandong Xijin Urban Development Consulting Co., Ltd.	20%
Shandong Yuncai Technology Information Co., Ltd.	20%
Jinan West District Construction Project Management Co., Ltd.	20%
Ganzhou Huiquan Municipal Engineering Co., Ltd.	20%
Jinan Urban Construction Design and Research Institute Co., Ltd.	20%
Jinan Urban Construction Group (Tongling) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Zhengzhou) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Chongqing) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Jiangsu) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Jiangxi) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Jiyang) Construction Engineering Co., Ltd.	20%
Jinan Urban Construction Group (Anhui) Construction Engineering Co., Ltd.	20%

Taxpayers	Income tax rate
Shandong Jinyuan Cost Consulting Co., Ltd.	20%
Jinan Shuang'an Archives Management Co., Ltd.	20%
Jinan Zhirong Commercial Operation Management Co., Ltd.	20%
Jinan Huirong Commercial Operation Management Co., Ltd.	20%
Jinling Health Industry Investment (Shandong) Co., Ltd.	20%
Jinan Shizhong District Jinling Hospital Co., Ltd.	20%
Huayi Brothers (Jinan) Film City Investment and Development Co., Ltd.	20%
Shandong Rongxiang Industrial Investment Co., Ltd.	20%
Shandong Wanrong Sentai Engineering Construction Co., Ltd.	20%
Shandong Xilian Power E-commerce Co., Ltd.	20%
Jinan Hero Mountain Project Management of Civil Air Defense Co., Ltd.	20%
Jinan Xianghe Investment Co., Ltd.	20%
Jinan Dinghe Investment Co., Ltd.	20%
Jinan Renhe Investment Co., Ltd.	20%
Jinan Yellow River Green Comprehensive Trade Co., Ltd.	20%
Jinan Xiaoqinghe Asset Operation Co., Ltd.	20%
Jinan Binhe Petrochemical Co., Ltd.	20%
Taxpayers other than the above-mentioned	25%

(II) Tax preferential policies

1. Pursuant to the "Notice on Issues Concerning the Treatment of Enterprise Income Tax on Special-Purpose Fiscal Funds" (Cai Shui [2009] No. 87) and "Notice on Issues Concerning the Treatment of Enterprise Income Tax on Special-Purpose Fiscal Funds" (Cai Shui [2011] No. 70) issued by the Ministry of Finance and the State Taxation Administration, fiscal funds obtained by enterprises from the financial departments and other departments of the people's governments at or above the county level, which should be included in the total income, shall be treated as non-taxable income and deducted from the total income when calculating taxable income, if they meet the following conditions simultaneously:

(1) the enterprise can provide fund allocation documents specifying the special purpose of the funds;

(2) the financial department or other government departments that allocate the funds have specific management methods or requirements for the use of the funds; and

(3) the enterprise separately accounts for the funds and the expenditures incurred with these funds.

2. Pursuant to the "Announcement on Relevant Tax Policies to Further Support the Development of Small Enterprises with Meager Profit and Individually-owned Businesses" (Announcement of

the Ministry of Finance and the State Taxation Administration [2023] No. 12), for small enterprises with meager profit, the policy that enterprise income tax is levied at 20% based on 25% of taxable income will be extended until December 31, 2027. For the purpose of this announcement, small enterprises with meager profit refer to those engaged in industries not restricted or prohibited by the government, and simultaneously meet the following three conditions: annual taxable income does not exceed 3 million yuan, the number of employees does not exceed 300 people, and total assets do not exceed 50 million yuan.

3. Pursuant to the "Announcement on Value-Added Tax Exemption and Reduction Policies for Small-Scale Taxpayers" (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 19), small-scale VAT taxpayers with monthly sales of less than 100,000 yuan (inclusive) are exempted from VAT. Taxable sales income of small-scale VAT taxpayers subject to a levy rate of 3% shall be levied with VAT at a reduced levy rate of 1%, while prepaid VAT items subject to a pre-levy rate of 3% shall prepay VAT at a reduced pre-levy rate of 1%.

4. Pursuant to the "Announcement on Relevant Tax Policies to Further Support the Development of Small Enterprises with Meager Profit and Individually-owned Businesses" (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 12), from January 1, 2023 to December 31, 2027, small-scale VAT taxpayers, small enterprises with meager profit, and individually-owned businesses shall be subject to a 50% reduction in resource tax (excluding water resource tax), urban maintenance and construction tax, housing property tax, urban land use tax, stamp duty (excluding stamp duty on securities transactions), cultivated land occupation tax, education surcharge, and local education surcharge.

5. Pursuant to the "Announcement on Improving Tax Policies Related to Housing Leasing" (Announcement of the Ministry of Finance, the State Taxation Administration, and the Ministry of Housing and Urban-Rural Development [2021] No. 24), general taxpayers of VAT in housing leasing enterprises can choose to apply the simplified tax method to calculate and pay VAT at a reduced rate of 1.5% for all rental income obtained from renting housing to individuals, or use the general tax method to calculate and pay VAT.

6. Pursuant to the "Announcement on Improving Tax Policies Related to Housing Leasing" (Announcement of the Ministry of Finance, the State Taxation Administration, and the Ministry of Housing and Urban-Rural Development [2021] No. 24), the housing property tax shall be levied at a reduced rate of 4% for enterprises, public institutions, social organizations, and other organizations renting housing to individuals and specialized large-scale housing rental enterprises.

7. Pursuant to the "Announcement on Tax Policies Related to Affordable Housing" (Announcement of the Ministry of Finance, the State Taxation Administration, and the Ministry of Housing and Urban-Rural Development [2023] No. 70), land used for the construction of affordable housing projects shall be exempted from urban land use tax, effective from October 1,

2023.

8. Pursuant to Article I of the “Notice on Relevant Tax Policies for Shantytown Reconstruction” (Cai Shui [2013] No. 101) issued by the Ministry of Finance and the State Taxation Administration on December 2, 2013, land used for resettlement housing reconstruction is exempted from urban land use tax. Stamp duties related to the management and operation units of resettlement housing, developers and the renovation of resettlement housing, as well as stamp duties related to individuals purchasing resettlement housing, are exempted. In development projects such as commercial housing with supporting resettlement housing, urban land use tax and stamp duty shall be exempted based on the proportion of the resettlement housing construction area to the total construction area, as evidenced by relevant materials issued by government departments, housing expropriation (demolition) compensation agreements, or shantytown reconstruction contracts (agreements).

9. Pursuant to the “Notice on the Exemption of VAT on the Circulation of Vegetables” (Cai Shui [2011] No. 137) issued by the Ministry of Finance and the State Taxation Administration, enterprises engaged in the wholesale and retail of vegetables are exempted from VAT.

10. Pursuant to the “Notice on the Exemption of VAT on the Circulation of Some Fresh Meat and Egg Products” (Cai Shui [2012] No. 75) issued by the Ministry of Finance and the State Taxation Administration, enterprises engaged in the wholesale and retail of fresh meat and egg products are exempted from VAT.

11. Pursuant to Article XXVII of the “Enterprise Income Tax Law of the People’s Republic of China” and the “Implementation Regulations of the Enterprise Income Tax Law of the People’s Republic of China” (State Council Decree No. 512), income derived from the cultivation of vegetables, grains, tubers, oil-bearing crops, legumes, cotton, fiber crops, sugar crops, fruits, nuts, as well as the cultivation of trees, shall be exempted from enterprise income tax.

12. Pursuant to the “Announcement on Tax Preferential Policies for Community Services such as Elderly Care, Childcare, and Homemaking” (Announcement of the Ministry of Finance, the State Taxation Administration, the National Development and Reform Commission, the Ministry of Civil Affairs, the Ministry of Commerce, and the National Health Commission [2019] No. 76), for institutions that provide services such as elderly care, childcare, and domestic services for the community, income derived from rendering of elderly care, childcare, and domestic services to communities is exempted from VAT.

13. Pursuant to the “Notice of the Ministry of Finance and the State Taxation Administration on Continuing the Preferential Policy of Reduction and Exemption of Urban Land Use Tax for Urban Bus Stations, Road Passenger Transport Stations, and Urban Rail Transit Systems” (Cai Shui [2019] No. 11), land used for urban bus stations, road passenger transport stations, and urban rail transit systems is exempted from urban land use tax. Pursuant to the “Announcement on Extension

of the Implementation Period of Some Preferential Tax Policies" (Announcement of the Ministry of Finance and the State Taxation Administration [2022] No. 4), the implementation period of the preferential policies specified in the aforementioned notice, which have already expired, has been extended to December 31, 2023. Pursuant to the "Announcement of the Ministry of Finance and the State Taxation Administration on Continuing the Preferential Policies for the Reduction and Exemption of Urban Land Use Tax for Urban Public Transport Stations, Road Passenger Transport Stations, and Urban Rail Transit Systems" (Announcement of the Ministry of Finance and the State Taxation Administration [2023] No. 52), the implementation period of the aforementioned preferential policies has been further extended to December 31, 2027.

14. Pursuant to the "Provisional Regulations of the People's Republic of China on Urban Land Use Tax", land used by religious temples, parks, and scenic spots for their own use is exempted from land use tax.

15. Pursuant to the "Notice on the Reduction and Exemption of Stamp duty on Business Books" (Cai Shui [2018] No. 50), in order to reduce the burden on enterprises and encourage investment and entrepreneurship, starting from May 1, 2018, the stamp duty on capital account books stamped at a rate of five ten-thousandths will be halved, and the stamp duty on other account books stamped at five yuan per piece will be exempt.

16. Pursuant to the "High-tech Enterprise Recognition Management Measures", the "High-tech Enterprise Recognition Management Guidelines", and the "High-tech Enterprise Recognition Management Implementation Opinions of Shandong Province", enterprises recognized as high-tech enterprises shall enjoy a reduced enterprise income tax rate of 15% during the validity period.

17. Pursuant to the "Regulations of the State Taxation Administration on the Imposition and Exemption of Land Use Tax for Civil Aviation Airport Land" (Guo Shui Di Zi [1989] No. 32):
(1) Land used for airport flight zones (including runways, taxiways, aprons, safety zones, and night lighting areas), communication and navigation facilities both inside and outside the airport, and drainage and flood control facilities surrounding the flight zones shall be exempted from land use tax.

(2) Airport roads shall be categorized as internal roads (within the airport area) and external roads (outside the airport area). Land used for external roads shall be exempted from land use tax, while land used for internal roads shall be subject to land use tax in accordance with relevant regulations.

(3) Land used for airport operational areas (including office, production, maintenance areas, terminal buildings, and parking lots), residential areas, and green spaces shall be subject to land use tax in accordance with relevant regulations.

18. Pursuant to Article II of the "Notice of the Ministry of Finance and the State Taxation Administration on Educational Tax Policies" (Cai Shui [2004] No. 39), housing property tax and urban land use tax shall be exempted for properties and land used by various schools, nurseries, and kindergartens that are funded by national grants or run by enterprises.

19. Pursuant to the "Notice of the Ministry of Finance on Adjusting Policies Related to Certain Government Funds" (Cai Shui [2019] No. 46), from July 1, 2019 to December 31, 2024, the cultural undertaking development fee attributable to central government revenue shall be reduced by 50% of the amount payable by the obligor. For the portion attributable to local government revenue, the finance departments and publicity departments of CPC committees at the provincial level, city level or district level may, based on local economic development, the needs of ideological and cultural development, and other relevant factors, reduce the fee by up to 50% of the amount payable. Copies of the locally formulated reduction policies shall be submitted by the provincial-level, municipal-level or district-level finance and publicity departments to the Ministry of Finance and the Publicity Department of the CPC Central Committee.

20. Pursuant to the "Announcement of the Ministry of Finance, the State Taxation Administration, and the General Administration of Customs on Policies for Deepening VAT Reform" (Announcement of the Ministry of Finance, the State Taxation Administration, and the General Administration of Customs [2019] No. 39), from April 1, 2019 to December 31, 2021, taxpayers in the production and consumer services sectors are entitled to enjoy a 10% extra deduction of creditable input VAT for the current period from their VAT payable. Pursuant to the "Announcement of the Ministry of Finance and the State Taxation Administration on VAT Policies to Support the Recovery and Development of Struggling Service Sectors" (Announcement of the Ministry of Finance and the State Taxation Administration [2024] No. 11), the implementation period of the aforementioned policy has been extended to December 31, 2024.

21. Pursuant to the "Announcement of the Ministry of Finance on Adjusting the Collection Policies for the Disability Employment Security Fund" (Announcement of the Ministry of Finance [2019] No. 98), the preferential policies for the Disability Employment Security Fund (DESF) are as follows:

(1) Where the number of persons with disabilities employed by an enterprise is less than 1% of its total workforce, the DESF shall be levied at 90% of the payable amount.

(2) Where the number of persons with disabilities employed reaches or exceeds 1% of the total workforce, the DESF shall be levied at 50% of the payable amount.

(3) Enterprises with no more than 30 employees shall be exempted from DESF contributions.

VII. Notes to items of consolidated financial statements

(I) Notes to items of the consolidated balance sheet

1. Cash and bank balances

Items	Closing balance	Opening balance
Cash on hand	58,924.70	282,355.01
Cash in bank	20,821,235,208.16	20,192,553,982.91
Other cash and bank balances	1,623,884,528.55	1,714,837,050.31
Total	22,445,178,661.41	21,907,673,388.23

2. Held-for-trading financial assets

Items	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss	90,278,999.80	80,517,318.10
Including: Debt instrument investments	90,278,999.80	80,237,999.80
Others		279,318.30
Total	90,278,999.80	80,517,318.10

3. Notes receivable

(1) Categories of notes receivable

Items	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Bank acceptance	1,730,506.51		1,730,506.51	33,470,445.95		33,470,445.95
Trade acceptance	360,262,833.55		360,262,833.55	134,984,728.32		134,984,728.32
Total	361,993,340.06		361,993,340.06	168,455,174.27		168,455,174.27

(2) Provision for bad debts

1) Details

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on a collective basis	361,993,340.06	100.00			361,993,340.06
Total	361,993,340.06	100.00			361,993,340.06

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on a collective basis	168,455,174.27	100.00			168,455,174.27
Total	168,455,174.27	100.00			168,455,174.27

2) Notes receivable with provision for bad debts made on a collective basis

Debtors	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Bank acceptance portfolio	1,730,506.51		
Trade acceptance portfolio	360,262,833.55		
Subtotal	361,993,340.06		

(3) Endorsed or discounted but undue notes receivable at the balance sheet date

Items	Closing balance derecognized	Closing balance not yet derecognized
Trade acceptance		48,741,956.19
Subtotal		48,741,956.19

4. Accounts receivable

(1) Disclosure of accounts receivable by ages

Ages	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Within 1 year	10,655,903,424.13	227,112,076.32	7,094,621,351.75	151,560,340.11
1-2 years	4,247,091,588.31	140,021,698.49	5,728,233,281.35	156,195,210.17
2-3 years	4,201,443,818.86	244,400,303.50	2,578,941,860.99	252,003,656.70
3-4 years	2,093,191,033.34	312,672,758.28	3,545,279,463.64	287,773,831.73
4-5 years	3,023,128,775.99	364,246,959.67	1,282,001,035.10	157,447,710.81
Over 5 years	1,684,506,609.02	521,304,078.13	986,516,396.34	446,865,050.92
Total	25,905,265,249.65	1,809,757,874.39	21,215,593,389.17	1,451,845,800.44

(2) Disclosure of accounts receivable by provision method

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	6,064,222.70	0.02	6,064,222.70	100.00	
Receivables with provision made on a collective basis	25,899,201,026.95	99.98	1,803,693,651.69	6.96	24,095,507,375.26
Total	25,905,265,249.65	100.00	1,809,757,874.39	6.99	24,095,507,375.26

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on an individual basis	6,064,222.70	0.03	6,064,222.70	100.00	
Receivables with provision made on a collective basis	21,209,529,166.47	99.97	1,445,781,577.74	6.82	19,763,747,588.73
Total	21,215,593,389.17	100.00	1,451,845,800.44	6.84	19,763,747,588.73

(3) Accounts receivable with provision made on an individual basis at the balance sheet date

Debtors	Book balance	Provision for bad debts	Provision proportion (%)	Reasons for provision made
Shandong Fucha Town Commercial Operation Management Co., Ltd.	2,369,880.00	2,369,880.00	100.00	The debtor's business license has been revoked.
Shanxi Jingangwan Amusement Co., Ltd.	1,450,288.40	1,450,288.40	100.00	Land planning procedures remain incomplete, resulting in the inability to recover rent and profit-sharing amounts.
Jinan Shanjiao Education Consulting Service Co., Ltd.	456,015.00	456,015.00	100.00	Recovery is deemed unlikely, and a full loss is expected.
Rent receivable for the self-employed people	1,788,039.30	1,788,039.30	100.00	The contract has been terminated, and the balance is expected to be irrecoverable.
Subtotal	6,064,222.70	6,064,222.70	100.00	

(4) Accounts receivable with provision made on a collective basis at the balance sheet date

1) Accounts receivable with provision made on a collective basis using age analysis method

Ages	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Within 1 year	4,404,740,445.44	5.00	220,236,799.77	3,031,196,013.42	5.00	151,560,340.11
1-2 years	1,467,899,062.15	10.00	146,789,906.17	1,561,952,101.65	10.00	156,195,210.17
2-3 years	815,024,574.45	30.00	244,507,372.36	840,012,188.95	30.00	252,003,656.70
3-4 years	625,013,366.50	50.00	312,506,683.29	575,215,513.40	50.00	287,607,756.73
4-5 years	452,560,042.49	80.00	362,048,034.00	194,060,981.43	80.00	155,248,785.14
Over 5 years	517,604,856.10	100.00	517,604,856.10	443,165,828.89	100.00	443,165,828.89
Subtotal	8,282,842,347.13	21.78	1,803,693,651.69	6,645,602,627.74	21.76	1,445,781,577.74

2) Accounts receivable with provision made on a collective basis using other alternative methods

Items	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Portfolio grouped with balances due from government and public institutions, etc.	12,958,623,972.80			12,935,595,897.51		
Portfolio grouped with balances due from state-owned enterprises controlled by Jinan SASAC	4,655,678,146.94			1,621,181,343.19		
Portfolio grouped with balances due from platform transaction	2,056,560.08			7,149,298.03		
Subtotal	17,616,358,679.82			14,563,926,538.73		

(5) Changes in provision for bad debts

Items	Opening balance	Increase/Decrease				Closing balance
		Accrual	Recovery or reversal	Write-off	Others	
Receivables with provision made on an individual basis	6,064,222.70					6,064,222.70
Receivables with provision made on a collective basis	1,445,781,577.74	379,639,180.93			-21,727,106.98	1,803,693,651.69
Total	1,451,845,800.44	379,639,180.93			-21,727,106.98	1,809,757,874.39

(6) Details of the top 5 debtors with largest balances of accounts receivable

Debtors	Book balance	Proportion to the total balance of accounts receivable (%)	Provision for bad debts
Customer 1	3,560,174,767.51	13.74	
Customer 2	2,696,140,759.48	10.41	
Customer 3	804,781,401.01	3.11	
Customer 4	559,660,307.77	2.16	
Customer 5	539,738,850.62	2.08	
Subtotal	8,160,496,086.39	31.50	

5. Receivables financing

Items	Closing balance	Opening balance
Certificate of right to accounts receivable	353,193,509.21	151,956,022.13
Bank acceptance	30,806,102.49	32,878,201.42
Total	383,999,611.70	184,834,223.55

6. Advances paid

(1) Age analysis

Ages	Closing balance			
	Book balance	% to total	Provision for impairment	Carrying amount
Within 1 year	3,418,769,243.11	37.00		3,418,769,243.11
1-2 years	1,612,652,280.15	17.45		1,612,652,280.15
2-3 years	820,240,164.52	8.88		820,240,164.52
Over 3 years	3,389,082,811.46	36.68	483,593.25	3,388,599,218.21
Total	9,240,744,499.24	100.00	483,593.25	9,240,260,905.99

(Continued)

Ages	Opening balance			
	Book balance	% to total	Provision for impairment	Carrying amount
Within 1 year	3,373,880,838.73	43.48		3,373,880,838.73
1-2 years	852,794,867.55	10.99		852,794,867.55
2-3 years	3,287,144,418.74	42.36		3,287,144,418.74
Over 3 years	245,587,520.17	3.17	483,593.25	245,103,926.92
Total	7,759,407,645.19	100.00	483,593.25	7,758,924,051.94

(2) Details of the top 5 debtors with largest balances

Debtors	Book balance	Proportion to the total balance of advances paid (%)	Provision for impairment
Shandong Yuanhong Investment Real Estate Co., Ltd.	1,998,745,805.92	21.63	
Shandong Detian Jiaye Real Estate Co., Ltd.	1,441,279,619.13	15.60	
Jinan Haiying Real Estate Development Co., Ltd.	1,431,332,857.63	15.49	
Shandong Yuanhe Real Estate Development Co., Ltd.	564,990,789.00	6.11	
Jinan Zhonghai Huashan Real Estate Co., Ltd.	536,520,928.10	5.81	
Subtotal	5,972,869,999.78	64.64	

7. Other receivables

(1) Details

Items	Closing balance	Opening balance
Interest receivable		
Dividend receivable	78,400,000.00	16,660,000.00
Other receivables	12,521,614,409.41	8,022,042,537.49
Subtotal	12,600,014,409.41	8,038,702,537.49

(2) Interest receivable

1) Categories of interest receivable

Items	Closing balance	Opening balance
China Railway Zijing Real Estate Co., Ltd.	11,198,872.77	11,198,872.77
Subtotal	11,198,872.77	11,198,872.77
Less: Provision for bad debts	11,198,872.77	11,198,872.77

2) Significant overdue interest

Debtors	Closing balance	Overdue days
China Railway Zijing Real Estate Co., Ltd.	11,198,872.77	Over 5 years
Subtotal	11,198,872.77	

3) Provision for bad debts made on interest receivable

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance			11,198,872.77	11,198,872.77
Opening balance in the current period				
--Transferred to stage 2				
--Transferred to stage 3				
--Reversed to stage 2				
--Reversed to stage 1				
Provision made in the current period				
Provision reversed in the current period				
Provision transferred out in the current period				
Provision written off in the current period				
Other changes				
Closing balance			11,198,872.77	11,198,872.77

(3) Dividend receivable

Debtors	Closing balance	Opening balance
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	68,600,000.00	16,660,000.00
Yantai Yeda Construction Engineering Co., Ltd.	9,800,000.00	
Subtotal	78,400,000.00	16,660,000.00

(4) Other receivables

1) Disclosure of other receivables by ages

Ages	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Within 1 year	5,674,809,105.58	18,327,057.95	1,904,529,544.78	5,544,907.12
1-2 years	1,283,694,516.49	4,490,345.21	2,115,243,380.83	10,511,819.84
2-3 years	2,033,787,679.01	15,681,201.55	405,330,530.11	22,455,914.23
3-4 years	378,343,736.97	20,867,129.15	561,723,630.37	206,619,667.23
4-5 years	101,370,782.97	5,290,543.97	2,193,165,526.31	73,132,015.27
Over 5 years	3,278,835,562.41	164,570,696.19	1,576,849,422.67	416,535,173.89
Total	12,750,841,383.43	229,226,974.02	8,756,842,035.07	734,799,497.58

2) Disclosure of other receivables by provision method

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on a collective basis	12,750,841,383.43	100.00	229,226,974.02	1.80	12,521,614,409.41
Total	12,750,841,383.43	100.00	229,226,974.02	1.80	12,521,614,409.41

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on a collective basis	8,756,842,035.07	100.00	734,799,497.58	8.39	8,022,042,537.49
Total	8,756,842,035.07	100.00	734,799,497.58	8.39	8,022,042,537.49

3) Other receivables with provision made on a collective basis

a. Other receivables with provision made on a collective basis using age analysis method

Items	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Within 1 year	366,541,158.78	5.00	18,327,057.95	110,898,144.65	5.00	5,544,907.12
1-2 years	44,903,452.19	10.00	4,490,345.21	105,118,198.38	10.00	10,511,819.84
2-3 years	52,270,671.88	30.00	15,681,201.55	74,853,047.44	30.00	22,455,914.23
3-4 years	41,734,258.26	50.00	20,867,129.15	413,239,334.43	50.00	206,619,667.23
4-5 years	6,613,179.96	80.00	5,290,543.97	91,415,019.10	80.00	73,132,015.27
Over 5 years	164,570,696.19	100.00	164,570,696.19	416,535,173.89	100.00	416,535,173.89
Subtotal	676,633,417.26	33.88	229,226,974.02	1,212,058,917.89	60.62	734,799,497.58

b. Other receivables with provision made on a collective basis using other alternative methods

Items	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Portfolio grouped with balances due from government and public institutions, etc.	5,958,017,574.03			4,918,916,369.91		
Portfolio grouped with balances due from state-owned enterprises controlled by Jinan SASAC	4,385,777,839.92			964,606,093.74		
Special identification portfolios	1,730,412,552.22			1,661,260,653.53		
Subtotal	12,074,207,966.17			7,544,783,117.18		

4) Changes in provision for bad debts

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	5,544,907.12	10,511,819.84	718,742,770.62	734,799,497.58
Opening balance in the current period				
--Transferred to stage 2	-2,245,172.61	2,245,172.61		
--Transferred to stage 3		-5,227,067.19	5,227,067.19	
--Reversed to stage 2				
--Reversed to stage 1				
Provision made in the current period	15,075,103.81	-2,987,946.22	-193,611,893.48	-181,524,735.89
Provision reversed in the current period				
Provision transferred out in the current period				
Provision written off in the current period				
Other changes	-47,780.37	-51,633.83	-323,948,373.47	-324,047,787.67
Closing balance	18,327,057.95	4,490,345.22	206,409,570.85	229,226,974.02

5) Details of the top 5 debtors with largest balances of other receivables

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other receivables (%)	Provision for bad debts
Debtor 1	Security deposits, intercompany balances	2,413,717,940.36	Within 1 year, 1-2 years, 2-3 years, over 5 years	18.93	
Debtor 2	Intercompany balances	2,012,454,662.87	Within 1 year, 1-2 years, 2-3 years, 3-4 years	15.78	
Debtor 3	Intercompany balances, construction agency management fees	1,090,727,119.05	Within 1 year, 1-2 years, 3-4 years	8.55	
Debtor 4	Intercompany balances	1,065,785,800.00	Within 1 year, 1-2 years	8.36	
Debtor 5	Intercompany balances	500,000,000.00	Within 1 year	3.92	
Subtotal		7,082,685,522.28		55.54	

8. Inventories

(1) Details

Items	Closing balance		
	Book balance	Provision for write-down	Carrying amount
Land development costs	68,297,258,219.55		68,297,258,219.55
Development costs of housing property	21,644,529,776.01		21,644,529,776.01
Developed products	9,959,937,681.57	96,637,900.13	9,863,299,781.44
Development costs of agent construction	8,849,877,408.63		8,849,877,408.63
Reserved land	3,181,414,779.28		3,181,414,779.28
Costs to fulfill a contract			
Goods on hand	474,896,485.19	25,552,086.08	449,344,399.11
Raw materials	178,371,239.13	394,844.52	177,976,394.61
Consumptive biological assets	160,354,372.81	36,018.00	160,318,354.81
Revolving materials	134,928,298.77		134,928,298.77
Production costs	3,780,494.70	3,780,494.70	
Work in process	1,888,775.07		1,888,775.07
Goods dispatched	1,175,692.80		1,175,692.80
Total	112,888,413,223.51	126,401,343.43	112,762,011,880.08

(Continued)

Items	Opening balance		
	Book balance	Provision for write-down	Carrying amount
Land development costs	64,669,209,748.63		64,669,209,748.63
Development costs of housing property	20,984,613,971.10		20,984,613,971.10
Developed products	10,715,552,708.88	71,523,684.97	10,644,029,023.91
Development costs of agent construction	14,195,080,183.85		14,195,080,183.85
Reserved land	3,181,414,779.28		3,181,414,779.28
Costs to fulfill a contract	959,003,605.36		959,003,605.36
Goods on hand	590,289,349.87	25,475,660.08	564,813,689.79
Raw materials	178,899,543.44	394,844.52	178,504,698.92
Consumptive biological assets	187,782,978.57	36,018.00	187,746,960.57
Revolving materials	126,332,984.49		126,332,984.49
Production costs	3,780,494.70	3,780,494.70	
Work in process	5,231,882.31		5,231,882.31

Items	Opening balance		
	Book balance	Provision for write-down	Carrying amount
Goods dispatched			
Total	115,797,192,230.48	101,210,702.27	115,695,981,528.21

(2) Provision for inventory write-down

Items	Opening balance	Increase		Decrease		Closing balance
		Accrual	Others	Reversal or transfer-out	Others	
Developed products	71,523,684.97	25,114,215.16				96,637,900.13
Goods on hand	25,475,660.08	76,426.00				25,552,086.08
Production costs	3,780,494.70					3,780,494.70
Raw materials	394,844.52					394,844.52
Consumptive biological assets	36,018.00					36,018.00
Total	101,210,702.27	25,190,641.16				126,401,343.43

9. Contract assets

(1) Details

Items	Closing balance		
	Book balance	Provision for impairment	Carrying amount
Project construction fund receivable	9,422,275,494.16	216,215,836.72	9,206,059,657.44
Project management, supervision and testing fees receivable	266,512,452.57	3,470,872.16	263,041,580.41
Toll fees receivable	130,124,603.00		130,124,603.00
Operation and maintenance fund receivable	35,341,037.14		35,341,037.14
Agent construction fund receivable	32,178,768.35		32,178,768.35
Others	372,810.00		372,810.00
Total	9,886,805,165.22	219,686,708.88	9,667,118,456.34

(Continued)

Items	Opening balance		
	Book balance	Provision for impairment	Carrying amount
Project construction fund receivable	9,754,713,710.89	195,645,206.21	9,559,068,504.68
Project management, supervision and testing fees receivable	171,538,244.18	1,712,130.27	169,826,113.91
Toll fees receivable	82,359,120.00		82,359,120.00
Operation and maintenance fund receivable	18,275,889.26		18,275,889.26

Items	Opening balance		
	Book balance	Provision for impairment	Carrying amount
Agent construction fund receivable			
Others	2,650,844.52		2,650,844.52
Total	10,029,537,808.85	197,357,336.48	9,832,180,472.37

(2) Details on provision for impairment of contract assets

1) Details

Items	Opening balance	Increase		Decrease			Closing balance
		Accrual	Others	Reversal	Transfer-out or write-off	Others	
On a collective basis	197,357,336.48	22,329,372.40					219,686,708.88
Total	197,357,336.48	22,329,372.40					219,686,708.88

2) Contract assets with provision for impairment made on a collective basis

Items	Closing balance		
	Book balance	Provision for bad debts	Provision proportion (%)
Portfolio grouped with balances due from government and public institutions, etc.	5,095,058,707.76		
Portfolio grouped with balances due from state-owned enterprises controlled by Jinan SASAC	398,021,772.89		
Others	4,393,724,684.57	219,686,708.88	5.00
Subtotal	9,886,805,165.22	219,686,708.88	2.22

10. Other current assets

Items	Closing balance	Opening balance
Input VAT to be credited	3,000,112,255.91	2,665,184,593.54
Prepaid taxes	459,639,297.71	764,592,091.98
Project fund	216,904,506.13	
Entrusted loans	60,000,000.00	190,000,000.00
Costs to obtain a contract	39,677,001.25	53,169,093.10
Prepaid expenses	4,477,410.09	4,404,743.29
Interest on cash in bank	459,596.15	17,333,731.97
Short-term debt investments		220,973,038.17
Prepaid rents		282,055.08
Total	3,781,270,067.24	3,915,939,347.13

11. Long-term receivables

Items	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Service fees related to Jinan Prior Zone For Replacing Old Growth Drivers With New Ones	11,647,745,840.15		11,647,745,840.15	11,692,849,179.93		11,692,849,179.93
Finance lease payments receivable	1,301,486.99		1,301,486.99	1,674,952.15		1,674,952.15
Total	11,649,047,327.14		11,649,047,327.14	11,694,524,132.08		11,694,524,132.08

12. Long-term equity investments

(1) Categories of long-term equity investments

Items	Opening balance	Increase	Decrease	Closing balance
Investments in joint ventures	414,932,000.00	8,407,860.02	90,000.00	423,249,860.02
Investments in associates	4,770,859,531.35	5,610,261,817.76	515,835,199.31	9,865,286,149.80
Subtotal	5,185,791,531.35	5,618,669,677.78	515,925,199.31	10,288,536,009.82
Less: Provision for impairment of long-term equity investments	283,023,283.59	1,166,490,534.43		1,449,513,818.02
Total	4,902,768,247.76	4,452,179,143.35	515,925,199.31	8,839,022,191.80

(2) Details on long-term equity investments

Investees	Investment cost	Opening balance	Increase/Decrease			
			Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Joint ventures						
Jinan Westward Shida Investment Management Center (LP)	100,000,000.00	50,000,000.00				
Jinan Westward Taini Investment Management Center (LP)	97,932,000.00	97,932,000.00				
Jinan Westward Shiqi Investment Management Center (LP)	90,000,000.00	45,000,000.00				
Jinan Westward Cultural Industry Investment Management Center (LP)	66,000,000.00	39,765,000.00				
Jinan Westward Investment Management Center (LP)	61,000,000.00	61,000,000.00				
Jinan Guotai High-Tech Construction Investment Partnership (LP)	6,437,110.79		6,437,110.79		1,970,749.23	
Subtotal	421,369,110.79	293,697,000.00	6,437,110.79		1,970,749.23	
Associates						
Jinan Kunlun	26,360,431.00	25,839,934.57			193,797.41	

Investees	Investment cost	Opening balance	Increase/Decrease				
			Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income	
Investment North Construction Co., Ltd.							
Shandong International Convention and Exhibition Group Co., Ltd.	2,000,000.00						
Shandong Xijin Equity Investment Fund Management Co., Ltd.	4,900,000.00	11,229,733.70					
Jinan Finance Investment Co., Ltd.	509,000,000.00	584,935,574.57			29,360,793.31		
Shandong Hualing Cable Co., Ltd.	236,666,700.00	248,992,753.97			5,170,176.25		
Jinan Shanqing Huijian Private Equity Investment Fund Partnership Enterprise (LP)	15,000,000.00	15,000,000.00		10,000,000.00	2,095,314.34		
Jinan Shanfa West Investment Jinyuan Private Equity Fund Management Partnership (LP)	10,000,000.00	10,000,000.00			370,405.55		
Qilu Bank Co., Ltd.	3,909,285,589.89		3,909,285,589.89		296,643,499.12	225,729,887.48	
Jinan Zhongjian Xinhe Real Estate Co., Ltd.	30,000,000.00	63,282,941.71			135,148.58		
Jinan Jinke Xicheng Real Estate Development Co., Ltd.	490,000,000.00	802,800,203.92					
Shandong Expressway Jinan Investment Construction Co., Ltd.	400,000,000.00	221,647,478.58			-2,294,319.16		
Shandong Zhongjian Xicheng Investment Co., Ltd.	40,000,000.00	125,459,059.99			2,789,135.23		
Jinan Evergrande West District Real Estate Co., Ltd.	400,000,000.00	647,153,134.37					
Jinan Pioneer Intelligent Digital Technology Co., Ltd.	9,000,000.00	7,651,441.57			-38,760.93		
Fantawild Oriental HERITAGE (Jinan) Ltd.		2,093,185.45			1,314,142.51		
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	14,900,000.00	145,619,791.92			70,972,527.30		
Yantai Yeda Construction Engineering Co., Ltd.	65,420,000.00	88,163,367.87			14,347,670.32		
Shandong Zhongjin Petrochemical Co., Ltd.	12,000,000.00	7,963,518.14			-205,193.41		
Shandong Jinghu Expressway Co., Ltd.	240,000,000.00	330,318,388.65					
Jinan Zhengjin Tongda Investment Management Co., Ltd.	1,000,000,000.00		1,000,000,000.00		707,863.96		
Shandong Dacheng Software Co., Ltd.	1,020,000.00	5,310,227.64			144,083.33		

Investees	Investment cost	Opening balance	Increase/Decrease			
			Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Shandong Laiwu Rural Commercial Bank Co., Ltd.	500,016,200.00	598,333,213.86	16,200.00		29,486,534.71	18,682,033.99
Jinan Greenland Kanglu Real Estate Co., Ltd.	543,100,000.00	545,776,594.49			-35,612,171.94	
Lile (Jinan) Business Management Co., Ltd.	1,500,000.00	2,446,691.30			1,152,164.94	
Jinan Quannong Sichen Equity Investment Partnership (LP)	26,666,667.00		26,666,667.00			
Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	71,857,895.00	104,617,718.83			10,399,150.23	
Qingdao Ruifangda Construction Management Co., Ltd.	735,000.00					
Shandong Xinyida Construction Management Co., Ltd.	1,960,000.00	4,154,823.47			1,272,562.54	
Shandong Heyida Construction Management Co., Ltd.	1,400,000.00	334,080.27	700,000.00		390,788.04	
Shandong Qishun Construction Management Co., Ltd.		24,768.54			426,242.85	
Shandong Longyida Construction Management Co., Ltd.	735,000.00		735,000.00		-694,766.00	
Shandong Hienergy Machinery Manufacturing Co., Ltd.	6,000,000.00	4,110,750.10			83,492.37	
Zhe'an (Shanghai) Investment Management Co., Ltd	4,000,000.00	5,811,870.28			-163,842.05	
Shandong Shengxin Investment Co., Ltd.	4,000,000.00					
Subtotal	8,577,523,482.89	4,609,071,247.76	4,937,403,456.89	10,000,000.00	428,446,439.40	244,411,921.47
Total	8,998,892,593.68	4,902,768,247.76	4,943,840,567.68	10,000,000.00	430,417,188.63	244,411,921.47

(Continued)

Investees	Increase/Decrease				Closing balance	Provision for impairment at the balance sheet date
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Other decreases		
Joint ventures						
Jinan Westward Shida Investment Management Center (LP)			50,000,000.00			100,000,000.00
Jinan Westward Taini Investment Management Center (LP)					97,932,000.00	
Jinan Westward Shiqi Investment Management Center (LP)			45,000,000.00			90,000,000.00
Jinan Westward Cultural Industry Investment			26,235,000.00		13,530,000.00	52,470,000.00

Management Center (LP)						
Jinan Westward Investment Management Center (LP)					61,000,000.00	
Jinan Guotai High-Tech Construction Investment Partnership (LP)		90,000.00			8,317,860.02	
Subtotal		90,000.00	121,235,000.00		180,779,860.02	242,470,000.00
Associates						
Jinan Kunlun Investment North Construction Co., Ltd.					26,033,731.98	
Shandong International Convention and Exhibition Group Co., Ltd.						
Shandong Xijin Equity Investment Fund Management Co., Ltd.					11,229,733.70	
Jinan Finance Investment Co., Ltd.					614,296,367.88	
Shandong Hualing Cable Co., Ltd.		4,800,000.00			249,362,930.22	
Jinan Shanqing Huijian Private Equity Investment Fund Partnership Enterprise (LP)		495,342.47			6,599,971.87	
Jinan Shanfa West Investment Jinyuan Private Equity Fund Management Partnership (LP)					10,370,405.55	
Qilu Bank Co., Ltd.		94,752,707.72			4,336,906,268.77	
Jinan Zhongjian Xinhe Real Estate Co., Ltd.					63,418,090.29	
Jinan Jinke Xicheng Real Estate Development Co., Ltd.			398,102,400.06		404,697,803.86	398,102,400.06
Shandong Expressway Jinan Investment Construction Co., Ltd.					219,353,159.42	
Shandong Zhongjian Xicheng Investment Co., Ltd.					128,248,195.22	
Jinan Evergrande West District Real Estate Co., Ltd.			647,153,134.37			808,941,417.96
Jinan Pioneer Intelligent Digital Technology Co., Ltd.					7,612,680.64	
Fantawild Oriental HERITAGE (Jinan) Ltd.					3,407,327.96	
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.		58,800,000.00			157,792,319.22	
Yantai Yeda Construction Engineering Co., Ltd.		9,800,000.00			92,711,038.19	
Shandong Zhongjin Petrochemical Co., Ltd.					7,758,324.73	
Shandong Jinghu					330,318,388.65	

Expressway Co., Ltd.						
Jinan Zhengjin Tongda Investment Management Co., Ltd.					1,000,707,863.96	
Shandong Dacheng Software Co., Ltd.		18,890.00			5,435,420.97	
Shandong Laiwu Rural Commercial Bank Co., Ltd.				326,574,549.15	319,943,433.41	
Jinan Greenland Kanglu Real Estate Co., Ltd.					510,164,422.55	
Lile (Jinan) Business Management Co., Ltd.		751,439.27			2,847,416.97	
Jinan Quannong Sichen Equity Investment Partnership (LP)					26,666,667.00	
Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.					115,016,869.06	
Qingdao Ruifangda Construction Management Co., Ltd.						
Shandong Xinyida Construction Management Co., Ltd.					5,427,386.01	
Shandong Heyida Construction Management Co., Ltd.					1,424,868.31	
Shandong Qishun Construction Management Co., Ltd.					451,011.39	
Shandong Longyida Construction Management Co., Ltd.					40,234.00	
Shandong Hienergy Machinery Manufacturing Co., Ltd.				4,194,242.47		
Zhe'an (Shanghai) Investment Management Co., Ltd				5,648,028.23		
Shandong Shengxin Investment Co., Ltd.						
Subtotal		169,418,379.46	1,045,255,534.43	336,416,819.85	8,658,242,331.78	1,207,043,818.02
Total		169,508,379.46	1,166,490,534.43	336,416,819.85	8,839,022,191.80	1,449,513,818.02

13. Other equity instrument investments

Items	Closing balance	Opening balance	Dividend income recognized in the current period	Gains or losses included into other comprehensive income in the current period	Accumulated gains or losses included into other comprehensive income at the end of the period	Amount transferred from other comprehensive income to retained earnings
Qingdao Bank Co., Ltd.	535,251,120.00	347,988,480.00	24,197,204.05	140,446,980.00	-192,163,860.00	
Zhongtai Securities Co., Ltd.	1,223,488,670.94	1,277,493,498.12	7,448,941.68	-40,503,620.38	330,762,597.35	
Qilu Bank Co., Ltd.		1,316,516,776.78		221,850,160.87		107,686,270.63
Jinan Lixiang Investment Partnership (LP)		8,662,500.00	371,152.72			
Shandong Expressway Jinan West Ring Road Co., Ltd.	434,576,700.00	404,576,700.00				
Jinan Quanxing Construction Investment Management and Operation Co., Ltd.	100,000,000.00	100,000,000.00				
Jinan New and Old Kinetic Energy Conversion Investment Attraction M & A Fund Partnership (LP)	73,170,000.00	73,170,000.00				
Jinan Zhongjian Quanhui Investment and Operation Co., Ltd.	8,639,582.00	8,639,582.00				
Shandong Huiquan Jingjian Investment Management Co., Ltd.	22,497,000.00	22,497,000.00				
Jinan Beikong Lashan Sewage Treatment Co., Ltd.	4,503,200.00	4,503,200.00				
Shandong Luhao Construction Engineering Co., Ltd.	3,000,000.00	3,000,000.00				
Shandong Huirong Hengxin Investment Partnership Enterprise (LP)	2,891,385,311.90	3,000,000,000.00	109,080,188.68	-81,461,016.08	-81,461,016.08	
Jinan Chenghui Traffic Development Co., Ltd.		100,000.00				
Jinan Quanyu Construction Management and Operation Co., Ltd.	10,745,470.00	10,745,470.00				
Jinan Jiayue Transportation Investment Development Partnership (LP)	59,550,000.00	34,900,000.00	1,554,568.63			
Jinan Yingxin Ruitong Equity Investment Fund Partnership (LP)	69,680,000.00	44,340,000.00	2,199,375.62			
Shandong High Speed Jibei Highway Co., Ltd.	415,881,700.00	415,881,700.00				
Shandong Jiwei Expressway Co., Ltd.	415,220,800.00	415,220,800.00				
Shandong Expressway East Belt Expressway	134,447,000.00	134,447,000.00				

Items	Closing balance	Opening balance	Dividend income recognized in the current period	Gains or losses included into other comprehensive income in the current period	Accumulated gains or losses included into other comprehensive income at the end of the period	Amount transferred from other comprehensive income to retained earnings
Co., Ltd.						
Jinan Quehua No.1 Construction Investment Partnership Enterprise (LP)	200,000,000.00	200,000,000.00				
Shandong Expressway Jide Highway Co., Ltd.	199,026,000.00	199,026,000.00	1,380,821.92			
Jinan Quehua No.2 Construction Investment Partnership Enterprise (LP)	100,000,000.00	100,000,000.00	690,410.95			
Shandong Expressway Jiwei Highway Co., Ltd.	92,050,500.00	92,050,500.00				
Jinan Huijian Jun'an Intelligent Manufacturing Industry Investment Fund Partnership (LP)	9,000,000.00	9,000,000.00				
Jinan Huijian Jun'an Green Industry Investment Fund Partnership (LP)	9,000,000.00	9,000,000.00				
Jinan Jixin Industrial Development Investment Partnership (LP)	492,029,320.53	500,000,000.00		-5,978,009.60	-5,978,009.60	
Shandong Gaoshang Expressway Co., Ltd.	438,700,000.00	438,700,000.00				
Jinan Xinheng Yintong Equity Investment Fund Partnership (LP)	9,901,118.76					
Shandong Expressway Qingzhang Highway Co., Ltd.	115,956,800.00					
Total	8,067,700,294.13	9,170,459,206.90	146,922,664.25	234,354,494.81	51,159,711.67	107,686,270.63

14. Other non-current financial assets

Items	Closing balance	Opening balance
Financial assets classified as at fair value through profit or loss	2,518,882,312.86	1,122,972,485.06
Including: Debt instrument investments	268,926,628.61	367,517,334.81
Equity instrument investments	1,939,955,684.25	445,455,150.25
Funds	310,000,000.00	310,000,000.00
Total	2,518,882,312.86	1,122,972,485.06

15. Investment property

Items	Buildings and structures	Land use right	Construction in progress	Total
Opening balance	16,539,856,795.71	272,955,700.00	82,104,980.25	16,894,917,475.96
Movement	-33,470,822.13	362,600.00	58,467,391.28	25,359,169.15
Add: Acquisition	351,003,127.11		58,467,391.28	409,470,518.39
Transferred in from inventories	667,909,708.27			667,909,708.27
Transferred in from fixed assets, intangible assets, construction in progress and other long-term assets	240,415,389.13			240,415,389.13
Less: Disposal	2,457,347.30			2,457,347.30
Reversed to other assets	244,856,692.10			244,856,692.10
Decrease due to disposal of subsidiaries	700,195,352.00			700,195,352.00
Changes in fair value	-345,289,655.24	362,600.00		-344,927,055.24
Closing balance	16,506,385,973.58	273,318,300.00	140,572,371.53	16,920,276,645.11

16. Fixed assets

(1) Details

Items	Closing balance	Opening balance
Fixed assets	4,531,241,376.74	4,585,190,975.92
Disposal of fixed assets	12,548.84	
Total	4,531,253,925.58	4,585,190,975.92

(2) Details on fixed assets

Items	Buildings and structures	Machinery	Transport facilities	Office equipment	Other equipment	Total
Cost						
Opening balance	4,925,044,309.34	678,449,146.77	160,117,461.91	165,695,291.08	113,401,485.99	6,042,707,695.09
Increase	123,679,456.06	38,552,863.80	9,355,803.70	24,379,459.36	22,648,043.78	218,615,626.70
1) Acquisition	13,962,127.60	38,552,863.80	9,355,803.70	24,379,459.36	22,648,043.78	108,898,298.24
2) Transferred in from construction in progress	79,183,630.42					79,183,630.42
3) Others	30,533,698.04					30,533,698.04
Decrease	4,497,361.97	5,153,561.40	22,174,018.48	4,096,075.52	4,146,870.09	40,067,887.46
1) Disposal/ scrapping	142,300.80	1,482,957.90	21,582,558.40	1,547,981.90	3,670,691.33	28,426,490.33
2) Transferred out to investment property	3,708,801.47					3,708,801.47
3) Decrease due to disposal of subsidiaries	646,259.70	3,670,603.50	591,460.08	2,548,093.62	464,789.38	7,921,206.28

Items	Buildings and structures	Machinery	Transport facilities	Office equipment	Other equipment	Total
4) Others					11,389.38	11,389.38
Closing balance	5,044,226,403.43	711,848,449.17	147,299,247.13	185,978,674.92	131,902,659.68	6,221,255,434.33
Accumulated depreciation						
Opening balance	679,038,401.27	456,055,596.58	124,668,505.74	118,443,138.52	79,270,873.18	1,457,476,515.29
Increase	151,303,968.61	60,179,846.12	7,558,423.69	17,933,189.33	10,617,149.15	247,592,576.90
Accrual	151,303,968.61	60,179,846.12	7,558,423.69	17,933,189.33	10,617,149.15	247,592,576.90
Decrease	1,957,775.96	3,762,790.65	14,406,945.69	3,773,942.53	2,917,315.67	26,818,770.50
1) Disposal/ scrapping	102,452.19	1,220,992.11	13,655,715.69	1,471,971.23	2,667,466.44	19,118,597.66
2) Transferred out to investment property	1,674,891.59					1,674,891.59.35
3) Decrease due to disposal of subsidiaries	180,432.18	2,541,798.54	553,105.40	2,301,971.30	248,316.13	5,825,623.55
4) Others			198,124.60		1,533.10	199,657.70 2.94
Closing balance	828,384,593.92	512,472,652.05	117,819,983.74	132,602,385.32	86,970,706.66	1,678,250,321.69
Provision for impairment						
Opening balance			5,751.40	34,452.48		40,203.88
Increase	11,723,532.02					11,723,532.02
Decrease						
Closing balance	11,723,532.02		5,751.40	34,452.48		11,763,735.90
Carrying amount						
Closing carrying amount	4,204,118,277.49	199,375,797.12	29,473,511.99	53,341,837.12	44,931,953.02	4,531,241,376.74
Opening carrying amount	4,246,005,908.07	222,393,550.19	35,443,204.77	47,217,700.08	34,130,612.81	4,585,190,975.92

(3) Disposal of fixed assets

Items	Closing carrying amount	Opening carrying amount	Reasons for transferred to disposal
Transport facilities	12,548.84		The equipment is severely outdated and no longer usable.
Subtotal	12,548.84		

17. Construction in progress

(1) Details

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Jinan Airport expansion project	18,657,338,729.68		18,657,338,729.68	14,827,116,906.81		14,827,116,906.81
Xiaoqing River comprehensive management project	12,817,431,689.77		12,817,431,689.77	12,672,671,410.59		12,672,671,410.59
Bridge and tunnel project	12,127,265,237.04		12,127,265,237.04	10,542,509,181.37		10,542,509,181.37
Jixi Wetland Park	4,777,571,870.89		4,777,571,870.89	4,642,727,842.02		4,642,727,842.02
Municipal utility tunnel and other municipal assets	4,505,160,188.93		4,505,160,188.93	4,127,576,089.25		4,127,576,089.25
Huashan Wetland	4,124,927,299.76		4,124,927,299.76	3,923,094,619.90		3,923,094,619.90
Institute of Electromagnetic Drive, Chinese Academy of Sciences	3,251,308,302.08		3,251,308,302.08	3,060,867,366.31		3,060,867,366.31
Intangible cultural heritage park	2,960,934,298.94		2,960,934,298.94	2,954,664,427.04		2,954,664,427.04
Resettlement housing project in university science and technology park (phase III)	2,884,365,913.70		2,884,365,913.70	2,707,472,507.95		2,707,472,507.95
Technical Institute of Physics and Chemistry, CAS	2,551,976,268.98		2,551,976,268.98	2,110,620,318.39		2,110,620,318.39
Three museums (phase II)	2,429,838,656.13		2,429,838,656.13	2,292,306,682.91		2,292,306,682.91
Resettlement housing project in Zhangliu Area	2,247,944,112.99		2,247,944,112.99	2,134,954,229.58		2,134,954,229.58
Comprehensive improvement project of Yufu River	2,154,590,614.26		2,154,590,614.26	2,131,400,191.76		2,131,400,191.76
Grand Theatre East B	1,122,708,762.26		1,122,708,762.26			
Jinan Yaoqiang Airport supporting facilities project	1,108,199,246.30		1,108,199,246.30	505,990,846.04		505,990,846.04
China Railway Bauhinia long-term rental project	1,006,795,903.79		1,006,795,903.79	744,103,626.51		744,103,626.51
Taishan Institute of Ecology and Environment	991,836,411.98		991,836,411.98	791,030,292.82		791,030,292.82
High-tech research institute main campus project	885,689,123.68		885,689,123.68	852,651,829.72		852,651,829.72
Infrastructure Construction Project of Longshan Innovation Port Industrial Park, Mingshui National-Level Economic Development Zone	739,039,283.52		739,039,283.52			
Jishui Xueyuan phase II rental housing project	620,094,272.13		620,094,272.13	520,570,428.42		520,570,428.42

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Jinan Research Institute of Space Application Technology	610,767,334.27		610,767,334.27	382,938,991.06		382,938,991.06
West Railway Station Resettlement Area II, plot 3 rental housing	596,805,890.08		596,805,890.08	479,043,929.01		479,043,929.01
Vehicle management office plot, Tianqiao District	536,727,329.43		536,727,329.43			
E-1 plot project of Daqiao District Headquarters Economic Zone, Pilot Zone	367,438,270.53		367,438,270.53	211,661,282.59		211,661,282.59
Plot B-1, South of Liuchang Mountain, Lashan Area	280,948,484.17		280,948,484.17			
Department of Water Resources rental housing	228,674,246.56		228,674,246.56	109,456,164.75		109,456,164.75
Yellow River Scenic Belt Construction and Upgrading Project	200,598,195.97		200,598,195.97	173,931,842.32		173,931,842.32
C-2 Plot Project of Digital Economy Industrial Park, Cuizhai Area, Pilot Zone	171,767,170.24		171,767,170.24	281,067,707.88		281,067,707.88
China Construction Jinxiu Square rental housing	167,082,247.72		167,082,247.72	160,206,489.18		160,206,489.18
Project on the northwest side of Dongcaishi Village Resettlement Area	120,769,490.68		120,769,490.68	81,888,484.76		81,888,484.76
Four Seasons Village Hotel Upgrading and Renovation Project	84,662,601.25		84,662,601.25	58,036,697.53		58,036,697.53
Kechuang City Industrial Park	58,484,984.84		58,484,984.84	59,132,001.89		59,132,001.89
Huayang Palace and Huashan Scenic Area Project	43,143,390.61		43,143,390.61	42,541,767.64		42,541,767.64
Huashan Ditch Project	40,414,784.59		40,414,784.59	37,760,148.41		37,760,148.41
Phoenix Bridge ancillary works	36,905,581.92		36,905,581.92			
Area development supporting public construction	126,901.76		126,901.76	126,901.76		126,901.76
Yunjin Lake Park function improvement project				15,562,218.34		15,562,218.34
Yunjin Lake Park parking lot project				29,332,777.69		29,332,777.69
Others	247,815,178.76		247,815,178.76	104,773,112.39		104,773,112.39
Construction materials	216,577,246.03		216,577,246.03	216,577,246.03		216,577,246.03
Total	85,974,725,516.22		85,974,725,516.22	73,986,366,560.62		73,986,366,560.62

(2) Changes in significant projects

Projects	Opening balance	Increase	Transferred to fixed assets	Other decreases	Closing balance
Jinan Airport expansion project	14,827,116,906.81	3,830,221,822.87			18,657,338,729.68
Xiaoqing River comprehensive management project	12,672,671,410.59	161,805,042.72		17,044,763.54	12,817,431,689.77
Bridge and tunnel project	10,542,509,181.37	2,279,397,025.34		694,640,969.67	12,127,265,237.04
Jixi Wetland Park	4,642,727,842.02	134,844,028.87			4,777,571,870.89
Municipal utility tunnel and other municipal assets	4,127,576,089.25	377,584,099.68			4,505,160,188.93
Huashan Wetland	3,923,094,619.90	201,832,679.86			4,124,927,299.76
Institute of Electromagnetic Drive, Chinese Academy of Sciences	3,060,867,366.31	190,440,935.77			3,251,308,302.08
Intangible cultural heritage park	2,954,664,427.04	6,269,871.90			2,960,934,298.94
Resettlement housing project in university science and technology park (phase III)	2,707,472,507.95	176,893,405.75			2,884,365,913.70
Technical Institute of Physics and Chemistry, CAS	2,110,620,318.39	441,355,950.59			2,551,976,268.98
Three museums (phase II)	2,292,306,682.91	137,531,973.22			2,429,838,656.13
Resettlement housing project in Zhangliu Area	2,134,954,229.58	112,989,883.41			2,247,944,112.99
Comprehensive improvement project of Yufu River	2,131,400,191.76	23,190,422.50			2,154,590,614.26
Grand Theatre East B		1,122,708,762.26			1,122,708,762.26
Jinan Yaoqiang Airport supporting facilities project	505,990,846.04	602,208,400.26			1,108,199,246.30
China Railway Bauhinia long-term rental project	744,103,626.51	262,692,277.28			1,006,795,903.79
Taishan Institute of Ecology and Environment	791,030,292.82	200,806,119.16			991,836,411.98
High-tech research institute main campus project	852,651,829.72	33,037,293.96			885,689,123.68
Infrastructure Construction Project of Longshan Innovation Port Industrial Park, Mingshui National-Level Economic Development Zone		739,039,283.52			739,039,283.52
Jishui Xueyuan phase II rental housing project	520,570,428.42	99,523,843.71			620,094,272.13
Jinan Research Institute of Space Application Technology	382,938,991.06	227,828,343.21			610,767,334.27
West Railway Station Resettlement Area II, plot 3 rental housing	479,043,929.01	117,761,961.07			596,805,890.08
Vehicle management office plot, Tianqiao District		536,727,329.43			536,727,329.43
E-1 plot project of Daqiao District Headquarters Economic Zone, Pilot Zone	211,661,282.59	155,776,987.94			367,438,270.53
Plot B-1, South of Liuchang Mountain, Lashan Area		280,948,484.17			280,948,484.17
Department of Water Resources rental housing	109,456,164.75	119,218,081.81			228,674,246.56

Projects	Opening balance	Increase	Transferred to fixed assets	Other decreases	Closing balance
Yellow River Scenic Belt Construction and Upgrading Project	173,931,842.32	26,666,353.65			200,598,195.97
C-2 Plot Project of Digital Economy Industrial Park, Cuizhai Area, Pilot Zone	281,067,707.88	100,364,519.77		209,665,057.41	171,767,170.24
China Construction Jinxiu Square rental housing	160,206,489.18	6,875,758.54			167,082,247.72
Project on the northwest side of Dongcaishi Village Resettlement Area	81,888,484.76	38,881,005.92			120,769,490.68
Four Seasons Village Hotel Upgrading and Renovation Project	58,036,697.53	26,625,903.72			84,662,601.25
Kechuang City Industrial Park	59,132,001.89			647,017.05	58,484,984.84
Huayang Palace and Huashan Scenic Area Project	42,541,767.64	601,622.97			43,143,390.61
Huashan Ditch Project	37,760,148.41	2,654,636.18			40,414,784.59
Phoenix Bridge ancillary works		36,905,581.92			36,905,581.92
Area development supporting public construction	126,901.76				126,901.76
Yunjin Lake Park function improvement project	15,562,218.34	32,656,830.76		48,219,049.10	
Yunjin Lake Park parking lot project	29,332,777.69	47,599,195.36	76,931,973.05		
Others	104,773,112.39	148,001,315.22	2,251,657.37	2,707,591.48	247,815,178.76
Subtotal	73,769,789,314.59	13,040,467,034.27	79,183,630.42	972,924,448.25	85,758,148,270.19

18. Productive biological assets

Items	Forestry	Total
Cost		
Opening balance	728,374.00	728,374.00
Increase		
Decrease		
Closing balance	728,374.00	728,374.00
Accumulated depreciation		
Opening balance	80,922.94	80,922.94
Increase	34,597.80	34,597.80
Accrual	34,597.80	34,597.80
Decrease		
Closing balance	115,520.74	115,520.74
Provision for impairment		
Opening balance		
Increase		
Decrease		

Items	Forestry	Total
Closing balance		
Carrying amount		
Closing carrying amount	612,853.26	612,853.26
Opening carrying amount	647,451.06	647,451.06

19. Right-of-use assets

Items	Buildings and structures	Land use right	Total
Cost			
Opening balance	129,583,940.51	17,924,990.69	147,508,931.20
Increase	7,888,099.30	2,961,276.37	10,849,375.67
Leased in	7,888,099.30	2,961,276.37	10,849,375.67
Decrease	14,136,955.13	1,233,901.97	15,370,857.10
Disposal	14,136,955.13	1,233,901.97	15,370,857.10
Closing balance	123,335,084.68	19,652,365.09	142,987,449.77
Accumulated depreciation			
Opening balance	43,347,903.65	3,182,281.70	46,530,185.35
Increase	22,949,926.39	2,767,212.29	25,717,138.68
Accrual	22,949,926.39	2,767,212.29	25,717,138.68
Decrease	8,248,647.04	1,233,901.97	9,482,549.01
Disposal	8,248,647.04	1,233,901.97	9,482,549.01
Closing balance	58,049,183.00	4,715,592.02	62,764,775.02
Provision for impairment			
Opening balance			
Increase			
Decrease			
Closing balance			
Carrying amount			
Closing carrying amount	65,285,901.68	14,936,773.07	80,222,674.75
Opening carrying amount	86,236,036.86	14,742,708.99	100,978,745.85

20. Intangible assets

(1) Categories of intangible assets

Items	PPP projects under construction	Franchise	Land use right	Brand royalty	House use right
Cost					
Opening balance	2,790,217,199.83	3,848,772,799.30	3,246,573,473.01	170,721,979.88	55,208,700.00
Increase	1,269,228,749.29	1,199,691.24	470,027,732.00		
1) Acquisition	1,269,228,749.29		470,027,732.00		
2) Others		1,199,691.24			
Decrease		17,661,659.84	29,963,512.77		
1) Transferred out to investment property			29,963,512.77		
2) Disposal of subsidiaries					
3) Others		17,661,659.84			
Closing balance	4,059,445,949.12	3,832,310,830.70	3,686,637,692.24	170,721,979.88	55,208,700.00
Accumulated amortization					
Opening balance		1,525,704,211.87	329,664,122.73	107,148,036.70	9,666,729.95
Increase		1,314,271,406.19	80,472,293.30	91,065.96	925,364.84
Amortization		1,314,271,406.19	80,472,293.30	91,065.96	925,364.84
Decrease			1,247,090.93		
1) Transferred out to investment property			1,247,090.93		
2) Disposal of subsidiaries					
Closing balance		2,839,975,618.06	408,889,325.10	107,239,102.66	10,592,094.79
Provision for impairment					
Opening balance					
Increase				63,050,314.46	
Decrease					
Closing balance				63,050,314.46	
Carrying amount					
Closing carrying amount	4,059,445,949.12	992,335,212.64	3,277,748,367.14	432,562.76	44,616,605.21
Opening carrying amount	2,790,217,199.83	2,323,068,587.43	2,916,909,350.28	63,573,943.18	45,541,970.05

(Continued)

Items	Software	Patent right	Trademark	Data resources	Total
Cost					
Opening balance	56,831,830.14	674,245.98	129,500.00		10,169,129,728.14
Increase	4,483,102.24	58,252.43		1,569,312.84	1,746,566,840.04
1) Acquisition	4,483,102.24	58,252.43			1,743,797,835.96
2) Others				1,569,312.84	2,769,004.08
Decrease	96,777.75				47,721,950.36
1) Transferred out to investment property					29,963,512.77
2) Disposal of subsidiaries	96,777.75				96,777.75
3) Others					17,661,659.84
Closing balance	61,218,154.63	732,498.41	129,500.00	1,569,312.84	11,867,974,617.82
Accumulated amortization					
Opening balance	34,096,965.79	96,290.14	129,500.00		2,006,505,857.18
Increase	5,769,557.56	68,787.44		50,094.74	1,401,648,570.03
Amortization	5,769,557.56	68,787.44		50,094.74	1,401,648,570.03
Decrease	67,363.58				1,314,454.51
1) Transferred out to investment property					1,247,090.93
2) Disposal of subsidiaries	67,363.58				67,363.58
Closing balance	39,799,159.77	165,077.58	129,500.00	50,094.74	3,406,839,972.70
Provision for impairment					
Opening balance					
Increase					63,050,314.46
Decrease					
Closing balance					63,050,314.46
Carrying amount					
Closing carrying amount	21,418,994.86	567,420.83		1,519,218.10	8,398,084,330.66
Opening carrying amount	22,734,864.35	577,955.84			8,162,623,870.96

(2) Data resources recognized as intangible assets

Items	Self-developed data resources	Total
Cost		
Opening balance		
Increase	1,569,312.84	1,569,312.84
Including: Internal research and development	1,569,312.84	1,569,312.84
Decrease		
Closing balance	1,569,312.84	1,569,312.84
Accumulated amortization		
Opening balance		
Increase	50,094.74	50,094.74
Amortization	50,094.74	50,094.74
Decrease		
Closing balance	50,094.74	50,094.74
Provision for impairment		
Opening balance		
Increase		
Decrease		
Closing balance		
Carrying amount		
Closing carrying amount	1,519,218.10	1,519,218.10
Opening carrying amount		

21. Development expenditures

Items	Opening balance	Increase		Decrease			Closing balance
		Internal development expenditures	Others	Recognized as intangible assets	Transferred out into profit or loss	Others	
Software	5,403,482.04	2,333,205.31	435,680.00		3,482,047.75		4,690,319.60
Technological research and development			194,174.76				194,174.76
Total	5,403,482.04	2,333,205.31	629,854.76		3,482,047.75		4,884,494.36

22. Goodwill

Audited entities or events resulting in goodwill	Cost				Provision for impairment			
	Opening balance	Increase	Decrease	Closing balance	Opening balance	Increase	Decrease	Closing balance
Jinan Xicheng Shizhong Real Estate Co., Ltd.	6,608,409.00			6,608,409.00				
Jinan Wanrong Real Estate Co., Ltd.	729,357.53			729,357.53				
Shandong Jixi Wetland Ecological Farm Co., Ltd.	633,980.09			633,980.09				
Jinan Rongde Real Estate Co., Ltd.	228,577.53			228,577.53				
Jinan West Railway Station Transportation Co., Ltd.	67,874.40			67,874.40				
Jinan Futai Real Estate Co., Ltd.	500.00			500.00				
Shandong Kangqiao Real Estate Co., Ltd.	963,824.90			963,824.90				
Ningguo Port Investment Municipal Engineering Construction Co., Ltd.	33,000,000.00			33,000,000.00				
Jinan Urban Construction Group (Jiangxi) Construction Engineering Co., Ltd.	23,205,000.00			23,205,000.00				
Jinan Urban Construction Group (Shenzhen) Municipal Engineering Co., Ltd.	30,999,997.60			30,999,997.60				
Shandong Guantian Construction Engineering Co., Ltd.		500,000.00		500,000.00				
Shandong Dianrun Construction Engineering Co., Ltd.		500,000.00		500,000.00				
Qingdao Lidong Huibang Engineering Co., Ltd.		2,450,000.00		2,450,000.00				
Total	96,437,521.05	3,450,000.00		99,887,521.05				

23. Long-term prepayments

Items	Opening balance	Increase	Amortization	Other decreases	Closing balance	Reasons for other decreases
Decoration and renovation expenses	267,337,945.52	34,530,278.01	64,043,906.13	1,501,123.85	236,323,193.55	Due to settlement and transfer-out from the Company
Others	1,128,911.33	1,149,593.43	709,006.92		1,569,497.84	
Total	268,466,856.85	35,679,871.44	64,752,913.05	1,501,123.85	237,892,691.39	

24. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities before offset

Items	Closing balance		Opening balance	
	Deductible/ Taxable temporary difference	Deferred tax assets/ liabilities	Deductible/ Taxable temporary difference	Deferred tax assets/ liabilities
Deferred tax assets	3,470,227,429.85	653,631,421.74	3,839,481,241.50	745,950,216.19
Provision for impairment of assets	2,457,958,286.29	442,149,575.47	2,283,594,158.34	410,179,412.42
Accrual of warranty fund	405,002,496.07	63,634,631.47	443,172,812.11	70,090,133.17
Unrealized profit from internal transactions	22,204,514.79	3,330,677.22	84,066,375.66	12,609,956.35
Deductible losses	41,037,379.41	10,259,344.85	399,014,477.21	99,753,619.31
Changes in fair value of other equity instrument investments	372,803,847.57	93,200,961.89	443,481,120.00	110,870,280.00
Changes in fair value of investment property	99,216,246.81	24,717,447.32	93,024,414.13	23,256,103.54
Lease liabilities	72,004,658.91	16,338,783.52	93,127,884.05	19,190,711.40
Deferred tax liabilities	1,807,171,101.86	445,438,060.17	2,611,899,960.73	644,612,394.61
Changes in fair value of other equity instrument investments	441,016,796.47	110,254,199.12	549,749,705.46	137,437,426.37
Changes in fair value of investment property	1,201,834,730.95	296,993,521.60	1,961,804,711.61	486,755,033.74
Right-of-use assets	80,222,674.75	17,788,873.00	96,098,670.41	19,573,326.91
Long-term receivables	1,301,486.99	325,371.75	1,674,952.15	418,738.03
One-time extra deduction for fixed assets	1,305,538.18	195,830.73	1,730,293.30	259,544.00
Depreciation difference for investment property converted to owner-occupied use	23,105,654.45	5,284,208.95	841,627.80	168,325.56
Difference arising from the conversion of investment property to inventories	58,384,220.07	14,596,055.02		

(2) Deferred tax assets or liabilities after offset

Items	Closing balance		Opening balance	
	Deferred tax assets offset by deferred tax liabilities	Deferred tax assets/liabilities after offset	Deferred tax assets offset by deferred tax liabilities	Deferred tax assets/liabilities after offset
Deferred tax assets	131,350,498.32	522,280,923.42	226,298,325.54	519,651,890.65
Deferred tax liabilities	131,350,498.32	314,087,561.85	226,298,325.54	418,314,069.07

25. Other non-current assets

Items	Closing balance		
	Cost	Provision for impairment	Carrying amount
Prepayments for construction	948,700,078.61		948,700,078.61
Prepayments for land	307,474,892.01		307,474,892.01
Prepayments for housing property	1,479,985,264.10	102,959,821.79	1,377,025,442.31
Projects and investment funds	930,695,045.64	60,000,000.00	870,695,045.64
Area development supporting public construction	1,380,787,702.09		1,380,787,702.09
Municipal utility tunnel and other municipal assets	17,517,162,417.52		17,517,162,417.52
Provincial Capital Culture and Art Center project	3,928,359,853.08		3,928,359,853.08
Public rental housing	5,347,826,165.72		5,347,826,165.72
Garden Expo project	271,384,522.96		271,384,522.96
Fohui Mountain Kaiyuan Temple entrance renovation project	774,729,554.97		774,729,554.97
Bridge and tunnel project	14,535,776,064.12		14,535,776,064.12
Chinese painting works	442,000.00		442,000.00
Advance payment for assets	6,073,172.51		6,073,172.51
Costs to obtain a contract			
Others	21,726,382.50		21,726,382.50
Total	47,451,123,115.83	162,959,821.79	47,288,163,294.04

(Continued)

Items	Opening balance		
	Cost	Provision for impairment	Carrying amount
Prepayments for construction	474,696,573.25		474,696,573.25
Prepayments for land	307,474,892.01		307,474,892.01
Prepayments for housing property	1,525,078,274.58	51,479,910.90	1,473,598,363.68

Items	Opening balance		
	Cost	Provision for impairment	Carrying amount
Projects and investment funds	931,952,946.18	30,000,000.00	901,952,946.18
Area development supporting public construction	1,380,779,672.09		1,380,779,672.09
Municipal utility tunnel and other municipal assets	21,143,405,975.09		21,143,405,975.09
Provincial Capital Culture and Art Center project	3,926,709,376.02		3,926,709,376.02
Public rental housing	5,338,684,446.14		5,338,684,446.14
Garden Expo project	271,384,522.96		271,384,522.96
Fohui Mountain Kaiyuan Temple entrance renovation project	774,729,554.97		774,729,554.97
Bridge and tunnel project	13,595,342,784.39		13,595,342,784.39
Chinese painting works	402,000.00		402,000.00
Advance payment for assets	927,156.64		927,156.64
Costs to obtain a contract	1,390,579.24		1,390,579.24
Others	21,726,382.50		21,726,382.50
Total	49,694,685,136.06	81,479,910.90	49,613,205,225.16

26. Short-term borrowings

Categories	Closing balance	Opening balance
Pledged borrowings	20,200,000.00	154,000,000.00
Mortgaged borrowings		189,300,000.00
Guaranteed borrowings	994,322,305.56	9,300,000.00
Credit borrowings	13,034,972,197.81	12,563,070,411.27
Total	14,049,494,503.37	12,915,670,411.27

27. Notes payable

Categories	Closing balance	Opening balance
Bank acceptance	1,365,739,362.45	409,540,252.56
Trade acceptance	913,583,661.49	1,642,416,584.57
Letters of credit	679,640,376.16	
Total	2,958,963,400.10	2,051,956,837.13

28. Accounts payable

(1) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	14,395,641,640.13	11,028,789,386.21
1-2 years	4,389,911,922.48	6,894,280,419.74
2-3 years	2,716,089,453.53	1,188,279,248.69
Over 3 years	2,603,824,343.49	2,363,607,463.41
Total	24,105,467,359.63	21,474,956,518.05

(2) Details of the top 5 debtors with largest balances

Debtors	Relationships with the Company	Closing balance	Proportion to total balance of accounts payable (%)
China Enterprise Cloud Chain Co., Ltd.	Non-related party	2,020,282,009.58	8.38
Golden Network (Beijing) Digital Technology Co., Ltd.	Non-related party	904,534,416.25	3.75
China Construction Eighth Engineering Division Co., Ltd.	Non-related party	631,912,961.41	2.62
CCCC Second Navigation Engineering Bureau Co., Ltd. Fourth Branch	Non-related party	445,436,144.78	1.85
China Minsheng Banking Corp., Ltd.	Non-related party	262,122,046.97	1.09
Subtotal		4,264,287,578.99	17.69

29. Advances received

Ages	Closing balance	Opening balance
Within 1 year	118,631,238.52	84,880,147.61
1-2 years	9,833,968.89	52,784,015.72
2-3 years	23,113,736.93	9,779,561.18
Over 3 years	9,545,099.53	11,536,510.87
Total	161,124,043.87	158,980,235.38

30. Contract liabilities

Items	Closing balance	Opening balance
Advances received for construction works	8,217,097,691.81	9,106,204,568.57
Advances received for house sales	2,571,106,810.36	4,298,837,045.32
Advances received for goods payment	855,636,816.22	829,930,192.64
Advances received for operation and maintenance services	113,769,167.97	11,019,169.66

Items	Closing balance	Opening balance
Advances received for agent construction	26,892,070.38	6,268,282,174.80
Advances received for property fees	10,709,482.61	8,800,685.08
Advances received for project management, supervision, and inspection	6,727,126.01	28,533,264.05
Others	10,127,727.48	15,477,706.25
Total	11,812,066,892.84	20,567,084,806.37

31. Employee benefits payable

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Short-term employee benefits	1,072,715,553.03	2,108,900,302.08	2,030,463,774.46	1,151,152,080.65
Post-employment benefits - defined contribution plan	47,948,874.38	261,424,306.86	295,102,346.51	14,270,834.73
Termination benefits		1,305,197.92	1,305,197.92	
Total	1,120,664,427.41	2,371,629,806.86	2,326,871,318.89	1,165,422,915.38

(2) Details of short-term employee benefits

Items	Opening balance	Increase	Decrease	Closing balance
Wage, bonus, allowance and subsidy	1,017,596,040.26	1,714,379,543.46	1,610,744,184.92	1,121,231,398.80
Employee welfare fund	2,103,931.47	100,865,536.75	101,348,096.59	1,621,371.63
Social insurance premium	32,492,116.15	144,567,257.21	170,690,803.79	6,368,569.57
Including: Medicare premium	686,611.30	83,451,323.83	83,765,908.74	372,026.39
Occupational injuries premium	26,239.62	10,018,056.43	10,019,988.27	24,307.78
Supplementary medical insurance	31,779,265.23	51,097,876.95	76,904,906.78	5,972,235.40
Housing provident fund	1,138,284.32	126,949,627.40	127,517,068.50	570,843.22
Trade union fund and employee education fund	19,385,180.83	21,445,332.56	19,470,615.96	21,359,897.43
Short-term paid leave		693,004.70	693,004.70	
Total	1,072,715,553.03	2,108,900,302.08	2,030,463,774.46	1,151,152,080.65

(3) Details of defined contribution plan

Items	Opening balance	Increase	Decrease	Closing balance
Basic endowment insurance premium	1,674,115.08	168,168,068.99	168,692,726.56	1,149,457.51
Unemployment insurance premium	61,660.26	7,363,176.01	7,385,913.14	38,923.13
Company annuity payment	46,213,099.04	85,893,061.86	119,023,706.81	13,082,454.09
Total	47,948,874.38	261,424,306.86	295,102,346.51	14,270,834.73

32. Taxes and rates payable

Items	Closing balance	Opening balance
VAT	546,506,081.18	37,509,137.14
Enterprise income tax	108,931,668.41	114,236,110.14
Land appreciation tax	33,052,168.65	2,587,490.81
Housing property tax	24,705,344.76	22,808,033.96
Land use tax	20,519,340.82	16,615,198.62
Stamp duty	13,925,118.67	7,198,370.52
Individual income tax	6,966,817.06	5,763,996.45
Urban maintenance and construction tax	4,064,164.52	1,333,232.99
Education surcharge	2,081,830.36	871,964.94
Local education surcharge	1,200,547.05	373,983.50
Deed tax	658,481.18	1,510,388.13
Environmental protection tax	79,315.29	23,524.73
Cultural undertakings fee	30,682.50	15,300.00
Local water conservancy construction fund	3,358.75	3,354.42
Water resources tax	200.00	
Total	762,725,119.20	210,850,086.35

33. Other payables

(1) Details

Items	Closing balance	Opening balance
Interest payable	20,612,486.07	18,811,874.14
Dividend payable	4,706,900.77	2,332,199.69
Other payables	12,176,540,447.35	11,602,538,662.30
Total	12,201,859,834.19	11,623,682,736.13

(2) Interest payable

Items	Closing balance	Opening balance
Interest on short-term borrowings	20,612,486.07	18,811,874.14
Total	20,612,486.07	18,811,874.14

(3) Dividend payable

Items	Closing balance	Opening balance
Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	4,103,451.95	2,033,199.73
Tongyuan Design Group Co., Ltd.	603,448.82	298,999.96
Total	4,706,900.77	2,332,199.69

(4) Other payables

1) Age analysis

Ages	Closing balance	Opening balance
Within 1 year	4,421,807,794.05	6,072,147,221.72
1-2 years	2,423,814,875.97	2,785,394,944.88
2-3 years	2,624,639,785.02	365,276,115.34
Over 3 years	2,706,277,992.31	2,379,720,380.36
Total	12,176,540,447.35	11,602,538,662.30

2) Details of the top 5 debtors with largest balances

Debtors	Relationships with the Company	Closing balance	Proportion to the total balance of other receivables (%)
Xin'an International Commercial Factoring Co., Ltd.	Non-related party	5,109,572,286.31	41.96
Qingdao Junyi Holding Group Co., Ltd.	Non-related party	1,730,000,000.00	14.21
Laiwu Urban Development Group Co., Ltd.	Non-related party	714,826,131.90	5.87
Shandong Institute of Advanced Technology	Non-related party	540,000,000.00	4.43
Jinan Land Reserve Center	Non-related party	500,000,000.00	4.11
Subtotal		8,594,398,418.21	70.58

34. Non-current liabilities due within one year

Items	Closing balance	Opening balance
Long-term borrowings due within one year	22,607,705,050.52	9,388,520,468.94
Long-term payables due within one year	3,530,391,130.85	2,992,190,284.71
Bonds payable due within one year	1,226,432,715.30	16,356,560,273.09
Interest payable due within one year	954,249,551.54	891,093,568.89

Items	Closing balance	Opening balance
Other long-term liabilities due within one year	500,000,000.00	
Provisions due within one year	146,535,144.60	
Lease liabilities due within one year	17,067,966.66	25,756,608.87
Total	28,982,381,559.47	29,654,121,204.50

35. Other current liabilities

Items	Closing balance	Opening balance
Short-term financing loans	5,000,000,000.00	5,000,000,000.00
Output VAT to be recognized	388,574,576.70	1,098,974,158.68
Notes receivable endorsed but not derecognized	48,741,956.19	33,978,257.42
Certificate of right to accounts receivable endorsed but not derecognized	828,495.51	
Lease liabilities due but unpaid		1,666,012.38
Total	5,438,145,028.40	6,134,618,428.48

36. Long-term borrowings

Items	Closing balance	Opening balance
Credit borrowings	36,992,848,855.55	56,285,860,106.98
Guaranteed borrowings	22,261,875,325.43	3,907,500,000.00
Pledged and guaranteed borrowings	9,324,388,799.67	
Pledged borrowings	5,123,388,267.91	13,616,472,273.10
Mortgaged and guaranteed borrowings	1,524,342,876.91	
Mortgaged borrowings	1,069,180,767.41	1,842,697,900.58
Mortgaged, pledged and guaranteed borrowings	488,848,442.44	
Total	76,784,873,335.32	75,652,530,280.66

37. Bonds payable

(1) Details

Items	Closing balance	Opening balance
JNUCGC 3.8 01/29/27	1,998,674,042.14	
JNUCGC 3.9 07/04/29	1,981,318,848.98	
22-JNCJ-PPN001	1,191,532,721.57	1,187,964,771.18
23-JNCJ-PPN001	998,743,479.74	998,381,499.27
23-JNCJ-PPN003	998,917,915.85	998,270,124.66
23-JNCJ-PPN002	1,298,691,527.96	1,297,889,631.61
23-JNCJ-PPN004	699,153,120.72	698,703,429.30

Items	Closing balance	Opening balance
24-JNCJ-PPN001	398,789,051.47	
24-JNCJ-PPN002	598,864,381.43	
22-JNCJ-MTN003	1,495,455,465.37	1,491,636,414.89
23-JNCJ-MTN001	498,330,085.83	499,290,538.79
23-JNCJ-MTN002	996,652,658.92	998,594,668.20
23-JNCJ-MTN003	1,192,931,712.97	1,192,268,598.74
23-JNCJ-MTN004A	499,397,529.38	499,075,750.96
23-JNCJ-MTN004B	1,496,168,733.00	1,495,238,753.81
24-JNCJ-MTN001	1,794,976,551.06	
20-JNCJZ-01	2,999,356,816.27	3,001,167,772.37
21-JNCJZ-01	2,402,320,515.22	2,399,631,947.01
G22-JJS-01	599,648,572.37	598,483,134.52
G22-JJS-02	599,484,142.93	598,325,467.31
23-JJ-G2	1,997,166,578.44	1,996,513,693.89
24-JJ-G1	1,496,166,603.83	
24-JJ-G2	1,495,972,109.22	
23-JJ-01	495,767,079.52	498,111,213.42
23-JJ-03	1,495,352,521.04	1,497,017,009.62
23-JJ-04	499,295,872.70	499,424,366.56
23-JJ-05	996,868,573.16	997,994,544.54
24-JJ-02	1,501,076,386.93	
24-JJ-03	400,272,893.91	
24-JJ-04	1,601,124,719.07	
21-JJ-01		1,999,503,745.66
21-JJ-G1		1,999,586,516.18
19-JNCJZ-01		1,491,904,643.71
21-JNCJ-PPN001		1,498,985,496.59
21-JNCJ-MTN001		1,498,209,650.76
GC-JJY	1,418,192,924.53	
22-JXCT-PPN001	1,456,001,522.74	1,454,365,403.29
23-XCTZ-MTN001	2,577,689,368.27	2,575,940,393.62
19-JX-02		1,497,394,537.33
18-JXT	3,296,446,035.31	3,295,663,530.54
19-JX-03		1,496,565,472.72
22-JX-02	1,995,444,600.09	1,993,578,380.93

Items	Closing balance	Opening balance
24-JX-01	1,495,406,787.19	
24-JX-04	1,495,165,727.71	
Yin Xiang Yi You	968,600,000.00	991,500,000.00
JNUCGC 2.3 2024-11-10		3,537,064,757.76
JNUCGC 2.4 2026-09-23	2,188,724,023.45	2,154,398,088.89
JNUCGC 4 2026-12-08	1,997,164,778.20	1,995,403,653.79
JNUCGC 5 2027-11-06	3,627,784,106.18	
24-JCJJ-MTN001	1,001,787,397.26	
Guojun Wanhe asset-backed special plan CMBS bonds	1,330,000,000.00	1,400,000,000.00
19-LWCF-PPN002		229,749,374.99
19-LWCF-PPN001		199,868,774.09
Less: Bonds payable due within one year	1,226,432,715.30	16,356,560,273.09
Total	60,340,445,766.63	38,397,105,478.41

(2) Current period movements

Bonds	Par value	Issuing date	Maturity (year)	Amount outstanding	Opening balance	Current period issuance
JNUCGC 3.8 01/29/27	2,000,000,000.00	January 29, 2024	3	2,000,000,000.00		2,000,000,000.00
JNUCGC 3.9 07/04/29	2,000,000,000.00	July 4, 2024	5	2,000,000,000.00		2,000,000,000.00
22-JNCJ-PPN001	1,200,000,000.00	March 22, 2022	5	1,200,000,000.00	1,187,964,771.18	
23-JNCJ-PPN001	1,000,000,000.00	March 15, 2023	3+2	1,000,000,000.00	998,381,499.27	
23-JNCJ-PPN003	1,000,000,000.00	August 9, 2023	3	1,000,000,000.00	998,270,124.66	
23-JNCJ-PPN002	1,300,000,000.00	June 9, 2023	3	1,300,000,000.00	1,297,889,631.61	
23-JNCJ-PPN004	700,000,000.00	October 17, 2023	3	700,000,000.00	698,703,429.30	
24-JNCJ-PPN001	400,000,000.00	July 24, 2024	5	400,000,000.00		400,000,000.00
24-JNCJ-PPN002	600,000,000.00	October 11, 2024	3	600,000,000.00		600,000,000.00
22-JNCJ-MTN003	1,500,000,000.00	June 27, 2022	5	1,500,000,000.00	1,491,636,414.89	
23-JNCJ-MTN001	500,000,000.00	April 18, 2023	5+5+5	500,000,000.00	499,290,538.79	
23-JNCJ-MTN002	1,000,000,000.00	May 26, 2023	5+5+5	1,000,000,000.00	998,594,668.20	
23-JNCJ-MTN003	1,200,000,000.00	September 12, 2023	10	1,200,000,000.00	1,192,268,598.74	
23-JNCJ-MTN004A	500,000,000.00	October 13, 2023	3	500,000,000.00	499,075,750.96	
23-JNCJ-MTN004B	1,500,000,000.00	October 13, 2023	5	1,500,000,000.00	1,495,238,753.81	
24-JNCJ-MTN001	1,800,000,000.00	March 5, 2024	5	1,800,000,000.00		1,800,000,000.00
20-JNCJZ-01	3,000,000,000.00	April 21, 2020	3+3+3+1	3,000,000,000.00	3,001,167,772.37	
21-JNCJZ-01	2,400,000,000.00	January 27, 2021	3+3+3+1	2,400,000,000.00	2,399,631,947.01	
G22-JJS-01	600,000,000.00	April 13, 2022	3	600,000,000.00	598,483,134.52	

G22-JJS-02	600,000,000.00	June 6, 2022	3	600,000,000.00	598,325,467.31	
23-JJ-G2	2,000,000,000.00	December 25, 2023	5	2,000,000,000.00	1,996,513,693.89	
24-JJ-G1	1,500,000,000.00	March 25, 2024	10	1,500,000,000.00		1,500,000,000.00
24-JJ-G2	1,500,000,000.00	May 10, 2024	10	1,500,000,000.00		1,500,000,000.00
23-JJ-01	500,000,000.00	March 10, 2023	5	500,000,000.00	498,111,213.42	
23-JJ-03	1,500,000,000.00	August 28, 2023	5	1,500,000,000.00	1,497,017,009.62	
23-JJ-04	500,000,000.00	September 12, 2023	3	500,000,000.00	499,424,366.56	
23-JJ-05	1,000,000,000.00	September 12, 2023	5	1,000,000,000.00	997,994,544.54	
24-JJ-02	1,500,000,000.00	January 12, 2024	5	1,500,000,000.00		1,500,000,000.00
24-JJ-03	400,000,000.00	January 22, 2024	3	400,000,000.00		400,000,000.00
24-JJ-04	1,600,000,000.00	January 22, 2024	5	1,600,000,000.00		1,600,000,000.00
21-JJ-01	2,000,000,000.00	January 29, 2021	3	2,000,000,000.00	1,999,503,745.66	
21-JJ-G1	2,000,000,000.00	January 29, 2021	3+2	2,000,000,000.00	1,999,586,516.18	
19-JNCJZ-01	1,500,000,000.00	January 3, 2020	5	1,500,000,000.00	1,491,904,643.71	
21-JNCJ-PPN001	1,500,000,000.00	March 10, 2021	3+2	1,500,000,000.00	1,498,985,496.59	
21-JNCJ-MTN001	1,500,000,000.00	November 17, 2021	3+2	1,500,000,000.00	1,498,209,650.76	
GC-JJY	1,425,000,000.00	March 12, 2024	18	1,425,000,000.00		1,425,000,000.00
22-JXCT-PPN001	1,460,000,000.00	April 25, 2022	5	1,460,000,000.00	1,454,365,403.29	
23-XCTZ-MTN001	2,580,000,000.00	April 26, 2023	5	2,580,000,000.00	2,575,940,393.62	
19-JX-02	1,500,000,000.00	August 20, 2019	5	1,500,000,000.00	1,497,394,537.33	
18-JXT	3,300,000,000.00	December 18, 2018	10	3,300,000,000.00	3,295,663,530.54	
19-JX-03	1,500,000,000.00	November 20, 2019	5	1,500,000,000.00	1,496,565,472.72	
22-JX-02	2,000,000,000.00	April 19, 2022	5	2,000,000,000.00	1,993,578,380.93	
24-JX-01	1,500,000,000.00	August 13, 2024	5	1,500,000,000.00		1,500,000,000.00
24-JX-04	1,500,000,000.00	November 14, 2024	5	1,500,000,000.00		1,500,000,000.00
Yin Xiang Yi You	1,000,000,000.00	October 30, 2020	17.85	1,000,000,000.00	991,500,000.00	
JNUCGC 2.3 2024-11-10	3,203,250,000.00	November 10, 2021	3	3,203,250,000.00	3,537,064,757.76	
JNUCGC 2.4 2026-09-23	1,970,269,500.00	September 23, 2021	5	1,970,269,500.00	2,154,398,088.89	
JNUCGC 4 2026-12-08	2,000,000,000.00	December 8, 2023	3	2,000,000,000.00	1,995,403,653.79	
JNUCGC 5 2027-11-06	3,637,330,400.00	November 6, 2024	3	3,637,330,400.00		3,536,210,620.75
24-JCJJ-MTN001	1,000,000,000.00	December 4, 2024	3+2	1,000,000,000.00		1,000,000,000.00
Guojun Wanhe asset-backed special plan CMBS bonds	1,400,000,000.00	April 26, 2023	18	1,400,000,000.00	1,400,000,000.00	
19-LWCF-PPN002	230,000,000.00	October 29, 2019	2+1+2	230,000,000.00	229,749,374.99	
19-LWCF-PPN001	200,000,000.00	July 26, 2019	3+2	200,000,000.00	199,868,774.09	
Total	76,705,849,900.00			76,705,849,900.00	54,753,665,751.50	22,261,210,620.75

(Continued)

Bonds	Par value interest	Premium/Discount amortization	Decrease	Closing balance	Including: Bonds payable due within one year
JNUCGC 3.8 01/29/27	71,144,444.44	-1,325,957.86		1,998,674,042.14	
JNUCGC 3.9 07/04/29	39,000,000.00	-18,681,151.02		1,981,318,848.98	
22-JNCJ-PPN001	47,450,000.00	3,567,950.39		1,191,532,721.57	
23-JNCJ-PPN001	39,541,666.67	361,980.47		998,743,479.74	
23-JNCJ-PPN003	33,458,333.33	647,791.19		998,917,915.85	
23-JNCJ-PPN002	44,813,888.89	801,896.35		1,298,691,527.96	
23-JNCJ-PPN004	24,698,333.33	449,691.42		699,153,120.72	
24-JNCJ-PPN001	4,035,555.56	-1,210,948.53		398,789,051.47	
24-JNCJ-PPN002	3,334,500.00	-1,135,618.57		598,864,381.43	
22-JNCJ-MTN003	53,077,083.33	3,819,050.48		1,495,455,465.37	
23-JNCJ-MTN001	18,604,861.11	-960,452.96		498,330,085.83	
23-JNCJ-MTN002	36,297,222.22	-1,942,009.28		996,652,658.92	
23-JNCJ-MTN003	49,883,333.33	663,114.23		1,192,931,712.97	
23-JNCJ-MTN004A	16,627,777.78	321,778.42		499,397,529.38	
23-JNCJ-MTN004B	52,925,000.00	929,979.19		1,496,168,733.00	
24-JNCJ-MTN001	41,688,500.00	-5,023,448.94		1,794,976,551.06	
20-JNCJZ-01	83,037,500.00	-1,810,956.10		2,999,356,816.27	
21-JNCJZ-01	94,170,000.00	2,688,568.21		2,402,320,515.22	
G22-JJS-01	23,116,666.67	1,165,437.85		599,648,572.37	599,648,572.37
G22-JJS-02	23,116,666.67	1,158,675.62		599,484,142.93	599,484,142.93
23-JJ-G2	65,902,777.78	652,884.55		1,997,166,578.44	
24-JJ-G1	38,403,333.33	-3,833,396.17		1,496,166,603.83	
24-JJ-G2	29,766,666.67	-4,027,890.78		1,495,972,109.22	
23-JJ-01	22,812,500.00	-2,344,133.90		495,767,079.52	
23-JJ-03	53,229,166.67	-1,664,488.58		1,495,352,521.04	
23-JJ-04	16,627,777.78	-128,493.86		499,295,872.70	
23-JJ-05	38,020,833.33	-1,125,971.38		996,868,573.16	
24-JJ-02	47,200,000.00	1,076,386.93		1,501,076,386.93	
24-JJ-03	11,466,666.67	272,893.91		400,272,893.91	
24-JJ-04	49,688,888.89	1,124,719.07		1,601,124,719.07	
21-JJ-01	4,070,000.00	496,254.34	2,000,000,000.00		
21-JJ-G1	6,020,000.00	413,483.82	2,000,000,000.00		
19-JNCJZ-01	54,145,000.00	8,095,356.29	1,500,000,000.00		

Bonds	Par value interest	Premium/Discount amortization	Decrease	Closing balance	Including: Bonds payable due within one year
21-JNCJ-PPN001	11,500,000.00	1,014,503.41	1,500,000,000.00		
21-JNCJ-MTN001	43,870,000.00	1,790,349.24	1,500,000,000.00		
GC-JJY	47,084,876.71	-6,807,075.47		1,418,192,924.53	
22-JXCT-PPN001	49,732,896.17	1,636,119.45		1,456,001,522.74	
23-XCTZ-MTN001	91,760,030.09	1,748,974.65		2,577,689,368.27	
19-JX-02	42,971,311.48	2,605,462.67	1,500,000,000.00		
18-JXT	114,191,907.92	782,504.77		3,296,446,035.31	
19-JX-03	58,606,557.38	3,434,527.28	1,500,000,000.00		
22-JX-02	76,546,406.16	1,866,219.16		1,995,444,600.09	
24-JX-01	13,252,602.74	-4,593,212.81		1,495,406,787.19	
24-JX-04	4,744,931.51	-4,834,272.29		1,495,165,727.71	
Yin Xiang Yi You			22,900,000.00	968,600,000.00	22,800,000.00
JNUCGC 2.3 2024-11-10	70,556,875.98	36,941,284.74	3,574,006,042.50		
JNUCGC 2.4 2026-09-23	52,171,621.21	34,325,934.56		2,188,724,023.45	
JNUCGC 4 2026-12-08	74,972,677.60	1,761,124.41		1,997,164,778.20	
JNUCGC 5 2027-11-06	27,631,653.58	91,573,485.43		3,627,784,106.18	
24-JCJJ-MTN001	1,812,222.22	1,787,397.26		1,001,787,397.26	
Guojun Wanhe asset-backed special plan CMBS bonds			70,000,000.00	1,330,000,000.00	4,500,000.00
19-LWCF-PPN002		250,625.01	230,000,000.00		
19-LWCF-PPN001		131,225.91	200,000,000.00		
Total	2,018,781,515.20	148,908,152.18	15,596,906,042.50	61,566,878,481.93	1,226,432,715.30

38. Lease liabilities

Items	Closing balance	Opening balance
Outstanding lease payments	89,086,754.56	114,315,735.91
Less: unrecognized financing costs	12,805,462.56	16,450,260.07
Reclassified to non-current liabilities due within one year	17,067,966.66	25,756,608.87
Net lease liabilities	59,213,325.34	72,108,866.97

39. Long-term payables

(1) Details

Items	Closing balance	Opening balance
Long-term payables	43,139,822,700.32	44,540,232,738.34
Special payables	588,335,018.97	589,533,842.49
Total	43,728,157,719.29	45,129,766,580.83

(2) Long-term payables

Items	Closing balance	Opening balance
Long-term payables	46,835,528,002.40	47,942,020,493.17
Less: Unrecognized financing costs	165,314,171.23	409,597,470.12
Long-term payables due within one year	3,530,391,130.85	2,992,190,284.71
Net value of long-term payables	43,139,822,700.32	44,540,232,738.34

(3) Special payables

Items	Closing balance	Opening balance
Shed renovation funds	336,830,983.27	336,830,983.27
Funds for the remediation of black and odorous water bodies	26,913,208.15	26,913,208.15
Special funds for water ecology river system connection projects	40,000,000.00	40,000,000.00
Ecological protection and restoration of Huashan Lake	35,000,000.00	35,000,000.00
North Lake Wetlands	14,010,000.00	14,010,000.00
Provincial pollution control project funds	13,000,000.00	13,000,000.00
Drinking water source replenishment	10,000,000.00	10,000,000.00
Sunshine Shuncheng demolition and resettlement housing management costs	5,876,114.11	6,133,339.75
Provincial environmental protection fund for the source of the Xiaoqing River	5,690,000.00	5,690,000.00
Operation and Maintenance (O&M) Costs for Reclaimed Water Stations and Pumping Stations	362,433.88	
Special funds for affordable housing in Huashan Area	12,233,529.41	12,233,529.41
Special funds for affordable housing in Beihu Area	14,766,470.59	14,766,470.59
Longdong Reclaimed Water Station renovation and upgrade project	477,845.61	
Special funds for the procurement of electrical facilities	40,000,000.00	40,000,000.00
Special funds for emergency rescue and disaster relief	30,993,261.30	31,017,352.55
Funding for Shandong Province Postdoctoral Innovation Practice Base	342,000.00	
Funding for Jinan Association for Science and Technology's Frontline Innovation Engineer Training Program	56,603.77	

Items	Closing balance	Opening balance
Others	1,782,568.88	3,938,958.77
Subtotal	588,335,018.97	589,533,842.49

40. Provisions

Items	Closing balance	Opening balance
Products quality guarantee	258,467,351.47	443,172,812.11
Penalty for late delivery of housing	946,446.06	1,304,454.85
Penalty for late processing of certificates	2,432,744.50	2,432,744.50
Total	261,846,542.03	446,910,011.46

41. Deferred income

Items	Opening balance	Increase	Decrease	Closing balance
Government grants	1,280,284,396.41	202,412,392.27	80,175,516.90	1,402,521,271.78
Total	1,280,284,396.41	202,412,392.27	80,175,516.90	1,402,521,271.78

42. Other non-current liabilities

Items	Closing balance	Opening balance
Output VAT to be recognized		13,024,175.03
Debt investment plan	450,000,000.00	950,000,000.00
Total	450,000,000.00	963,024,175.03

43. Paid-in capital

Investors	Opening balance		Increase	Decrease	Closing balance	
	Investment amount	% to total			Investment amount	% to total
Jinan SASAC	33,226,983,578.32	90.06	25,622,900.00		33,252,606,478.32	90.07
Shandong Caixin Asset Operation Co., Ltd.	3,666,600,397.59	9.94			3,666,600,397.59	9.93
Total	36,893,583,975.91	100.00	25,622,900.00		36,919,206,875.91	100.00

44. Other equity instruments

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
22-JNCJ-MTN001	998,113,207.55			998,113,207.55
22-JNCJ-MTN002	1,297,547,169.81			1,297,547,169.81
24-JNCJ-MTN002A		1,000,000,000.00		1,000,000,000.00
24-JNCJ-MTN002B		300,000,000.00		300,000,000.00

Items	Opening balance	Increase	Decrease	Closing balance
24-JNCJ-MTN003A		600,000,000.00		600,000,000.00
24-JNCJ-MTN003B		500,000,000.00		500,000,000.00
22-JJ-Y4	1,495,754,716.98			1,495,754,716.98
22-JJ-Y5	797,600,000.00			797,600,000.00
22-JJ-Y6	598,200,000.00			598,200,000.00
23-JJ-Y1	1,100,000,000.00			1,100,000,000.00
22-JJ-Y1	2,991,509,433.96			2,991,509,433.96
22-JJ-Y3	1,994,339,622.64			1,994,339,622.64
21-JJ-Y1	2,978,773,584.90		2,978,773,584.90	
24-JJ-Y1		200,000,000.00		200,000,000.00
24-JJ-Y2		900,000,000.00		900,000,000.00
Yongfeng Dividend No.18 Collective Funds Trust Plan		205,000,000.00		205,000,000.00
Government Special Bond	7,683,000,000.00	5,616,000,000.00	7,300,000,000.00	5,999,000,000.00
Total	21,934,837,735.84	9,321,000,000.00	10,278,773,584.90	20,977,064,150.94

(2) Other remarks

1) Equity instruments issued in the current period

a. On November 11, 2024, the Company issued Renewable Medium-Term Notes referred to as “24-JNCJ-MTN002A,” with a par value of 1.0 billion yuan. Pursuant to the terms of the issuance, the Company has the right to exercise the option to defer interest payments and has the discretion to choose the event of mandatory interest payment.

b. On November 11, 2024, the Company issued Renewable Medium-Term Notes referred to as “24-JNCJ-MTN002B,” with a par value of 0.3 billion yuan. Pursuant to the terms of the issuance, the Company has the right to exercise the option to defer interest payments and has the discretion to choose the event of mandatory interest payment.

c. On December 24, 2024, the Company issued Renewable Medium-Term Notes referred to as “24-JNCJ-MTN003A,” with a par value of 0.6 billion yuan. Pursuant to the terms of the issuance, the Company has the right to exercise the option to defer interest payments and has the discretion to choose the event of mandatory interest payment.

d. On December 24, 2024, the Company issued Renewable Medium-Term Notes referred to as “24-JNCJ-MTN003B,” with a par value of 0.5 billion yuan. Pursuant to the terms of the issuance, the Company has the right to exercise the option to defer interest payments and has the discretion to choose the event of mandatory interest payment.

e. On December 16, 2024, the Company issued Renewable Corporate Bonds referred to as “24-JJ-Y1,” with a par value of 0.2 billion yuan. Pursuant to the terms of the issuance, the

Company has the right to exercise the option to defer interest payments and has the discretion to choose the event of mandatory interest payment.

f. On December 16, 2024, the Company issued Renewable Corporate Bonds referred to as "24-JJ-Y2," with a par value of 0.9 billion yuan. Pursuant to the terms of the issuance, the Company has the right to exercise the option to defer interest payments and has the discretion to choose the event of mandatory interest payment.

g. In the current period, the Company received an investment fund of 0.205 billion yuan under the Yongfeng Dividend No. 18 Collective Funds Trust Plan Perpetual Debt Investment Agreement. Pursuant to the terms of the issuance, the Company has the right to exercise the option to defer interest payments and has the discretion to choose the event of mandatory interest payment.

h. In the current period, the Company received project capital of 5,616,000,000.00 yuan.

Pursuant to the relevant provisions of the "CASBE No. 22 - Recognition and Measurement of Financial Instruments," "CASBE No. 37 - Presentation of Financial Instruments," and the "Notice on Issuing the Provisions on Accounting Treatment of Perpetual Bonds" (Cai Kuai [2019] No. 2), the Company classified the financing items a to g for the current period as equity instruments.

2) Equity instruments decreased in the current period

a. On August 29, 2024, the Company repaid the Renewable Corporate Bonds referred to as "21-JJ-Y1."

b. In the current period, the Company accounted for 7.3 billion yuan of project capital funds, for which the Jinan Municipal Finance Bureau will repay the principal and interest, as capital reserve.

45. Capital reserve

(1) Details

Items	Opening balance	Increase	Decrease	Closing balance
Capital premium	23,909,065,193.49	8,249,073,950.97	3,529,853,937.23	28,628,285,207.23
Total	23,909,065,193.49	8,249,073,950.97	3,529,853,937.23	28,628,285,207.23

(2) Other remarks

1) During the current period, the Company transferred out the equity of Laiwu Urban Development Group Co., Ltd., resulting in a decrease of 2,769,149,780.73 yuan in capital reserve.

2) During the current period, the Company's subsidiary, Jinan International Airport Construction Co., Ltd., received capital contributions from non-controlling shareholders and the Company. Accordingly, the Company offset the capital reserve by 660,000,000.00 yuan based on the actual contribution proportion.

3) During the current period, the Company issued perpetual bonds classified as other equity instruments and paid underwriting fees of 36,446,981.14 yuan, resulting in a decrease in capital reserve.

4) During the current period, the Company recognized project capital funds of 7,300,000,000.00 yuan, for which the principal and interest are to be paid by Jinan Municipal Finance Bureau, as capital reserve.

5) During the current period, the Company's subsidiary, Jinan Municipal Public Assets Management and Operation Co., Ltd., recognized government funding for engineering projects, totaling 949,073,950.97 yuan, as capital reserve.

6) During the current period, the Company acquired all of the equity held by non-controlling shareholders in its subsidiary, Jinan Zhengxin Real Estate Co., Ltd., resulting in a decrease of 64,257,175.36 yuan in capital reserve.

46. Other comprehensive income

Items	Opening balance	Current period cumulative		
		Current period cumulative before income tax	Less: OCI previously recognized but transferred to profit or loss in the current period	Less: OCI previously recognized but transferred to retained earnings in current period
Items not to be reclassified subsequently to profit or loss	-89,190,532.96	243,019,708.96		107,686,270.63
Including: Remeasurements of the defined benefit plan				
OCI not to be transferred to profit or loss under equity method		4,497,102.84		
Changes in fair value of other equity instrument investments	-89,190,532.96	238,522,606.12		107,686,270.63
Items to be reclassified subsequently to profit or loss	568,460,767.20	242,662,009.83		
Including: OCI to be transferred to profit or loss under equity method	577,067.78	239,914,818.63		
Conversion of owner-occupied property or inventory into investment property measured at fair value	567,883,699.42	2,747,191.20		
Total	479,270,234.24	485,681,718.79		107,686,270.63

(Continued)

Items	Current period cumulative				Closing balance
	Less: Income tax expenses	Attributable to parent company	Attributable to non-controlling shareholders	Entities excluded from the consolidation scope	
Items not to be reclassified subsequently to profit or loss	-9,513,909.14	144,847,347.47			55,656,814.51
Including: Remeasurements of the defined benefit plan					
OCI not to be transferred to profit or loss under equity method		4,497,102.84			4,497,102.84
Changes in fair value of other equity instrument investments	-9,513,909.14	140,350,244.63			51,159,711.67
Items to be reclassified subsequently to profit or loss	346,930.47	242,315,079.36		9,725,846.39	801,050,000.17
Including: OCI to be transferred to profit or loss under equity method		239,914,818.63		9,725,846.39	230,766,040.02
Conversion of owner-occupied property or inventory into investment property measured at fair value	346,930.47	2,400,260.73			570,283,960.15
Total	-9,166,978.67	387,162,426.83		9,725,846.39	856,706,814.68

47. Special reserve

Items	Opening balance	Increase	Decrease	Closing balance
Work safety fund	171,975,469.28	461,484,529.46	453,232,441.47	180,227,557.27
Total	171,975,469.28	461,484,529.46	453,232,441.47	180,227,557.27

48. Surplus reserve

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserve	115,768,539.38			115,768,539.38
Total	115,768,539.38			115,768,539.38

49. Undistributed profit

(1) Details

Items	Current period cumulative	Preceding period comparative
Balance before adjustment at the end of preceding period	11,232,137,237.02	11,218,117,676.01
Add: Increase due to adjustment (or less: decrease)	23,094,708.67	15,434,428.66
Opening balance after adjustment	11,255,231,945.69	11,233,552,104.67
Increase	1,097,426,012.75	816,585,757.98
Including: Transferred in from net profit	989,739,742.12	816,585,757.98

Items	Current period cumulative	Preceding period comparative
Other adjustments	107,686,270.63	
Decrease	881,262,970.45	794,905,916.96
Including: Appropriation of surplus reserve		5,985,460.98
Appropriation of general risk reserve	1,826,884.83	
Distribution of cash dividend	879,401,342.47	788,920,455.98
Other decreases	34,743.15	
Closing balance	11,471,394,987.99	11,255,231,945.69

(2) Other remarks

Adjustments of 23,094,708.67 yuan are made on opening balance of undistributed profit due to corrections of significant errors of prior period.

(II) Notes to items of the consolidated income statement

1. Operating revenue/Operating cost

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Subtotal of main operations	39,036,778,726.30	34,924,395,944.50	35,980,784,291.52	31,413,981,579.74
Engineering construction	29,645,919,678.57	27,235,617,300.06	27,831,837,144.89	25,211,760,277.02
Sales of commercial housing	2,828,874,362.30	2,415,486,591.60	2,938,166,155.83	2,363,460,504.14
Operation and maintenance	1,814,822,611.03	1,443,436,615.81	558,136,198.23	394,601,678.52
Sales of goods	1,454,241,991.08	1,424,425,298.92	1,140,968,863.72	1,134,856,363.14
Land development	1,247,205,875.40	1,156,776,201.60	1,134,440,886.20	709,538,910.58
Leasing and property services	611,042,478.18	258,802,637.17	586,832,388.24	258,749,901.91
Project management, supervision, testing and design services	556,388,848.39	322,998,581.36	820,481,234.49	631,929,860.03
Oil product sales	307,678,077.62	245,474,089.71	366,712,824.16	300,147,043.99
Toll	261,910,113.09	101,077,047.11	285,530,190.65	97,504,094.49
Others of main operations	308,694,690.64	320,301,581.16	317,678,405.11	311,432,945.92
Subtotal of other operations	42,791,625.33	24,375,908.34	54,511,323.18	50,142,395.58
Others of other operations	42,791,625.33	24,375,908.34	54,511,323.18	50,142,395.58
Total	39,079,570,351.63	34,948,771,852.84	36,035,295,614.70	31,464,123,975.32

2. Taxes and surcharges

Items	Current period cumulative	Preceding period comparative
Land appreciation tax	166,040,741.55	208,819,005.61
Housing property tax	101,059,855.87	87,471,291.18
Land use tax	73,470,635.99	61,042,225.20
Stamp duty	42,002,115.52	27,280,346.44
Urban maintenance and construction tax	29,332,603.81	45,305,748.75
Education surcharge	12,899,513.49	19,716,847.83
Local education surcharge	8,608,527.87	13,106,542.12
Resources tax	1,345,462.00	70,683.00
Environmental protection tax	1,013,382.68	205,180.39
Vehicle and vessel use tax	259,587.87	269,884.30
Local water conservancy construction fund	213,917.37	693,127.29
Water resources tax	169,350.00	217,706.50
Cultural construction fees	104,523.27	62,895.00
Compensation fee for mineral resources		15,697.28
Total	436,520,217.29	464,277,180.89

3. Selling expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	120,788,075.46	96,700,302.51
Commission expenses	35,132,670.62	41,959,887.76
Property management and energy costs	19,395,617.42	18,603,101.80
Depreciation and amortization expenses	16,693,207.31	15,952,129.66
Office and repair expenses	12,516,171.15	9,880,615.03
Business publicity expenses	11,700,821.95	22,686,817.90
Lease payments	10,369,714.09	10,046,408.93
Advertising costs	3,308,763.17	5,432,422.94
Others	11,828,091.88	15,516,122.81
Total	241,733,133.05	236,777,809.34

4. Administrative expenses

Items	Current period cumulative	Preceding period comparative
Employee benefits	645,967,056.44	554,321,497.65
Depreciation and amortization expenses	203,201,723.28	244,580,764.13
Operating expenses	112,588,773.52	90,029,039.46
Intermediary agency service fees	85,181,218.20	67,915,720.64
Office expenses	33,998,857.23	30,181,664.93
Property management and energy costs	29,991,011.40	23,075,249.25
Party construction work funds	7,562,301.03	7,962,632.72
Vehicle usage cost	5,851,355.83	6,684,141.79
Lease payments	3,950,820.89	7,271,131.57
Others	80,985,234.78	86,084,758.54
Total	1,209,278,352.60	1,118,106,600.68

5. R&D expenses

Items	Current period cumulative	Preceding period comparative
Materials expenses	356,153,824.71	426,986,687.53
Employee benefits	279,109,296.84	235,709,614.96
Technical service expenses	7,023,518.09	2,930,813.30
Depreciation and amortization expenses of assets	5,789,359.44	5,669,930.95
Lease payments	5,355,625.63	3,173,633.39
Others	8,192,026.17	4,511,517.42
Total	661,623,650.88	678,982,197.55

6. Financial expenses

Items	Current period cumulative	Preceding period comparative
Interest expenses	1,320,944,107.27	1,495,263,979.63
Less: Interest income	355,550,315.97	574,319,054.40
Net losses on foreign exchange	44,686,135.05	49,524,841.10
Less: Net gains on foreign exchange	285,323.50	175,187.78
Handling fees	35,053,522.99	80,596,251.13
Total	1,044,848,125.84	1,050,890,829.68

7. Other income

Items	Current period cumulative	Preceding period comparative	Whether it is government grant
Government grants	65,898,174.70	60,582,307.78	Yes
Refund of handling fees for withholding individual income tax	961,409.36	6,506,833.08	No
Input VAT extra deductions	7,129,597.13	456,421.64	No
Tax exemption and reduction	14,550.84	120,122.77	No
Total	74,003,732.03	67,665,685.27	
Including: Government grants	65,898,174.70	60,582,307.78	

8. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	430,417,188.63	127,497,022.71
Dividend income from other equity instrument investments	146,922,664.25	96,513,105.42
Investment income from held-for-trading financial assets	55,204,495.67	45,576,758.58
Interest income from debt investments	26,526,404.09	39,171,343.93
Investment income from other non-current financial assets	4,215,177.52	2,299,950.82
Interest income from other debt investments		772,229.96
Investment income from disposal of long-term equity investments	240,149.50	3,111,581.59
Debt restructuring	97,583.37	
Expenses incurred upon acquisition of held-for-trading financial assets	-27,047.67	
Investment income from disposal of other non-current financial assets	-40,572.89	
Losses on discounting of receivables financing		-183,273.29
Investment income from disposal of held-for-trading financial assets		15,794,470.17
Total	663,556,042.47	330,553,189.89

9. Gains on changes in fair value

Items	Current period cumulative	Preceding period comparative
Disposal of investment property	-828,700.04	
Other non-current financial assets	-6,882,918.42	
Investment property at fair value	-347,674,246.44	16,329,811.51
Held-for-trading financial assets		-10,667,002.44
Others		-243,005.86

Items	Current period cumulative	Preceding period comparative
Total	-355,385,864.90	5,419,803.21

10. Credit impairment loss

Items	Current period cumulative	Preceding period comparative
Bad debts	-202,114,445.04	-280,775,707.42
Total	-202,114,445.04	-280,775,707.42

11. Assets impairment loss

Items	Current period cumulative	Preceding period comparative
Impairment loss of fixed assets	-11,723,532.02	
Impairment loss of contract assets	-22,329,372.40	-76,007,700.52
Inventory write-down loss	-25,190,641.16	
Impairment loss of other non-current assets	-81,479,910.89	
Impairment loss of intangible assets	-63,050,314.46	
Impairment loss of long-term equity investments	-1,166,490,534.43	
Others		34,495.05
Total	-1,370,264,305.36	-75,973,205.47

12. Gains on asset disposal

Items	Current period cumulative	Preceding period comparative
Gains on disposal of fixed assets	-503,209.48	1,093,579.00
Gains on disposal of right-of-use assets	381,806.78	893,988.59
Total	-121,402.70	1,987,567.59

13. Non-operating revenue

Items	Current period cumulative	Preceding period comparative
Adjustment of initial investment cost for long-term equity investments under equity method	1,854,874,608.87	
Demolition compensation	9,567,060.48	17,376,269.42
Income from disposal of waste materials	6,584,386.24	4,928,072.64
Default fines	3,273,478.78	6,185,846.45
Insurance claims	2,338,337.41	61,380.00
Exempted payments	1,652,131.95	857,503.09
Confiscatory income	1,476,122.40	1,069,986.43

Items	Current period cumulative	Preceding period comparative
Government grants not related to daily activities	458,250.00	
Gains on damage or retirement of non-current assets	106,083.97	157,561.60
Receipt of donations	79,673.05	
Others	456,531.57	1,265,692.39
Total	1,880,866,664.72	31,902,312.02

14. Non-operating expenditures

Items	Current period cumulative	Preceding period comparative
Donation expenditures	1,245,599.00	4,209,355.92
Compensation and default fines	7,132,870.64	24,766,924.23
Penalties and overdue fines	5,030,210.84	7,292,903.90
Losses on damage or retirement of non-current assets	94,742.31	304,011.37
Others	445,133.69	2,088,832.38
Total	13,948,556.48	38,662,027.80

15. Income tax expenses

Items	Current period cumulative	Preceding period comparative
Current period income tax expenses	297,471,833.37	291,013,412.62
Deferred income tax expenses	-91,550,949.85	-52,410,115.76
Total	205,920,883.52	238,603,296.86

16. Other comprehensive income, net of income tax

Please refer to section VII (I) 46 of notes to financial statements for details.

(III) Notes to items of the consolidated cash flow statement

1. Supplementary information to the cash flow statement

Supplementary information	Current period cumulative	Preceding period comparative
(1) Reconciliation of net profit to cash flows from operating activities:		
Net profit	998,195,904.20	833,846,346.49
Add: Provision for assets impairment	1,370,264,305.36	75,973,205.47
Provision for credit impairment	202,114,445.04	280,775,707.42
Depreciation of fixed assets, right-of-use assets, oil and gas assets, productive biological assets	273,344,313.38	272,768,309.97
Amortization of intangible assets	1,401,648,570.03	421,060,906.13

Supplementary information	Current period cumulative	Preceding period comparative
Amortization of long-term prepayments	64,752,913.05	61,727,020.40
Losses on disposal of fixed assets, intangible assets and other long-term assets (Less: gains)	121,402.70	-1,987,567.59
Fixed assets retirement loss (Less: gains)	-11,341.66	146,449.77
Losses on changes in fair value (Less: gains)	355,385,864.90	-5,419,803.21
Financial expenses (Less: gains)	1,303,370,196.52	1,544,613,632.95
Investment losses (Less: gains)	-663,556,042.47	-330,553,189.89
Decrease of deferred tax assets (Less: increase)	-74,593,961.01	-91,497,808.57
Increase of deferred tax liabilities (Less: decrease)	-16,956,988.84	39,087,692.81
Decrease of inventories (Less: increase)	2,254,298,574.15	-5,765,739,964.56
Decrease of operating receivables (Less: increase)	-10,601,449,302.56	-4,425,513,218.34
Increase of operating payables (Less: decrease)	-154,286,382.93	1,907,404,491.58
Others	-1,848,900,535.83	28,503,273.08
Net cash flows from operating activities	-5,136,258,065.97	-5,154,804,516.09
(2) Significant investing and financing activities not related to cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		
Right-of-use assets increased in the current period	10,849,375.67	26,029,307.71
(3) Net changes in cash and cash equivalents:		
Cash at the end of the period	21,163,302,381.80	20,693,871,266.98
Less: Cash at the beginning of the period	20,693,871,266.98	18,246,147,232.15
Add: Cash equivalents at the end of the period		
Less: Cash equivalents at the beginning of the period		
Net increase of cash and cash equivalents	469,431,114.82	2,447,724,034.83

2. Cash and cash equivalents

(1) Details

Items	Current period cumulative	Preceding period comparative
1) Cash	21,163,302,381.80	20,693,871,266.98
Including: Cash on hand	58,924.70	282,355.01
Cash in bank on demand for payment	20,707,440,956.55	19,771,934,677.77
Other cash and bank balances on demand for payment	455,802,500.55	921,654,234.20

Items	Current period cumulative	Preceding period comparative
2) Cash equivalents		
Including: Bond investments maturing within three months		
3) Cash and cash equivalents at the end of the period	21,163,302,381.80	20,693,871,266.98
Including: Cash and cash equivalents of parent company or subsidiaries with use restrictions	443,689,775.62	337,291,254.70

(2) Cash and bank balances not considered as cash and cash equivalents

Items	Closing balance	Opening balance	Reasons for not considered as cash and cash equivalents
Cash and bank balances	1,281,876,279.61	1,213,802,121.25	Frozen funds and security deposits
Subtotal	1,281,876,279.61	1,213,802,121.25	

(IV) Other information

1. Leases

(1) The Company as the lessor

1) Finance lease

Items	Amount
Finance income on the net investment in the lease	-138.09

2) Operating lease

Items	Amount
Lease income	396,184,644.85

(2) The Company as the lessee

Items	Amount
Interest expenses on lease liabilities	9,253,229.78
Expenses for short-term leases included in costs of relevant assets or profit or loss with simplified approach	47,008,582.08
Expenses for low-value assets leases included in costs of relevant assets or profit or loss with simplified approach (excluding expenses for short-term leases of low-value assets)	13,059,606.91
Variable lease payments not included in the measurement of lease liabilities that are included in costs of relevant assets or profit or loss	747,846.53
Income from subleasing right-of-use assets	14,437.46
Total cash outflows related to leases	100,625,698.13

2. Monetary items in foreign currencies

Items	Closing balance in foreign currencies	Exchange rate	RMB equivalent at the end of the period
Cash and bank balances			587,846,651.21
Including: USD	81,753,942.33	7.19	587,810,845.35
HKD	38,500.92	0.93	35,805.86
Bonds payable			17,926,136,920.05
Including: USD	2,493,204,022.26	7.19	17,926,136,920.05

3. Assets with title or use right restrictions

Items	Closing carrying amount	Reasons for restrictions
Cash and bank balances	1,281,876,279.61	Funds frozen for litigation, frozen time deposits and security deposits with external use restrictions
Accounts receivable	1,861,088,918.12	Pledged for borrowings, pledged for ABS, supply chain notes endorsed but not yet derecognized
Fixed assets	733,732,668.82	Sale and leaseback underlying assets, mortgaged for borrowings
Construction in progress	6,447,083,020.84	Sale and leaseback underlying assets, pledged for borrowings, mortgaged for borrowings
Investment property	9,999,489,056.41	Mortgaged for borrowings, pledged for borrowings
Intangible assets	441,621,619.95	Mortgaged for borrowings, pledged for borrowings
Inventories	1,416,846,522.73	Mortgaged for borrowings
Other non-current assets	18,944,568,453.07	Sale and leaseback underlying assets, pledged for borrowings
Notes receivable	48,741,956.19	Notes receivable endorsed but not yet derecognized
Subtotal	41,175,048,495.74	

VIII. Interest in other entities

(I) Composition of the consolidation scope

1. The Company brought 21 tier-1 subsidiaries including Jinan West City Investment and Development Group Co., Ltd. into the scope of its consolidated financial statements.

2. Basic information of significant subsidiaries

No.	Subsidiaries	Registered capital (in ten thousand yuan)	Main operating place and place of registration	Holding proportion (%)		Acquisition method
				Direct	Indirect	
1	Jinan West City Investment and Development Group Co., Ltd.	500,000.00	Jinan	100.00		Equity transfer
2	Jinan Binhe New Area Construction Investment Group Co., Ltd.	150,666.00	Jinan	100.00		Equity transfer
3	Jinan Municipal Public Assets Management and Operation Co.,	150,000.00	Jinan	100.00		Equity transfer

No.	Subsidiaries	Registered capital (in ten thousand yuan)	Main operating place and place of registration	Holding proportion (%)		Acquisition method
				Direct	Indirect	
	Ltd.					
4	Jinan Urban Construction Group Co., Ltd.	300,000.00	Jinan	100.00		Equity transfer
5	Shandong Jinqu Design Consulting Group Co., Ltd.	885.25	Jinan	61.00		Equity transfer
6	Shandong Jinyue Transportation Development Group Co., Ltd.	100,000.00	Jinan	100.00		Equity transfer
7	Jinan Sanli Property Management Co., Ltd.	300.00	Jinan	100.00		Equity transfer
8	Jinan Wanrong Industrial Development Group Co., Ltd.	100,000.00	Jinan	100.00		Establishment
9	Jinan Urban Construction Group Investment Co., Ltd.	51,000.00	Jinan	100.00		Equity transfer
10	Jinan Kaifa Real Estate Consulting Co., Ltd.	50.00	Jinan	90.00		Equity transfer
11	Jinan Urban Construction Group Asset Operation Management Co., Ltd.	20,000.00	Jinan	100.00		Equity transfer
12	Jinan Urban Construction Group Park Management Co., Ltd.	2,000.00	Jinan	100.00		Equity transfer
13	Shandong Yifangda Construction Management Group Co., Ltd.	10,000.00	Jinan	100.00		Equity transfer
14	Jinan Urban Construction International Investment Co., Ltd.	HKD 1 million	Jinan	100.00		Establishment
15	Jinan Urban Construction Group Ronggang Development Co., Ltd.	100,000.00	Jinan	100.00		Equity transfer
16	Jinan Furen City Operation Service Co., Ltd.	3,001.00	Jinan	100.00		Equity transfer
17	Jinan Jianlong Real Estate Investment Co., Ltd.	90,000.00	Jinan	100.00		Establishment
18	Shandong Changna Digital Technology Co., Ltd.	5,000.00	Jinan	100.00		Establishment
19	Shandong Tongzhou Industry Holding Group Co., Ltd.	1,000,000.00	Jinan	100.00		Establishment
20	Jinan Agricultural Development Group Co., Ltd.	100,000.00	Jinan	100.00		Establishment
21	Shandong Jinchao Ronghui Testing Technology Co., Ltd.	5,000.00	Jinan	100.00		Equity transfer

(II) Disposal of subsidiaries

Pursuant to the “Equity Transfer Agreement” between the Company and Jinan Guoji Commerce and Trade Co., Ltd., the Company transferred 100% of equity of Laiwu Urban Development Group Co., Ltd. to Jinan Guoji Commerce and Trade Co., Ltd. Such change was registered at administration for market regulation on December 27, 2024. Consequently, such entity has been excluded from the scope of the Company’s consolidated financial statements since December 27, 2024.

(III) Changes in the consolidation scope due to other reasons

1. Entities brought into the consolidation scope

Name of entities	Equity acquisition method	Equity acquisition date	Capital contribution amount (in ten thousand yuan)	Capital contribution proportion (%)
Jiantou (Tianjin) Private Equity Fund Management Co., Ltd.	Establishment	January 29, 2024	1,250.00	100.00
Jinan Wanrong Yiju Industrial Investment Co., Ltd.	Establishment	April 30, 2024	1,000.00	100.00
Jinan Rongyun Industrial Investment Development Co., Ltd.	Establishment	October 9, 2024	10,000.00	100.00
Jinan Urban Construction Group (Jiangsu) Construction Engineering Co., Ltd.	Establishment	January 10, 2024	5,000.00	100.00
Qingdao Lidong Huibang Water Conservancy Engineering Co., Ltd.	Acquisition	June 21, 2024	245.00	100.00
Shandong Guantian Construction Engineering Co., Ltd.	Acquisition	September 26, 2024	50.00	100.00
Shandong Dianrun Construction Engineering Co., Ltd.	Acquisition	September 26, 2024	50.00	100.00

2. Entities excluded from the consolidation scope

Name of entities	Equity disposal method	Equity disposal date	Disposal-date net assets	Net profit from the period beginning to the disposal date
Jiantou (Tianjin) Private Equity Fund Management Co., Ltd.	Liquidation of subsidiaries	December 30, 2024	-509,412.98	-509,412.98
Anhui Zaiyi Construction Engineering Co., Ltd.	Cancelation	November 12, 2024		-135.84
Qingdao Lidong Huibang Water Conservancy Engineering Co., Ltd.	Cancelation	August 12, 2024		

(IV) Significant not wholly-owned subsidiaries

1. Details

Subsidiaries	Holding proportion of non-controlling shareholders (%)	Profit or loss attributable to non-controlling shareholders in the current period (in ten thousand yuan)	Dividend declared to non-controlling shareholders in the current period (in ten thousand yuan)	Closing balance of non-controlling interest (in ten thousand yuan)
Ji'nan Binhe Wenhua Fazhan Co., Ltd.	45.00	-498.58		18,419.25
Jinan International Airport Construction Co., Ltd.	20.00	-81.46		401,289.02
Jinan Xicheng Tianrun Real Estate Co., Ltd.	8.00	-61.19		10,366.84
Jinan Xicheng Petrochemical Co., Ltd.	49.00	695.44	80.78	3,706.07
Jinan Yufuhe Construction Management Co., Ltd.	41.67			104,489.18
Shandong Jinqu Design Consulting Group Co., Ltd.	39.00	838.32	237.47	12,161.28

2. Main financial information of significant not wholly-owned subsidiaries

(1) Assets and liabilities

Unit: in ten thousand yuan

Subsidiaries	Closing balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Ji'nan Binhe Wenhua Fazhan Co., Ltd.	563.41	82,349.89	82,913.30	2,211.61	39,770.01	41,981.62
Jinan International Airport Construction Co., Ltd.	158,170.66	1,961,853.17	2,120,023.83	39,728.61	73,850.10	113,578.71
Jinan Xicheng Tianrun Real Estate Co., Ltd.	217,625.49	118,075.65	335,701.14	246,332.53	37,888.00	284,220.53
Jinan Xicheng Petrochemical Co., Ltd.	6,047.66	5,477.01	11,524.67	2,085.93	1,875.35	3,961.27
Jinan Yufuhe Construction Management Co., Ltd.	41,305.10	215,464.60	256,769.70	31.67	5,964.00	5,995.67
Shandong Jinqu Design Consulting Group Co., Ltd.	43,743.41	4,173.56	47,916.97	27,839.69	140.75	27,980.45

(Continued)

Subsidiaries	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Ji'nan Binhe Wenhua Fazhan Co., Ltd.	566.25	87,859.27	88,425.52	2,211.61	44,174.27	46,385.88
Jinan International Airport Construction Co., Ltd.	195,404.34	1,508,126.87	1,703,531.20	18,903.70	57,775.10	76,678.80
Jinan Xicheng Tianrun Real Estate Co., Ltd.	213,152.56	108,922.19	322,074.75	298,787.22	7,901.98	306,689.20
Jinan Xicheng Petrochemical Co., Ltd.	4,474.04	6,437.80	10,911.84	2,047.41	2,555.43	4,602.84
Jinan Yufuhe Construction Management Co., Ltd.	43,618.53	213,146.55	256,765.08	27.04	5,964.00	5,991.04
Shandong Jinqu Design Consulting Group Co., Ltd.	36,201.41	6,301.83	42,503.24	23,957.66	149.70	24,107.36

(2) Profit or loss and cash flows

Unit: in ten thousand yuan

Subsidiaries	Current period cumulative				Preceding period comparative			
	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Operating revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Ji'nan Binhe Wenhua Fazhan Co., Ltd.		-1,107.96	-1,107.96	-1.77		-1,030.90	-1,030.90	-2.23
Jinan International Airport Construction Co., Ltd.	1,022.86	-407.29	-407.29	15,426.52	363.31	-536.60	-536.60	8,167.06
Jinan Xicheng Tianrun Real Estate Co., Ltd.	1,996.96	-764.94	-764.94	8,903.10	29,393.13	-6,177.49	-6,177.49	-1,269.28
Jinan Xicheng Petrochemical Co., Ltd.	23,980.20	1,419.27	1,419.27	2,265.25	28,472.69	610.60	610.60	2,961.67
Jinan Yufuhe Construction Management Co., Ltd.								
Shandong Jinqu Design Consulting Group Co., Ltd.	25,071.07	2,149.53	2,149.53	-292.66	23,013.30	2,255.18	2,255.18	1,685.45

(V) Interest in joint ventures or associates

1. Significant joint ventures or associates

Joint ventures or associates	Main operating place	Place of registration	Holding proportion (%)		Accounting treatment on investments in joint ventures or associates
			Direct	Indirect	
Shandong Laiwu Rural Commercial Bank Co., Ltd.	Jinan	Jinan		9.90	Equity method
Jinan Greenland Kanglu Real Estate Co., Ltd.	Jinan	Jinan		20.00	Equity method
Jinan Finance Investment Co., Ltd.	Jinan	Jinan		14.97	Equity method
Jinan Pioneer Intelligent Digital Technology Co., Ltd.	Jinan	Jinan		30.00	Equity method
Fantawild Oriental HERITAGE (Jinan) Ltd.	Jinan	Jinan		46.00	Equity method
Shandong Zhongjin Petrochemical Co., Ltd.	Jinan	Jinan		40.00	Equity method
Shandong Jinghu Expressway Co., Ltd.	Jinan	Jinan		30.00	Equity method
Shandong Dacheng Software Co., Ltd.	Jinan	Jinan		37.78	Equity method
Jinan Zhengjin Tongda Investment Management Co., Ltd.	Jinan	Jinan		22.03	Equity method
Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	Jinan	Jinan		5.00	Equity method
Qingdao Ruifangda Construction Management Co., Ltd.	Qingdao	Qingdao		49.00	Equity method
Shandong Xinyida Construction Management Co., Ltd.	Yantai	Yantai		49.00	Equity method
Shandong Heyida Construction Management Co., Ltd.	Jinan	Jinan		35.00	Equity method
Shandong Qishun Construction Management Co., Ltd.	Jinan	Jinan		49.00	Equity method
Shandong Longyida Construction Management Co., Ltd.	Jinan	Jinan		49.00	Equity method
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	Jinan	Jinan		49.00	Equity method
Yantai Yeda Construction Engineering Co., Ltd.	Yantai	Yantai		49.00	Equity method
Jinan Kunlun Investment North Construction Co., Ltd.	Jinan	Jinan	5.00		Equity method
Shandong International Convention and Exhibition Group Co., Ltd.	Jinan	Jinan	10.00		Equity method
Jinan Zhongjian Xinhe Real Estate Co., Ltd.	Jinan	Jinan		30.00	Equity method
Jinan Jinke Xicheng Real Estate Development Co., Ltd.	Jinan	Jinan		49.00	Equity method
Shandong Expressway Jinan Investment Construction Co., Ltd.	Jinan	Jinan		40.00	Equity method
Shandong Zhongjian Xicheng Investment Co., Ltd.	Jinan	Jinan		40.00	Equity method
Jinan Evergrande West District Real Estate Co., Ltd.	Jinan	Jinan		40.00	Equity method
Shandong Xijin Equity Investment Fund Management Co., Ltd.	Jinan	Jinan		49.00	Equity method

Joint ventures or associates	Main operating place	Place of registration	Holding proportion (%)		Accounting treatment on investments in joint ventures or associates
			Direct	Indirect	
Jinan Westward Investment Management Center (LP)	Jinan	Jinan		99.99	Equity method
Jinan Westward Cultural Industry Investment Management Center (LP)	Jinan	Jinan		99.99	Equity method
Jinan Westward Shida Investment Management Center (LP)	Jinan	Jinan		99.99	Equity method
Jinan Westward Shiqi Investment Management Center (LP)	Jinan	Jinan		99.99	Equity method
Jinan Westward Taini Investment Management Center (LP)	Jinan	Jinan		99.99	Equity method
Shandong Hualing Cable Co., Ltd.	Jinan	Jinan		20.00	Equity method
Shandong Derun Jinling Health Development Co., Ltd.	Zaozhuang	Zaozhuang		49.00	Equity method
Jinan Shanfa West Investment Jinyuan Private Equity Fund Management Partnership (LP)	Jinan	Jinan		33.33	Equity method
Jinan Shanqing Huijian Private Equity Investment Fund Partnership Enterprise (LP)	Jinan	Jinan		50.00	Equity method
Jinan Guotai High-Tech Construction Investment Partnership (LP)	Jinan	Jinan		45.00	Equity method
Qilu Bank Co., Ltd.	Jinan	Jinan		8.91	Equity method

2. Basis for significant influence over an entity on which the Company held less than 20% voting rights or insignificant influence over an entity on which the Company held more than 20% voting rights

The Company and its subsidiaries appoint directors to investees over which holding less than 20% voting rights, exerting significant influence.

IX. Commitments and contingencies

(I) Commitments

As of the balance sheet date, the Company has no significant commitments to be disclosed.

(II) Contingencies

As of December 31, 2024, the Company provided suretyship guarantee for borrowings as follows:

Guaranteed parties	Guaranteed amount (in ten thousand yuan)	Commencement date	Maturity date
Jinan Pioneer Investment Group Co., Ltd.	150,000.00	4/22/2022	4/22/2025
Jinan Pioneer Investment Group Co., Ltd.	28,000.00	5/13/2022	5/13/2025
Jinan Pioneer Investment Group Co., Ltd.	20,000.00	5/27/2022	5/27/2025
Jinan Pioneer Investment Group Co., Ltd.	25,000.00	6/8/2022	6/7/2025

Guaranteed parties	Guaranteed amount (in ten thousand yuan)	Commencement date	Maturity date
Jinan Urban Static Traffic Management and Operation Group Co., Ltd.	3,000.00	9/30/2017	9/29/2027
Shandong Pumei Economic and Trade Co., Ltd.	19,910.00	12/17/2022	12/6/2025
Jinan Laiwu Zhongbang Commercial Management Co., Ltd.	23,910.00	12/12/2022	12/11/2025
Jinan Zhaoyuan Hongyi Metallurgical Materials Co., Ltd.	21,240.00	12/15/2022	12/11/2025
Total	291,060.00		

X. Events after the balance sheet date

As of the date of approval for issuing the financial statements, the Company has no significant non-adjusting events after the balance sheet date to be disclosed.

XI. Fair value disclosure

Details of fair value of assets and liabilities at fair value at the balance sheet date

Items	Closing fair value			
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
Recurring fair value measurement				
1. Held-for-trading financial assets and other non-current financial assets			2,679,161,312.66	2,679,161,312.66
Financial assets classified as at fair value through profit or loss			2,679,161,312.66	2,679,161,312.66
Debt instrument investments			429,205,628.41	429,205,628.41
Equity instrument investments			1,939,955,684.25	1,939,955,684.25
Funds			310,000,000.00	310,000,000.00
2. Receivables financing			383,999,611.70	383,999,611.70
3. Other equity instrument investments	1,758,739,790.94		6,308,960,503.19	8,067,700,294.13
4. Investment property		16,446,810,020.27	473,466,624.84	16,920,276,645.11
(1) Land use right held for lease		273,318,300.00		273,318,300.00
(2) Buildings and construction in progress for lease		16,173,491,720.27	473,466,624.84	16,646,958,345.11
Total assets at recurring fair value measurement	1,758,739,790.94	16,446,810,020.27	9,845,588,052.39	28,051,137,863.60

XII. Related party relationships and transactions

(I) The actual controller of the Company

The actual controller of the Company is Jinan SASAC.

(II) Subsidiaries of the Company

Please refer to section VIII (I) 2 of notes to the financial statements for details on the Company's significant subsidiaries.

(III) Joint ventures and associates of the Company

Please refer to section VIII (V) of notes to the financial statements for details on the Company's significant joint ventures and associates. Details of other joint ventures or associates carrying out related party transactions with the Company in the current period or in preceding period but with balance in the current period are as follows:

Joint ventures or associates	Relationships with the Company
Jinan Zhongjian Quanhui Investment and Operation Co., Ltd.	Associate
Jinan Quanxing Construction Investment Management and Operation Co., Ltd.	Associate
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	Associate
Yantai Yeda Construction Engineering Co., Ltd.	Associate
Qingdao Ruifangda Construction Management Co., Ltd.	Associate
Shandong Xinyida Construction Management Co., Ltd.	Associate
Jinan Pioneer Intelligent Digital Technology Co., Ltd.	Associate
Shandong Hualing Cable Co., Ltd.	Associate
Jinan Kunlun Investment North Construction Co., Ltd.	Associate
Jinan Jinke Xicheng Real Estate Development Co., Ltd.	Associate
Shandong Qishun Construction Management Co., Ltd.	Associate
Shandong Heyida Construction Management Co., Ltd.	Associate
Jinan Westward Investment Management Center (LP)	Joint venture
Jinan Evergrande West District Real Estate Co., Ltd.	Associate
Jinan Westward Shida Investment Management Center (LP)	Joint venture
Jinan Westward Shiqi Investment Management Center (LP)	Joint venture
Shandong Zhongjian Xicheng Investment Co., Ltd.	Associate
Shandong Xijin Equity Investment Fund Management Co., Ltd.	Associate
Jinan Westward Cultural Industry Investment Management Center (LP)	Joint venture
Shandong Longyida Construction Management Co., Ltd.	Associate
Jinan Zhongjian Xinhe Real Estate Co., Ltd.	Associate

(IV) Other related parties of the Company

Related parties	Relationships with the Company
Sinopec Sales Co., Ltd. Shandong Jinan Petroleum Branch	Branch of non-controlling shareholder of subsidiaries
China First Highway Engineering Co., Ltd.	Non-controlling shareholder of subsidiaries
Wanhua Composite (Yantai) Co., Ltd.	Non-controlling shareholder of subsidiaries
Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Shandong Gangtong Construction Co., Ltd.	Non-controlling shareholder of subsidiaries
Jinan Ben'an Technology Development Co., Ltd.	Non-controlling shareholder of subsidiaries
China Communications (Linyi) Construction Technology Co., Ltd.	Subsidiary of non-controlling shareholder of subsidiaries
Shandong Airport Management Group Jinan International Airport Co., Ltd.	Subsidiary of non-controlling shareholder of subsidiaries
Shun Teng (Jinan) Private Equity Fund Management Co., Ltd.	Managing partner of subsidiaries
Shandong International Convention and Exhibition Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Shandong Huiquan Jingjian Investment Management Co., Ltd.	Investee of subsidiaries
Tongyuan Design Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Jinan Zongbao Development Co., Ltd.	Subsidiary of non-controlling shareholder of subsidiaries
Jinan Maiqiu Holdings Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Jinan Quanyu Construction Management and Operation Co., Ltd.	Investee of subsidiaries
Shandong Airport Management Group Co., Ltd.	Non-controlling shareholder of subsidiaries
Shandong Aputong Entrepreneurship Service Co., Ltd.	Non-controlling shareholder of subsidiaries
Sinopec Sales Co., Ltd. Shandong Petroleum Branch	Branch of non-controlling shareholder of subsidiaries
Shandong Zhongjian Xicheng Jiaxin Real Estate Co., Ltd.	Subsidiary of associates
Shandong Zhongjian Xicheng Yixin Real Estate Co., Ltd.	Subsidiary of associates
Zoucheng Municipal Engineering Company	Non-controlling shareholder of subsidiaries
Shandong Zhongjian Xicheng Kaitai Real Estate Co., Ltd.	Subsidiary of associates
Huayi Brothers (Tianjin) Real Time Entertainment Co., Ltd.	Non-controlling shareholder of subsidiaries
Shandong Longquan Shuyuan Hotel Management Co., Ltd.	Non-controlling shareholder of subsidiaries
No.3 Engineering Co., Ltd. of China First Highway Engineering Group	Subsidiary of non-controlling shareholder of subsidiaries
CCCC Tunnel Engineering Co., Ltd.	Subsidiary of non-controlling shareholder of subsidiaries

(IV) Related party transactions

1. Purchase and sale of goods, rendering and receiving of services

(1) Purchase of goods and receiving of services

Related parties	Current period cumulative	Preceding period comparative
Sinopec Sales Co., Ltd. Shandong Jinan Petroleum Branch	248,030,043.25	309,836,045.10
China First Highway Engineering Co., Ltd.	144,164,369.43	150,524,826.90
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	36,541,282.66	96,847,497.41
Wanhua Composite (Yantai) Co., Ltd.	2,722,584.06	
Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	2,292,725.05	2,708,735.66
Yantai Yeda Construction Engineering Co., Ltd.	1,681,035.28	15,744,621.17
Shandong Gangtong Construction Co., Ltd.	1,328,919.61	7,217,564.38
Jinan Ben'an Technology Development Co., Ltd.	1,086,746.77	
China Communications (Linyi) Construction Technology Co., Ltd.	1,064,232.25	
Qingdao Ruifangda Construction Management Co., Ltd.	934,055.67	
Shandong Xinyida Construction Management Co., Ltd.	932,341.93	
Shandong Airport Management Group Jinan International Airport Co., Ltd.	416,900.00	
Jinan Pioneer Intelligent Digital Technology Co., Ltd.	183,018.87	
Shandong Hualing Cable Co., Ltd.	90,649.35	
Shun Teng (Jinan) Private Equity Fund Management Co., Ltd.	70,191.78	71,449.86
Subtotal	441,539,095.96	582,950,740.48

(2) Sale of goods and rendering of services

Related parties	Current period cumulative	Preceding period comparative
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	72,315,336.28	145,631.07
Shandong International Convention and Exhibition Group Co., Ltd.	46,788,990.83	
China First Highway Engineering Co., Ltd.	35,873,508.68	24,302,241.09
Jinan Ben'an Technology Development Co., Ltd.	16,454,919.15	
Shandong Huiquan Jingjian Investment Management Co., Ltd.	13,918,631.80	8,207,547.23
Shandong Gangtong Construction Co., Ltd.	9,485,749.49	
Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	8,114,915.09	
China Communications (Linyi) Construction Technology Co., Ltd.	4,292,747.09	
Jinan Kunlun Investment North Construction Co., Ltd.	2,713,207.55	17,513,715.63
Tongyuan Design Group Co., Ltd.	1,339,900.00	

Related parties	Current period cumulative	Preceding period comparative
Jinan Zongbao Development Co., Ltd.	1,231,129.18	543,531,401.07
Jinan Maiqiu Holdings Group Co., Ltd.	855,445.54	
Jinan Jinke Xicheng Real Estate Development Co., Ltd.	130,134.15	488,905.51
Shandong Qishun Construction Management Co., Ltd.	99,754.93	
Shandong Airport Management Group Jinan International Airport Co., Ltd.	26,548.67	
Yantai Yeda Construction Engineering Co., Ltd.	1,509.43	9,900.99
Jinan Quanyu Construction Management and Operation Co., Ltd.		712,547.17
Shandong Heyida Construction Management Co., Ltd.		831,621.74
Subtotal	213,642,427.86	595,743,511.50

2. Related party leases

Lessees	Types of assets leased	Lease income for the current period	Lease income for the preceding period
Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	Investment property	16,560,000.00	16,560,000.00
Shandong Heyida Construction Management Co., Ltd.	Investment property	183,300.49	704,450.00
Subtotal		16,743,300.49	17,264,450.00

3. Related party guarantees

The Company and its subsidiaries as guaranteed parties

Guarantors	Amount of borrowings	Commencement date	Maturity date
Shandong Airport Management Group Co., Ltd.	100,874,200.00	9/8/2023	9/7/2063

(II) Balances due to or from related parties

1. Balances due from related parties

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Shandong International Convention and Exhibition Group Co., Ltd.	63,451,311.59		12,000,000.00	
Accounts receivable	Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	59,246,212.76			
Accounts receivable	Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	9,456,142.64	569,027.76		
Accounts receivable	Jinan Ben’an Technology Development Co., Ltd.	9,334,578.46	466,728.92		
Accounts receivable	Jinan Kunlun Investment North Construction Co.,	7,137,736.30	540,381.63	15,004,538.47	750,226.92

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Ltd.				
Accounts receivable	Shandong Heyida Construction Management Co., Ltd.	2,584,405.55		2,391,940.04	
Accounts receivable	Sinopec Sales Co., Ltd. Shandong Jinan Petroleum Branch	1,272,871.48		621,314.53	
Accounts receivable	Jinan Maiqiu Holdings Group Co., Ltd.	864,000.00	43,200.00	1,036,800.00	51,840.00
Accounts receivable	Shandong Qishun Construction Management Co., Ltd.	28,714.46			
Accounts receivable	Shandong Airport Management Group Jinan International Airport Co., Ltd.			1,122.70	
Accounts receivable	Jinan Jinke Xicheng Real Estate Development Co., Ltd.			149,115.54	7,455.78
Accounts receivable	Jinan Zongbao Development Co., Ltd.			3,638,413.03	
Accounts receivable	China First Highway Engineering Co., Ltd.			6,106,940.43	
Subtotal		153,375,973.24	1,576,138.31	40,950,184.74	757,682.70
Advances paid	Sinopec Sales Co., Ltd. Shandong Jinan Petroleum Branch	18,052,885.72		7,364,609.67	
Advances paid	Shandong Aputong Entrepreneurship Service Co., Ltd.	1,703,275.75		1,703,275.75	
Advances paid	Sinopec Sales Co., Ltd. Shandong Petroleum Branch	75,000.00			
Advances paid	Shandong Hualing Cable Co., Ltd.	18,884.00			
Advances paid	Shandong Zhongjian Xicheng Jiaxin Real Estate Co., Ltd.			449,261.59	
Advances paid	Shandong Zhongjian Xicheng Yixin Real Estate Co., Ltd.			1,654.39	
Advances paid	Zoucheng Municipal Engineering Company			9,946,321.15	
Subtotal		19,850,045.47		19,465,122.55	
Other receivables	Jinan Jinke Xicheng Real Estate Development Co., Ltd.	157,523,599.81	8,273,887.36	420,266.48	398,069.11
Other receivables	Jinan Westward Investment Management Center (LP)	10,930,590.00	10,930,590.00	10,930,590.00	10,930,590.00
Other receivables	Qingdao Ruifangda Construction Management	4,421,688.15		4,299,727.77	

Items	Related parties	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
	Co., Ltd.				
Other receivables	Shandong Qishun Construction Management Co., Ltd.	2,938,570.20		2,838,570.20	
Other receivables	Jinan Evergrande West District Real Estate Co., Ltd.	1,261,939.94	198,739.94	841,939.94	140,839.94
Other receivables	Shandong Huiquan Jingjian Investment Management Co., Ltd.	1,024,556.32		1,043,583.26	
Other receivables	Jinan Zhongjian Quanhui Investment and Operation Co., Ltd.	978,710.89	97,871.09	978,710.89	48,935.54
Other receivables	Jinan Westward Shida Investment Management Center (LP)	887,982.00	887,982.00	887,982.00	710,385.60
Other receivables	China First Highway Engineering Co., Ltd.	870,711.82		497,712.00	
Other receivables	Jinan Westward Shiqi Investment Management Center (LP)	590,747.00	590,747.00	590,747.00	472,597.60
Other receivables	Shandong Hualing Cable Co., Ltd.	512,475.77		303,431.65	
Other receivables	Shandong Zhongjian Xicheng Investment Co., Ltd.	223,127.22	221,391.08	223,127.22	198,102.68
Other receivables	Shandong Xinyida Construction Management Co., Ltd.	200,000.00			
Other receivables	Shandong Xijin Equity Investment Fund Management Co., Ltd.	44,435.35		44,435.35	
Other receivables	Jinan Maiqiu Holdings Group Co., Ltd.	18,000.00		18,000.00	
Subtotal		182,427,134.47	21,201,208.47	23,918,823.76	12,899,520.47
Contract assets	Tongyuan Design Group Co., Ltd.	1,420,300.00	71,015.00		
Contract assets	Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	69,387.36	3,469.37		
Subtotal		1,489,687.36	74,484.37		
Other non-current assets	Shandong Zhongjian Xicheng Kaitai Real Estate Co., Ltd.	243,000,000.00			
Other non-current assets	China First Highway Engineering Co., Ltd.	23,431,461.36		19,914,488.31	
Subtotal		266,431,461.36		19,914,488.31	

2. Balances due to related parties

Items	Related parties	Closing balance	Opening balance
Accounts payable	Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	150,334,598.98	119,091,922.30
Accounts payable	Yantai Yeda Construction Engineering Co., Ltd.	84,250,531.35	79,745,573.10
Accounts payable	China First Highway Engineering Co., Ltd.	72,242,066.28	
Accounts payable	Shandong Hualing Cable Co., Ltd.	25,817,791.26	4,473,772.24
Accounts payable	Shandong Provincial Transportation Planning and Design Institute Group Co., Ltd.	2,422,439.62	2,207,812.52
Accounts payable	Tongyuan Design Group Co., Ltd.	1,466,216.97	1,234,716.97
Accounts payable	China Communications (Linyi) Construction Technology Co., Ltd.	1,064,232.25	
Accounts payable	Shandong Xinyida Construction Management Co., Ltd.	988,282.45	
Accounts payable	Jinan Pioneer Intelligent Digital Technology Co., Ltd.	604,174.00	410,174.00
Accounts payable	Qingdao Ruifangda Construction Management Co., Ltd.	336,418.52	
Accounts payable	Jinan Ben'an Technology Development Co., Ltd.	319,785.45	
Accounts payable	Shun Teng (Jinan) Private Equity Fund Management Co., Ltd.	35,287.68	35,287.68
Accounts payable	Huayi Brothers (Tianjin) Real Time Entertainment Co., Ltd.		235,000.00
Subtotal		339,881,824.81	207,434,258.81
Contract liabilities	Shandong Huiquan Jingjian Investment Management Co., Ltd.	13,166,273.58	
Contract liabilities	Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	8,393,641.45	
Contract liabilities	Jinan Kunlun Investment North Construction Co., Ltd.	5,007,263.63	
Contract liabilities	Shandong Hualing Cable Co., Ltd.	0.01	
Subtotal		26,567,178.67	
Other payables	Shandong Airport Management Group Co., Ltd.	99,381,858.28	112,324,387.84
Other payables	Jinan Rail Urban Construction Pipe Manufacturing Co., Ltd.	4,927,062.00	4,927,062.00
Other payables	China First Highway Engineering Co., Ltd.	3,329,220.43	2,562,458.89
Other payables	Shandong Longquan Shuyuan Hotel Management Co., Ltd.	2,857,407.34	
Other payables	Wanhua Composite (Yantai) Co., Ltd.	1,009,243.75	
Other payables	Shandong Airport Management Group Jinan International Airport Co., Ltd.	864,590.02	347,763.40
Other payables	Yantai Yeda Construction Engineering Co., Ltd.	718,758.94	718,758.94
Other payables	Jinan Westward Cultural Industry Investment Management Center (LP)	541,840.00	

Items	Related parties	Closing balance	Opening balance
Other payables	No.3 Engineering Co., Ltd. of China First Highway Engineering Group	312,618.08	
Other payables	CCCC Tunnel Engineering Co., Ltd.	111,209.90	111,209.90
Other payables	Jinan Quanxing Construction Investment Management and Operation Co., Ltd.	52,260.00	26,693,941.39
Other payables	Shandong Longyida Construction Management Co., Ltd.	39,694.82	
Other payables	Shandong Xinyida Construction Management Co., Ltd.	32,203.14	59,284.27
Other payables	Jinan Zhongjian Xinhe Real Estate Co., Ltd.	22,054.79	
Other payables	Qingdao Ruifangda Construction Management Co., Ltd.	19,697.60	603,587.08
Other payables	Sinopec Sales Co., Ltd. Shandong Jinan Petroleum Branch	3,956.17	4,635.59
Other payables	Tongyuan Design Group Co., Ltd.	3,000.00	
Other payables	Shandong Heyida Construction Management Co., Ltd.	2,076.80	2,076.80
Other payables	Jinan Jinke Xicheng Real Estate Development Co., Ltd.	300.00	110,300.00
Other payables	Zoucheng Municipal Engineering Company		26,414,996.93
Subtotal		114,229,052.06	174,880,463.03

XIII. Notes to items of parent company financial statements

(I) Notes to items of parent company balance sheet

1. Other receivables

(1) Details

Items	Closing balance	Opening balance
Dividend receivable	19,729,709.42	35,241,098.93
Other receivables	146,612,973,457.44	123,424,911,933.78
Total	146,632,703,166.86	123,460,153,032.71

(2) Dividend receivable

Debtors	Closing balance	Opening balance
Shandong Jinyue Transportation Development Group Co., Ltd.	19,729,709.42	19,729,709.42
Shandong Jinqu Design Consulting Group Co., Ltd.		15,511,389.51
Subtotal	19,729,709.42	35,241,098.93

(3) Other receivables

1) Disclosure of other receivables by ages

Ages	Closing balance		Opening balance	
	Book balance	Provision for bad debts	Book balance	Provision for bad debts
Within 1 year	36,618,797,639.86	40,802.15	45,588,921,769.21	9,883.33
1-2 years	39,978,162,940.55	1,180.00	37,995,185,988.63	22,421.00
2-3 years	35,916,275,297.53	67,263.00	37,840,836,480.27	
3-4 years	32,122,621,824.65			
4-5 years			2,000,000,000.00	
Over 5 years	1,977,225,000.00			
Total	146,613,082,702.59	109,245.15	123,424,944,238.11	32,304.33

2) Disclosure of other receivables by provision method

Categories	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on a collective basis	146,613,082,702.59	100.00	109,245.15		146,612,973,457.44
Total	146,613,082,702.59	100.00	109,245.15		146,612,973,457.44

(Continued)

Categories	Opening balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	% to total	Amount	Provision proportion (%)	
Receivables with provision made on a collective basis	123,424,944,238.11	100.00	32,304.33		123,424,911,933.78
Total	123,424,944,238.11	100.00	32,304.33		123,424,911,933.78

3) Other receivables with provision made on a collective basis

a. Other receivables with provision made on a collective basis using age analysis method

Items	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Within 1 year	816,043.20	5.00	40,802.15	197,666.67	5.00	9,883.33
1-2 years	11,800.00	10.00	1,180.00	224,210.00	10.00	22,421.00
2-3 years	224,210.00	30.00	67,263.00			
Subtotal	1,052,053.20	10.38	109,245.15	421,876.67	7.66	32,304.33

b. Other receivables with provision made on a collective basis using other alternative methods

Items	Closing balance			Opening balance		
	Book balance	Provision proportion (%)	Provision for bad debts	Book balance	Provision proportion (%)	Provision for bad debts
Portfolio grouped with balances due from government and public institutions, etc.	3,447,141,344.45			2,663,322,955.57		
Portfolio grouped with balances due from state-owned enterprises controlled by Jinan SASAC	2,149,972,029.79					
Portfolio grouped with balances due from related parties within the consolidation scope	140,966,897,238.48			120,647,379,369.20		
Special identification portfolios	48,020,036.67			113,820,036.67		
Subtotal	146,612,030,649.39			123,424,522,361.44		

4) Changes in provision for bad debts

Provision for bad debts	Stage 1	Stage 2	Stage 3	Total
	12-month expected credit losses	Lifetime expected credit losses (credit not impaired)	Lifetime expected credit losses (credit impaired)	
Opening balance	9,883.33	22,421.00		32,304.33
Opening balance in the current period				
--Transferred to stage 2	-590.00	590.00		
--Transferred to stage 3		-22,421.00	22,421.00	
--Reversed to stage 2				
--Reversed to stage 1				
Provision made in the current period	31,508.82	590.00	44,842.00	76,940.82
Provision reversed in the current period				
Provision transferred out in the current period				
Provision written off in the current period				
Other changes				
Closing balance	40,802.15	1,180.00	67,263.00	109,245.15

5) Details of the top 5 debtors with largest balances of other receivables

Debtors	Nature of receivables	Book balance	Ages	Proportion to the total balance of other accounts receivable (%)	Provision for bad debts
Debtor 1	Intercompany balances	64,603,741,053.70	Within 1 year, 1-2 years, 2-3 years, 3-4 years	44.06	
Debtor 2	Intercompany balances	48,752,586,980.50	Within 1 year, 1-2 years, 2-3 years, 3-4 years	33.25	
Debtor 3	Intercompany balances	8,220,348,470.60	Within 1 year, 1-2 years	5.61	
Debtor 4	Intercompany balances	3,710,564,231.34	Within 1 year, 1-2 years, 2-3 years, 3-4 years	2.53	
Debtor 5	Intercompany balances	2,381,355,544.45	Within 1 year, 1-2 years, 2-3 years, over 5 years	1.62	
Subtotal		127,668,596,280.59		87.07	

2. Long-term equity investments

(1) Categories of long-term equity investments

Items	Opening balance	Increase	Decrease	Closing balance
Investments in subsidiaries	52,938,146,298.61	4,720,271,388.97	3,906,421,365.64	53,751,996,321.94
Investments in associates	25,839,934.57	193,797.41		26,033,731.98
Subtotal	52,963,986,233.18	4,720,465,186.38	3,906,421,365.64	53,778,030,053.92
Less: Provision for impairment of long-term equity investments				
Total	52,963,986,233.18	4,720,465,186.38	3,906,421,365.64	53,778,030,053.92

(2) Details on long-term equity investments

Investees	Investment cost	Opening balance	Increase/Decrease			
			Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Subsidiaries						
Jinan Municipal Public Assets Management and Operation Co., Ltd.	874,801,702.61	874,801,702.61				
Jinan Urban Construction Group Co., Ltd.	4,063,462,965.75	3,931,840,065.75	131,622,900.00			
Jinan Furen City Operation Service Co., Ltd.	30,955,283.09	30,955,283.09				
Jinan Binhe New Area Construction Investment Group Co., Ltd.	22,148,745,384.45	18,448,745,384.45	3,700,000,000.00			

Investees	Investment cost	Opening balance	Increase/Decrease			
			Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Shandong Jinyu Information Technology Group Co., Ltd.		84,138,361.68		84,138,361.68		
Shandong Jinqu Design Consulting Group Co., Ltd.	43,920,731.10	43,920,731.10				
Shandong Jinchao Ronghui Testing Technology Co., Ltd.	34,400,496.99		34,400,496.99			
Jinan Chengle Highway Engineering Co., Ltd.	32,000,000.00	32,000,000.00				
Jinan Urban Tunnel Construction Engineering Co., Ltd.	27,000,000.00	27,000,000.00				
Jinan Urban Construction Energy Conversion Development and Construction Group Co., Ltd.	1,305,000,000.00	1,305,000,000.00				
Jinan Yellow River Bridge Construction Management Co., Ltd.	1,850,000,000.00	1,850,000,000.00				
Shandong Chengfu International Trade Group Co., Ltd.		100,000,000.00		100,000,000.00		
Shandong Tongzhou Industry Holding Group Co., Ltd.	89,832,907.59		89,832,907.59			
Jinan Agricultural Development Group Co., Ltd.	278,415,084.39		278,415,084.39			
Jinan Sanli Property Management Co., Ltd.	4,585,383.81	4,585,383.81				
Shandong Changna Digital Technology Co., Ltd.	20,000,000.00	10,000,000.00	10,000,000.00			
Jinan New City Cultural Media Co., Ltd.		3,694,545.91	2,000,000.00	5,694,545.91		
Jinan Chenglu Construction Engineering Co., Ltd.	13,500,000.00	13,500,000.00				
Jinan Urban Construction Group Ronggang Development Co., Ltd.	474,295,296.88	295,296.88	474,000,000.00			
Shandong Yifangda Construction Management Group Co., Ltd.	18,215,792.02	18,215,792.02				
Jinan Urban Construction Group Investment Co., Ltd.	509,470,375.46	509,470,375.46				
Jinan Chengfeng Highway Engineering Co., Ltd.	13,500,000.00	13,500,000.00				

Investees	Investment cost	Opening balance	Increase/Decrease			
			Investments increased	Investments decreased	Investment income recognized under equity method	Adjustment in other comprehensive income
Shandong Jixi Wetland Ecological Farm Co., Ltd.		45,215,084.39		45,215,084.39		
Jinan Urban Construction Group Park Management Co., Ltd.	10,000,000.00	10,000,000.00				
Jinan Urban Construction Group Asset Operation Management Co., Ltd.	165,229,524.15	165,229,524.15				
Jinan West City Investment and Development Group Co., Ltd.	21,048,000,335.47	21,048,000,335.47				
Jinan Wanrong Industrial Development Group Co., Ltd.	430,000,000.00	430,000,000.00				
Laiwu Urban Development Group Co., Ltd.		3,671,373,373.66		3,671,373,373.66		
Shandong Jinyue Transportation Development Group Co., Ltd.	253,505,241.06	253,505,241.06				
Jinan Urban Construction International Investment Co., Ltd.		13,159,817.12				
Subtotal	53,738,836,504.82	52,938,146,298.61	4,720,271,388.97	3,906,421,365.64		
Associates						
Jinan Kunlun Investment North Construction Co., Ltd.	26,360,431.00	25,839,934.57			193,797.41	
Shandong International Convention and Exhibition Group Co., Ltd.	2,000,000.00					
Subtotal	28,360,431.00	25,839,934.57			193,797.41	
Total	53,767,196,935.82	52,963,986,233.18	4,720,271,388.97	3,906,421,365.64	193,797.41	

(Continued)

Investees	Increase/Decrease				Closing balance	Provision for impairment at the balance sheet date
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Subsidiaries						
Jinan Municipal Public Assets Management and Operation Co., Ltd.					874,801,702.61	
Jinan Urban Construction Group Co., Ltd.					4,063,462,965.75	
Jinan Furen City Operation Service Co., Ltd.					30,955,283.09	

Investees	Increase/Decrease				Closing balance	Provision for impairment at the balance sheet date
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Jinan Binhe New Area Construction Investment Group Co., Ltd.					22,148,745,384.45	
Shandong Jinyu Information Technology Group Co., Ltd.						
Shandong Jinqu Design Consulting Group Co., Ltd.					43,920,731.10	
Shandong Jinchao Ronghui Testing Technology Co., Ltd.					34,400,496.99	
Jinan Chengle Highway Engineering Co., Ltd.					32,000,000.00	
Jinan Urban Tunnel Construction Engineering Co., Ltd.					27,000,000.00	
Jinan Urban Construction Energy Conversion Development and Construction Group Co., Ltd.					1,305,000,000.00	
Jinan Yellow River Bridge Construction Management Co., Ltd.					1,850,000,000.00	
Shandong Chengfu International Trade Group Co., Ltd.						
Shandong Tongzhou Industry Holding Group Co., Ltd.					89,832,907.59	
Jinan Agricultural Development Group Co., Ltd.					278,415,084.39	
Jinan Sanli Property Management Co., Ltd.					4,585,383.81	
Shandong Changna Digital Technology Co., Ltd.					20,000,000.00	
Jinan New City Cultural Media Co., Ltd.						
Jinan Chenglu Construction Engineering Co., Ltd.					13,500,000.00	
Jinan Urban Construction Group Ronggang Development Co., Ltd.					474,295,296.88	
Shandong Yifangda Construction Management Group Co., Ltd.					18,215,792.02	
Jinan Urban Construction Group Investment Co., Ltd.					509,470,375.46	
Jinan Chengfeng Highway Engineering Co., Ltd.					13,500,000.00	
Shandong Jixi Wetland Ecological Farm Co., Ltd.						
Jinan Urban Construction Group Park Management Co., Ltd.					10,000,000.00	
Jinan Urban Construction Group Asset Operation Management Co., Ltd.					165,229,524.15	
Jinan West City Investment and Development Group Co., Ltd.					21,048,000,335.47	
Jinan Wanrong Industrial Development Group Co., Ltd.					430,000,000.00	
Laiwu Urban Development Group Co., Ltd.						
Shandong Jinyue Transportation Development Group Co., Ltd.					253,505,241.06	
Jinan Urban Construction International Investment Co., Ltd.					13,159,817.12	
Subtotal					53,751,996,321.94	
Associates						
Jinan Kunlun Investment North Construction Co., Ltd.					26,033,731.98	

Investees	Increase/Decrease				Closing balance	Provision for impairment at the balance sheet date
	Changes in other equity	Cash dividend/ Profit declared for distribution	Provision for impairment	Others		
Shandong International Convention and Exhibition Group Co., Ltd.						
Subtotal					26,033,731.98	
Total					53,778,030,053.92	

(II) Notes to items of the parent company income statement

1. Operating revenue/Operating cost

Items	Current period cumulative		Preceding period comparative	
	Revenue	Cost	Revenue	Cost
Subtotal of other operations	9,646,033.56	306,084.90	7,438,837.92	297,169.82
Leases	9,635,703.37	306,084.90	7,438,837.92	297,169.82
Others	10,330.19			
Total	9,646,033.56	306,084.90	7,438,837.92	297,169.82

2. Investment income

Items	Current period cumulative	Preceding period comparative
Investment income from long-term equity investments under equity method	193,797.41	-520,496.43
Investment income from long-term equity investments under cost method	321,401,537.13	250,133,966.87
Investment income of held-for-trading financial assets	464,673.47	5,855,342.47
Interest income from debt investments	212,155,352.26	
Total	534,215,360.27	255,468,812.91

Jinan City Construction Group Co., Ltd.

April 12, 2025

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