

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES. THE OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE ADDRESSEES LOCATED OUTSIDE OF THE UNITED STATES.

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

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 (THE “SECURITIES”) 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 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 PERSON OR 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. 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.

Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed to the Issuer, the Guarantor and the Joint Lead Managers (as defined in the Offering Circular) that (1) you and any customers you represent are not located in the United States, (2) the e-mail address that you provided and to which this e-mail has been delivered is not located in the United States, and (3) you consent to delivery of the attached document by electronic transmission and any amendments or supplements thereto by electronic transmission. To the extent you purchase the Securities, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S thereunder.

The Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee (as defined in the Offering Circular), the Agents (as defined in the Offering Circular) or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any such alteration or change to the Offering Circular distributed to you in electronic format or any difference between the Offering Circular distributed to you in electronic format and the hard copy version. A hard copy version will be provided to you upon request.

Restrictions: Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer or an invitation by or on behalf of any of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents to subscribe for or purchase any of the Securities in any place where offers or solicitations are not permitted by law, and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer in such jurisdiction.

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

Actions that you may not take: If you receive the Offering Circular by e-mail, you should not reply by e-mail to the Offering Circular, and you may not purchase any Securities 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.

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.

Each potential investor of the Bonds (as defined in the Offering Circular) receiving this Offering Circular represents, warrants, agrees, undertakes, confirms and/or acknowledges (as the case may be) to the Issuer, the Guarantor and the Joint Lead Managers that it has conducted its own investigation with respect to the Issuer Group (as defined in the Offering Circular), the Guarantor Group (as defined in the Offering Circular) and the Bonds as it has deemed appropriate or necessary to make its investment decision in respect of the Bonds. Each potential investor confirms that as a result of the investigation and due diligence it has conducted, it will be solely responsible for making its own independent analysis of and investigations into the status, creditworthiness, prospects, business, operations, assets and condition of the Issuer Group, the Guarantor Group and any other relevant person and any other relevant matters and for making its own decisions as to its purchase of the Bonds, or the taking or not taking of any action in connection with, the Bonds. An investment in the Bonds involves a high degree of risk and each potential investor acknowledges that the Bonds are, therefore, a speculative investment. Each potential investor understands that the ability of the Issuer or the Guarantor to make payments in respect of the Bonds or the Guarantee (as defined in the Offering Circular), will depend upon the Issuer and the Guarantor and their respective subsidiaries’ operating and financial performance. The potential investors are able to sustain a complete loss of investments in the Bonds.



Dujiangyan Urban and Rural Construction Group Co., Ltd.

(都江堰市城鄉建設集團有限公司)

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

CNY660,000,000 3.7 per cent. guaranteed bonds due 2029

unconditionally and irrevocably guaranteed by

TIANFU BOND INSURANCE CO.,LTD.

(天府信用增進股份有限公司)

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

Issue Price: 100.0 per cent.

The CNY660,000,000 3.7 per cent. guaranteed bonds due 2029 (the “**Bonds**”) will be issued by Dujiangyan Urban and Rural Construction Group Co., Ltd. (都江堰市城鄉建設集團有限公司) (the “**Issuer**”) and will be unconditionally and irrevocably guaranteed (the “**Guarantee**”) by Tianfu Bond Insurance Co.,Ltd. (天府信用增進股份有限公司) (the “**Guarantor**”).

The Bonds will bear interest on their outstanding principal amount from and including 29 September 2026 (the “**Issue Date**”) at the rate of 3.7 per cent. per annum. Interest on the Bonds will be payable semi-annually in arrear in equal instalments on 29 March and 29 September in each year, commencing on 29 March 2027. Payments in respect of the Bonds or under the Guarantee shall be made without set-off or counterclaim and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC or any political subdivision or any authority therein or thereof having power to tax to the extent described under Condition 8 (*Taxation*) of the terms and conditions of the Bonds (the “**Terms and Conditions**”).

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (*Negative Pledge*) of the Terms and Conditions) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority 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 Terms and Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. The Guarantor will enter into a deed of guarantee (the “**Deed of Guarantee**”) on or about 29 September 2026 with CNCBI Trustee Limited as trustee (the “**Trustee**”) for itself and the Bondholders (as defined in the Offering Circular). The payment obligations of the Guarantor under the Guarantee (as defined in the Terms and Conditions) shall, save for such exceptions as may be provided by applicable laws and regulations and subject to Condition 4(a) (*Negative Pledge*) of the Terms and Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. The PRC Government (as defined in the Offering Circular) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds, the Deed of Guarantee, the Trust Deed (as defined in the Terms and Conditions) or the Agency Agreement (as defined in the Terms and Conditions) in lieu of the Issuer or the Guarantor, as the case may be. See “*Risk Factors — Risks relating to the Bonds and the Guarantee — The PRC Government (including Dujiangyan Municipal People's Government) has no payment or other obligations under the Bonds nor provides any assurance on the financial conditions of the Issuer and the Issuer Group*”.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Interest Payment Date falling on, or nearest to, 29 September 2029 (the “**Maturity Date**”). At any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 16 of the Terms and Conditions (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent (as defined in the Terms and Conditions), the Issuer may redeem the Bonds in whole, but not in part, at their principal amount together with any interest accrued to, but excluding, the date fixed for redemption, if the Issuer (or, if the Guarantee were called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and 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 and/or amendment becomes effective on or after 24 September 2026, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it. At any time following the occurrence of a Relevant Event (as defined in the Terms and Conditions), each holder of Bonds (each a “**Holder**” or “**Bondholder**”) will have the right, at such Bondholder'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 in the Terms and Conditions) at 101 per cent. (in the case of a redemption for a Change of Control (as defined in the Terms and Conditions)) or 100 per cent. (in the case of a redemption for a No Registration Event (as defined in the Terms and Conditions)) of their principal amount, together in each case with any interest accrued to but excluding the relevant Put Settlement Date. See “*Terms and Conditions of the Bonds — Redemption and Purchase*”.

The Issuer registered the issuance of the Bonds with the National Development and Reform Commission of the PRC or its local counterpart (including Its local counterpart, “**NDRC**”) in accordance with the Administrative Measures for the Review and Registration of Mid- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法 (中華人民共和國國家發展改革委員會令第五十六號)) (the “**Circular 56**”) issued by the NDRC and which came into effect on 10 February 2023 and any implementation rules as issued by the NDRC from time to time. The Issuer has obtained a certificate from the NDRC on 22 July 2026, evidencing such registration which, as at the date of this Offering Circular, remains valid and in full force and effect. The Issuer undertakes that it will within the relevant prescribed timeframes after the Issue Date, file or cause to be filed with the NDRC the requisite information and documents in accordance with the Circular 56 (the “**NDRC Post-issue Filing**”) and shall comply with the continuing obligations contained in the Circular 56 and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time, including but not limited to, the NDRC Post-Issue Filing.

The Issuer undertakes that it will, (i) within 15 Registration Business Days after the Issue Date, submit or cause to be submitted an application for the registration of the Bonds with the SAFE in accordance with the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) effective as of 13 May 2013 and as amended on 4 May 2015, and its operating guidelines (外債登記管理操作指引), the Capital Account Foreign Exchange Guidelines (2024) (資本項目外匯業務指引(2024)), and if applicable, the Circular of the People's Bank of China on Matters relating to the Macro-prudential Management of Full-covered Cross-border Financing (Yin Fa [2017] No. 9) (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知) (銀發[2017] 9號) issued by the People's Bank of China which came into effect on 12 January 2017 and other applicable laws, regulations and implementation rules issued by the PBOC, the SAFE and other competent authorities in the PRC from time to time (the “**Foreign Debt Registration**”) and (ii) use its best endeavours to complete the Foreign Debt Registration and obtain a registration record or filing evidence from SAFE on or before the Registration Deadline, and (iii) comply with all applicable PRC laws and regulations in relation to the Bonds.

The Bonds will be issued in the specified denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof. For a more detailed description of the Bonds, see “*Terms and Conditions of the Bonds*” beginning on page 72.

The Issuer has been assigned a rating of “**BBB**” with stable outlook by Lianhe Ratings Global Limited (“**Lianhe Global**”) and the Bonds will not be rated. A rating is not a recommendation to buy, sell or hold the Bonds or any other securities of the Issuer, the Guarantor and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

The Bonds and the Guarantee 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. 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*” below.**

Application will be made to the Chongwa (Macao) Financial Asset Exchange Co., Ltd. (the “**MOX**”) for the listing of the Bonds by way of debt issues to professional investors (as defined in Section 11 of the Guideline on Provision and Distribution of Financial Products (Circular 033/B/2010-DSB/AMCM)) (the “**MOX Professional Investors**”) only. Investors should not purchase the Bonds in the primary or secondary markets unless they are the 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 the MOX Professional Investors only have been reproduced in this document. 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 Guarantee, the Issuer, the Issuer Group, the Guarantor, the Guarantor Group 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 disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document. Admission to the listing of the Bonds on the MOX shall not be taken as an indication of the merits of the Bonds, the Guarantee, the Issuer, the Issuer Group, the Guarantor, the Guarantor Group or the quality of disclosure in this document.

Upon issue, the Bonds will be represented initially by a global certificate (the “**Global Certificate**”) in registered form, which will be registered in the name of, a nominee of, and shall be deposited on or about the Issue Date with, a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except in the limited circumstances as described in the Global Certificate, definitive certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

Hung Sing Securities Limited

China International Capital Corporation

Joint Lead Managers and Joint Bookrunners

**Shanghai Pudong Development
Bank Hong Kong Branch**

CITIC Securities

China Galaxy International

Shenwan Hongyuan (H.K.)

Guodu Securities (Hong Kong)

Far East Horizon International

SDIC Securities HK

Central International Securities

Target Securities

Soochow Securities (Hong Kong)

Orient Securities (Hong Kong)

CMB International

**Hong Kong Main Fund Securities
Limited**

Donghai International

**CNI SECURITIES GROUP
LIMITED**

Sinolink Securities (HK)

CCB International

Southwest Securities (HK)

Dongxing Securities (Hong Kong)

Haitong International

Offering Circular dated 24 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 THE ISSUER'S OTHER SUBSIDIARIES (COLLECTIVELY, THE "ISSUER GROUP"), THE GUARANTOR OR ANY OF THE GUARANTOR'S SUBSIDIARIES (COLLECTIVELY, THE "GUARANTOR GROUP") OR THAT THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR IS CORRECT AS AT ANY DATE SUBSEQUENT TO THE DATE HEREOF.

The contents of this document have not been reviewed by any regulatory authority in Macau (as defined below) or elsewhere. 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, the Issuer Group, the Guarantor, the Guarantor Group or the quality of disclosure in this document. None of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers and advisers or any person who controls any of them is making any representation to any purchaser of Bonds regarding the legality of any investment in the Bonds by such purchaser under any legal investment or similar laws or regulation.

Each of the Issuer and the Guarantor jointly and severally represents and warrants to, and (where applicable) agrees with, the Joint Lead Managers that: (i) this Offering Circular contains all information with respect to the Issuer, the Issuer Group, the Guarantor, the Guarantor Group, the Guarantee and the Bonds which is material in the context of the issue and offering of the Bonds (including the information which is required by applicable laws and which, according to the particular nature of the Issuer, the Issuer Group, the Guarantor, the Guarantor Group, the Guarantee 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 Issuer Group, the Guarantor and the Guarantor Group and of the rights attaching to the Guarantee and the Bonds); (ii) the statements contained in this Offering Circular relating to the Issuer, the Issuer Group, the Guarantor and the Guarantor Group are in every material particular true and accurate and not misleading; (iii) the opinions and intentions with regard to the Issuer, the Issuer Group, the Guarantor and the Guarantor Group expressed in this Offering Circular are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Issuer Group, the Guarantor, the Guarantor Group, the Guarantee or the Bonds the omission of which would, in the context of the issue and offering of the Bonds and the giving of the Guarantee, make any statement in this Offering Circular misleading in any material respect; (v) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular; (vi) this Offering Circular 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.

The Issuer and the Guarantor have prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds and the giving of the Guarantee described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of Hung Sing Securities Limited, China International Capital Corporation Hong Kong Securities Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, CLSA Limited, China Galaxy International Securities (Hong Kong) Co., Limited, Shenwan Hongyuan Securities (H.K.) Limited, Guodu Securities (Hong Kong) Limited, Far East Horizon International Securities Limited, SDIC Securities (Hong Kong) Limited, Central International Securities Limited, Target Securities International Limited, Soochow Securities International Brokerage Limited, Orient Securities (Hong Kong) Limited, CMB International Capital Limited, Hong Kong Main Fund Securities Limited, Donghai International Securities (Hong Kong) Limited, CNI Securities Group Limited, Sinolink Securities (Hong Kong) Company Limited, CCB International Capital Limited, Southwest Securities (HK) Brokerage Limited, Dongxing Securities (Hong Kong) Company Limited and Haitong International Securities Company Limited (together, the “**Joint Lead Managers**”), the Issuer or the Guarantor to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular, the offering of the Bonds and the giving of the Guarantee in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and 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, the giving of the Guarantee 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 giving of the Guarantee, and the circulation of documents relating thereto, in certain jurisdictions including the United States, the United Kingdom, Hong Kong, the PRC, Singapore and Japan and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Bonds, the giving of the Guarantee 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 to give any information or to make any representation concerning the Issuer, the Issuer Group, the Guarantor, the Guarantor Group, the Bonds or the Guarantee other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers 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, the Issuer Group, the Guarantor or the Guarantor 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 Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers 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 or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them has independently verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made or given and no responsibility or liability is accepted, by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them, as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular or any other information supplied in connection with the Bonds. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them. This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by any of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or 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 affiliates, directors, employees, agents, representatives, officers or advisers 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, the Issuer Group, the Guarantor, the Guarantor 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 affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them accepts any responsibility for the contents of this Offering Circular and none of them assume any responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers and any person who controls any of them or on their behalf in connection with the Issuer, the Issuer Group, the Guarantor, the Guarantor Group, the issue and offering of the Bonds or the giving of the Guarantee. Each of the Joint Lead Managers, the Trustee and the Agents and each of their respective affiliates, directors,

employees, agents, representatives, officers and advisers and any person who controls any of them accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them undertakes to review the results of operations, financial condition or affairs of the Issuer, the Issuer Group, the Guarantor or the Guarantor 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 affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them.

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

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. These 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 or the Guarantor as investors for their own account.

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.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “SFA”) as modified or amended from time to time, 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).

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 the offering of the Bonds, including certain Joint Lead Managers, are “capital market intermediaries” (together, the “**CMI**s”) 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 “**OC**s”) for the offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (an “**Association**”) with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor 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 the 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 the offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the 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 Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than 50 per cent. interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the 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 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 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 the offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the 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, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the offering. Failure to provide such information may result in that order being rejected.

INDUSTRY AND MARKET DATA

Market data and certain industry forecasts used throughout this Offering Circular have been obtained based on market research, public information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources considered reliable and accurate but that the accuracy and completeness of that information is not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them, and none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them makes any representation as to the correctness, accuracy or completeness of that information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, the Issuer Group, the Guarantor, the Guarantor Group and the terms of the offering and the Bonds, including the merits and risks involved. Where information has been sourced from a third party, each of the Issuer and the Guarantor confirms that this information has been accurately reproduced and that, as far as the Issuer and the Guarantor are aware and are able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

PRESENTATION OF FINANCIAL INFORMATION

Financial Information of the Issuer Group

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 year ended 31 December 2024 (the “**2024 Audited Financial Statements**”) included elsewhere in this Offering Circular and the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2025 (the “**2025 Audited Financial Statements**”, together with the 2024 Audited Financial Statements, the “**Audited Financial Statements**”) included elsewhere in this Offering Circular. The Audited Financial Statements were prepared and presented in accordance with the Accounting Standards for Business Enterprises in the PRC (“**PRC GAAP**”). The Audited Financial Statements have been audited in accordance with PRC GAAP by Beijing Zhongming Guocheng Certified Public Accountants (Special General Partnership) (“**Beijing Zhongming Guocheng**”), the Issuer’s independent auditors in accordance with Auditing Standards for Chinese Certified Public Accountants.

PRC GAAP differs in certain respects from International Financial Reporting Standards (“**IFRS**”). For a discussion of certain differences between PRC GAAP and IFRS, see “Summary of Certain Differences between PRC GAAP and IFRS”.

None of the Joint Lead Managers, the Trustee, the Agents or their respective affiliates, directors, officers, employees, agents, representatives and advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the sufficiency of the Audited Financial Statements for an assessment of, and potential investors must exercise caution when using such data to evaluate, the Group’s financial condition and results of operations. None of the Joint Lead Managers, the Trustee, the Agents or their respective affiliates, directors, officers, employees, agents, representatives and advisers or any person who controls any of them has independently verified any of the information contained therein and they can give no assurance that such information is accurate, truthful or complete.

Financial Information of the Guarantor Group

The Guarantor’s audited financial reports can be downloaded free of charge from the website at www.chinamoney.com.cn. Such financial statements are available in the Chinese language only and are not included in and do not form part of this Offering Circular. The information contained on the website at www.chinamoney.com.cn is subject to change from time to time. No representation is made by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them and none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them takes any responsibility for any information contained on the website at www.chinamoney.com.cn.

CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

In this Offering Circular, all references to the “**Issuer**” and “**Company**” are to Dujiangyan Urban and Rural Construction Group Co., Ltd. (都江堰市城鄉建設集團有限公司) and all references to the “**Issuer Group**” are to the Issuer and the Issuer’s subsidiaries as a whole, and all references to the “**Guarantor**” are to Tianfu Bond Insurance Co.,Ltd. (天府信用增進股份有限公司) and all references to the “**Guarantor Group**” are to the Guarantor and its subsidiaries (if any) as a whole.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to the “**PRC**”, “**Mainland**”, “**Mainland China**” and “**China**” are to the People’s Republic of China (excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan), all references to “**Hong Kong**” are to the Hong Kong Special Administrative Region of the People’s Republic of China, all references to “**Macau**” or “**Macao**” are to Macao 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 the “**United States**” and “**U.S.**” are to the United States of America. Historical amounts translated into Renminbi have been translated at historical rates of exchange. Such translations should not be construed as representations that the amounts referred to herein could have been or could be converted into Renminbi at those rates or any other rate at all.

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

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

- “**GDP**” are to gross domestic product;
- the “**PRC Government**” or “**PRC government**” are to the central government of the People’s Republic of China 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;
- “**State Council**” are to the State Council of the PRC;

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 names prevail.

FORWARD-LOOKING STATEMENTS

Each of the Issuer and the Guarantor 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, the Issuer Group, the Guarantor and/or the Guarantor 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, the Guarantor or by any third party) involve known and unknown risks, including those disclosed under the caption “*Risk Factors*”, uncertainties and other factors that may cause the actual results, performance or achievements of the Issuer, the Issuer Group, the Guarantor or the Guarantor 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. Each of the Issuer and the Guarantor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any of opinions or forward-looking statement contained or expressed in this Offering Circular to reflect any change in the expectations of the Issuer or the Guarantor, as the case may be, with regard thereto or any new information, 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 Issuer Group, the Guarantor or the Guarantor Group to be materially different include, among others:

- the risks inherent to the industry in which the Issuer Group and/or the Guarantor Group operate;
- the Issuer Group’s and/or the Guarantor Group’s ability to successfully implement their respective business plans and strategies;
- various business opportunities that the Issuer Group and/or the Guarantor Group may pursue;
- financial condition, performance and business prospects of the Issuer Group and/or the Guarantor Group;
- the Issuer Group’s and/or the Guarantor Group’s capital expenditure plans and their respective ability to carry out those plans;
- the Issuer Group’s access and cost of capital and financing;

- changes in the competition landscape in the industries where the Issuer Group and/or the Guarantor Group operates;
- any changes in the laws, rules and regulations of the PRC Government and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of the Issuer Group's and/or the Guarantor Group's business;
- general political and economic conditions, including those related to the PRC;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industries and markets in which the Issuer Group and/or the Guarantor Group operate;
- fluctuations in prices of and demand for products and services that the Issuer Group and/or the Guarantor Group provide;
- macroeconomic measures taken by the PRC Government to manage economic growth;
- natural disasters, industrial action, terrorist attacks and other events beyond the control of the Issuer Group and/or the Guarantor Group;
- changes in the global economic conditions; and
- other factors, including those discussed in "*Risk Factors*".

Neither the Issuer nor the Guarantor 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. The Issuer and the Guarantor caution investors not to place undue reliance on these forward-looking statements which reflect their respective managements' view only as at the date of this Offering Circular. 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 Issuer Group, the Guarantor or the Guarantor Group could differ materially from those anticipated in these forward-looking statements.

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SUMMARY

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

OVERVIEW

The issuer group is the main entity responsible for the construction of major urban infrastructure projects in Dujiangyan City. The issuer group’s business consists of the following five business segments: (i) engineering construction, (ii) trading, (iii) sand and gravel sales, (iv) primary land development and (v) other businesses. Below is an overview of each of the five business segments of The issuer group:

- **Engineering Construction:** The issuer group’s engineering construction business primarily consists of construction of infrastructure facilities and resettlement housing in Dujiangyan City. It operates this business segment predominantly through its wholly-owned subsidiary New City Construction.
- **Trading:** The issuer group’s trading operations primarily involve (i) ferrous metal smelting and rolling products business and (ii) the grain, oil, meat and eggs sales. The issuer group engages in these trading business through the Issuer and its subsidiary, Sichuan Runxi Supply Chain Management Co., Ltd. (四川潤熹供應鏈管理有限公司), respectively.
- **Sand and Gravel Sales:** The issuer group’s sand and gravel sales business primarily consists of extraction, transportation and sales of sand and gravel resources in Dujiangyan City and its surrounding areas. It operates this business segment predominantly through its wholly-owned subsidiary, Runmao Industry.
- **Primary Land Development:** The issuer group’s primary land development business primarily involves primary land development projects in Qingchengshan Town (青城山鎮), Riverside New District (濱江新區), Xujia Town (胥家鎮) and Puyang Town (蒲陽鎮) of Dujiangyan City. It operates this business segment predominantly through New City Construction and New City Constructions’ subsidiaries including Dujiangyan Construction and Chengheng Rural Revitalisation. In 2025, the issuer group had completed the redevelopment of its existing land holdings. Due to policy and market factors, the issuer group has not undertaken any new land redevelopment projects.
- **Other Businesses:** The issuer group’s other businesses primarily consist of rental services, property sales, building materials sales, asset transfers, material processing, land comprehensive improvement, and consulting services. It operates this business segment predominantly through its subsidiaries including Runxi Supply Chain, New City Constructions and Runmao Industry.

For the years ended 31 December 2023, 2024 and 2025, The issuer group's total revenue was approximately RMB1,366.63 million, RMB1,317.11 million and RMB1,308.88 million, respectively. The issuer group's total assets as at 31 December 2023, 2024 and 2025 were approximately RMB31,277.55 million, RMB35,783.46 million and RMB33,483.34 million, respectively.

As at the date of this Offering Circular, Dujiangyan SASAFB (formerly known as Dujiangyan State-owned Assets Supervision and Administration Committee (都江堰市國有資產監督管理委員會)) holds 100 per cent. of the equity interest of Dujiangyan Investment, which in turn holds 100 per cent. of the equity interest of the Issuer. For a detailed shareholding structure of the Issuer, see "Description of The issuer group — Organisational Structure".

As at the date of this Offering Circular, the Issuer has been assigned a "BBB" corporate rating from Lianhe, with a stable outlook.

COMPETITIVE STRENGTHS

The issuer group believes that its success and prospects are primarily attributable to the following competitive strengths:

- Excellent business and economic environment in Dujiangyan City
- Healthy relationship with banks and diversified financing channels of Dujiangyan Investment and strong support from Dujiangyan Investment in The issuer group's financing activities
- Experienced management team and efficient management mechanism

STRATEGIES

The issuer group intends to implement the following strategies to achieve its business objectives:

- Construct major engineering construction projects in alignment with Dujiangyan City's development plan
- Focus on its role as an integrated construction and investment platform in Dujiangyan City and diversify its business operations

Recent Development

Financial performance as at and for the six months ended 30 June 2026

As compared to its financial position as at 31 December 2025, as at 30 June 2026, the Issuer's contractual liabilities increased due to a rise in advance payments received. As compared to its financial position as at 31 December 2025, as at 30 June 2026, the Issuer's long-term borrowings increased due to an increase in finance borrowings. For the six months ended 30 June 2026, as compared to the respective amounts for the same period in the preceding year, the Issuer's cost of sales increased due to growth in the land sales business, and the Issuer's operating profit decreased due to the combined effect of period expenses, operating revenue and costs.

Potential investors should note, in particular, that the issuer group's financial information as at and for the six months ended 30 June 2026 is derived from the Company's management accounts and has not been audited or reviewed by independent auditors. As such, The issuer group's financial information as at and for the six months ended 30 June 2026 has not been set out in detail in this Offering Circular and does not form part of this Offering Circular and potential investors should not rely on such financial information in their evaluation of the financial condition of The issuer group and in making their investment decisions. The aforementioned financial information as at and for the six months ended 30 June 2026 are not necessarily indicative of the results that may be expected for any period thereafter. Consequently, potential investors must exercise caution when using such data to evaluate The issuer group's financial condition and results of operations. See "*Risk Factors — Risks Relating to The issuer group's Business The Issuer may publish periodical financial information in the PRC pursuant to applicable PRC regulatory rules. Investors should be cautious and not place any reliance on any financial information other than that disclosed in this Offering Circular*". None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy of The issuer group's financial information as at and for the six months ended 30 June 2026 or the sufficiency of such financial information for an assessment of The issuer group's financial condition and results of operation.

Indebtedness incurred after 31 December 2025

Since 31 December 2025, The issuer group continued utilising external financing in the ordinary course of business to finance its operation. The issuer 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. For details, please see descriptions under the "*Capitalisation and Indebtedness*".

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	Dujiangyan Urban and Rural Construction Group Co., Ltd. (都江堰市城鄉建設集團有限公司).
Issuer’s Legal Entity Identifier	8368000N9H1MEVNKM283.
Guarantor	Tianfu Bond Insurance Co.,Ltd. (天府信用增進股份有限公司).
The Bonds	CNY660,000,000 in aggregate principal amount of 3.7 per cent. guaranteed bonds due 2029.
Issue Price	100.0 per cent.
Form and Denomination	The Bonds are issued in registered form in the specified denomination of CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.
Issue Date	29 September 2026.
Interest	The Bonds will bear interest on their outstanding principal amount from and including 29 September 2026, at the rate of 3.7 per cent. per annum, payable semi-annually in arrear in equal instalments on 29 March and 29 September in each year, commencing on 29 March 2027.
Maturity Date	29 September 2029.
Status of the Bonds . . .	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (<i>Negative Pledge</i>) of the Terms and Conditions) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority 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) (<i>Negative Pledge</i>) of the Terms and Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Status of the Guarantee The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. The Guarantor's obligations in that respect are contained in the Deed of Guarantee. The payment obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable laws and regulations and subject to Condition 4(a) (*Negative Pledge*) of the Terms and Conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

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 Terms and Conditions.

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

Where withholding or deduction is made by the Issuer or as the case may be, the Guarantor for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC at a rate up to and including the aggregate rate applicable on 24 September 2026 (the "**Applicable Rate**"), the Issuer or the Guarantor, as the case may be, will increase the amounts paid by it to the extent required, so that the net amount received by the Bondholders equals the amounts which would otherwise have been received by them had no such withholding or deduction been required.

If the Issuer or, as the case may be, the Guarantor is required to make a deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC in excess of the Applicable Rate, the Issuer or the Guarantor, as the case may be, shall pay such additional amounts (the “**Additional Tax Amounts**”) as will result in receipt by the 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 (or the Guarantee, as the case may be) in the circumstances set out in Condition 8 (*Taxation*) of the Terms and Conditions.

Final Redemption Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date. The Bonds may not be redeemed at the option of the Issuer other than in accordance with Condition 6 of the Terms and Conditions.

**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 No Registration Event) of their principal amount, together in each case with any interest accrued to but excluding the relevant Put Settlement Date, as further described in Condition 6(c) (*Redemption for Relevant Events*) of the Terms and 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 (<i>Notices</i>) of the Terms and Conditions (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount together with any interest accrued to, but excluding, the date fixed for redemption, if the Issuer (or, if the Guarantee were called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice, that: (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 (<i>Taxation</i>) of the Terms and 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 and/or amendment becomes effective on or after 24 September 2026; and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it.
Further Issues	The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and the timing for complying with the requirements set out in the Terms and Conditions in relation to the NDRC Post-issue Filing and the Foreign Debt Registration and relevant notifications to the Trustee and the Bondholders) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds, as further described in Condition 15 (<i>Further Issues</i>) of the Terms and Conditions.
Trustee	CNCBI Trustee Limited.
Principal Paying Agent, Registrar and Transfer Agent.	China CITIC Bank International Limited.

Clearing Systems.	The Bonds will initially be represented by a Global Certificate in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depository for Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except in the limited circumstances as described in the Global Certificate, individual certificates for Bonds will not be issued in exchange for interests in the Global Certificate.
Clearance and Settlement	The Bonds have been accepted for clearance through Euroclear and Clearstream. The ISIN of the Bonds is XS3521287915. The Common Code of the Bonds is 352128791.
Notices	So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear, Clearstream or any Alternative Clearing System, any notice to the Bondholders shall be validly given by the delivery of the relevant notice to the relevant clearing system for communication by it to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.
Governing Law	English law.
Jurisdiction	The exclusive jurisdiction of the Courts of Hong Kong.
Listing	Application will be made to the MOX for the listing of the Bonds by way of debt issues to the MOX Professional Investors only, and such listing will be subject to the MOX's approval. Admission to the listing of the Bonds on the MOX shall not be taken as an indication of the merits of the Issuer, the Issuer Group, the Guarantor, the Guarantor Group or the Bonds.
Selling Restrictions	The Bonds have not been and will not be registered under the Securities Act or under any state securities laws of the United States, are being offered only outside the United States in reliance of Regulation S of the Securities Act and will be subject to customary restrictions on transfer and resale. See " <i>Subscription and Sale</i> ".

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE ISSUER

The following tables set forth the summary consolidated financial information of the Issuer Group as at and for the periods indicated. The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the Audited Financial Statements and, including the notes thereto, included elsewhere in this Offering Circular.

The summary audited consolidated financial information of the Issuer as at and for the year ended 31 December 2023 set forth below is derived from the Issuer 2024 Audited Financial Statements, which are included elsewhere in this Offering Circular. The Issuer 2024 Audited Financial Statements have been prepared in accordance with the PRC GAAP and have been audited by Beijing Zhongming Guocheng Certified Public Accountants (Special General Partnership).

The summary audited consolidated financial information of the Issuer as at and for the years ended 31 December 2024 and 2025 set forth below is derived from the Issuer 2025 Audited Financial Statements, which are included elsewhere in this Offering Circular. The Issuer 2025 Audited Financial Statements have been prepared in accordance with the PRC GAAP and have been audited by Beijing Zhongming Guocheng Certified Public Accountants (Special General Partnership).

PRC GAAP differs in certain respects from IFRS. For a discussion of certain differences between PRC GAAP and IFRS, see “Summary of Certain Differences Between PRC GAAP and IFRS”.

CONSOLIDATED INCOME STATEMENT OF THE ISSUER GROUP

	Year ended 31 December		
	2023	2024	2025
	(audited)	(audited)	(audited)
	(RMB in '000)	(RMB in '000)	(RMB in '000)
Total income	1,366,634.58	1,317,108.97	1,308,879.12
Including Operating Income.	1,366,634.58	1,317,108.97	1,308,879.12
Total Revenue Changes	1,231,782.82	1,195,158.99	1,374,181.54
Including Operating Costs	1,091,518.98	970,694.99	1,073,768.42
Taxes and Surcharge	18,802.03	32,628.97	37,618.49
Selling Expenses	6,108.54	8,845.66	12,569.70
General and Administrative expenses	32,008.12	34,317.18	45,199.07
Financial Expenses	83,345.14	148,672.20	205,005.85
Including: Interest Expenses.	60,627.96	90,735.17	173,020.01
Interest income.	1,691.77	3,392.85	25,546.73
Add: Other income	1.38	1,828.15	96.15
Investment Income (losses marked with “-”)	111,512.92	108,694.02	258,294.05
Including: Income on investment in associates and joint ventures	4,335.21	-91.95	-232.68
Gain on Changes in Fair Value (loss marked with “-”)	— 12,283.40	-11,487.10	-11,962.80
Credit impairment loss (loss marked with “-”)	1.89	1,133.48	-165.35
Assets Impairment Loss (losses marked with “-”)	—	—	—
Gain on disposal of assets (loss marked with “-”)	—	7,105.60	8.30
Operating Profit (loss marked with “-”)	234,084.56	229,424.12	180,987.94
Add: Non-operating Income	39.26	339.34	354.77
Less: Non-operating Expenses	437.90	1,194.24	1,421.84
Profit/(loss) before tax (loss marked with “-”)	233,685.92	228,569.22	179,920.88
Less: Income Tax Expense	52,777.84	64,292.92	35,632.52

	Year ended 31 December		
	2023	2024	2025
	(audited) (RMB in '000)	(audited) (RMB in '000)	(audited) (RMB in '000)
Net Profit/(loss)	180,908.08	164,276.31	144,288.36
(i) Categorized by operation continuity			
a. Net profit from continuing operations (loss marked with “-”)	180,908.08	164,276.31	144,288.36
b. Net profit from discontinuing operations (loss marked with “-”)	—	—	—
(ii) Categorized by ownership			
a. Net profit attributable to owners of the parent company (loss marked with “-”)	127,790.69	106,189.15	133,960.81
b. Net profit attributable to non-controlling interests (loss marked with “-”)	53,117.39	58,087.16	10,327.55
Total comprehensive income	180,908.08	164,276.31	144,288.36
Total comprehensive income attributable to owners of the parent company.	127,790.69	106,189.15	133,960.81
Total comprehensive income attributable to non-controlling interests	53,117.39	58,087.16	10,327.55

CONSOLIDATED BALANCE SHEET OF THE ISSUER GROUP

	As at 31 December		
	2023	2024	2025
	(audited) (RMB in '000)	(audited) (RMB in '000)	(audited) (RMB in '000)
Current assets:			
Cash and cash equivalents	661,026.19	867,932.78	1,057,292.10
Notes receivable	—	2,239.53	721.07
Accounts receivable	2,765,921.09	2,949,710.04	3,208,694.59
Prepayment	702,259.60	1,347,797.93	941,970.41
Other receivable	5,307,441.04	7,899,131.99	8,958,322.49
Inventory	18,335,974.57	19,205,961.83	16,544,498.46
Other current assets	843.47	586.48	293.33
Total current assets	27,773,465.96	32,273,360.59	30,711,792.45
Non-current assets:			
Long-term receivables	—	—	—
Long-term equity investment	21,899.07	21,807.12	21,574.45
Other equity instrument investment	407,362.75	407,362.75	297,684.41
Other non-current financial assets	794,874.03	794,874.03	194,874.03
Investment real estate	1,221,207.50	1,233,050.00	1,221,087.20
Fixed assets	541,212.56	527,135.87	510,338.05
Construction in progress	—	—	—
Right-of-use asset	—	909.41	636.59
Intangible assets	513,458.68	514,086.56	513,967.65
Long-term prepaid expenses	1,564.15	7,120.86	5,864.88
Deferred tax assets	2,053.21	3,302.98	5,075.32
Other non-current assets	448.26	448.26	448.26
Total non-current assets	3,504,080.20	3,510,097.84	2,771,550.83
Total assets	31,277,546.17	35,783,458.43	33,483,343.28

	As at 31 December		
	2023	2024	2025
	(audited) (RMB in '000)	(audited) (RMB in '000)	(audited) (RMB in '000)
Current liabilities:			
Short-term borrowings	874,890.00	1,592,500.00	2,653,200.00
Notes payable	—	—	165,712.68
Accounts payable	429,649.51	430,012.22	434,422.86
Advance receipts	—	170.25	128.01
Contract liabilities	358,951.77	942,194.75	567,814.28
Employee pay payable	434.85	631.28	987.68
Taxes payable	786,731.86	918,765.17	970,762.07
Other payable	8,556,265.68	8,816,829.62	8,018,110.45
Of which: Dividends payable	105,068.00	64,768.00	214,095.90
Non-current liabilities due within one year	2,845,012.96	3,279,564.62	3,054,272.46
Other current liabilities	32,344.60	118,413.52	131,772.28
Total current liabilities	13,884,281.25	16,099,081.42	15,997,182.76
Non-current liabilities:			
Long-term borrowings	3,351,264.84	4,132,265.09	4,306,452.76
Bonds payable	1,074,888.43	1,414,682.77	1,533,933.80
Lease liability	—	561.55	291.20
Long-term payables	430,727.64	588,284.22	1,097,145.81
Deferred tax liabilities	195,092.50	193,918.94	192,672.54
Other non-current liabilities	110,000.00	266,412.87	341,976.92
Total non-current liabilities	5,161,973.41	6,596,125.44	7,472,473.04
Total liabilities	19,046,254.66	22,695,206.87	23,469,655.80
Owners' equity:			
Paid-in capital	267,000.00	547,000.00	555,000.00
Capital reserve	6,003,657.72	6,532,058.24	6,798,607.95
Other comprehensive income	619,356.22	620,720.70	620,720.70
Surplus reserve	—	—	3,678.34
Undistributed profits	1,923,653.48	1,909,753.12	1,822,423.14
Equity attributable to owners of the parent company	8,813,667.42	9,609,532.06	9,800,430.13
Minority interest	3,417,624.09	3,478,719.51	213,257.35
Total owners' equity	12,231,291.51	13,088,251.57	10,013,687.48
Total liabilities and owners' equity	31,277,546.17	35,783,458.43	33,483,343.28

CONSOLIDATED CASH FLOW STATEMENT OF THE ISSUER GROUP

	As at 31 December		
	2023	2024	2025
	(audited) (RMB in '000)	(audited) (RMB in '000)	(audited) (RMB in '000)
Net cash flows from operating activities	509,850.18	-1,381,296.00	-415,298.57
Net cash flows from investing activities	67,786.02	152,036.39	124,892.06
Net cash flows from financing activities	-277,781.31	1,125,122.94	549,618.23
Net increase in cash and cash equivalents	299,854.89	-104,136.67	259,211.72
Cash and cash equivalents at the end of year	535,176.19	476,558.94	735,770.66

RISK FACTORS

In addition to other information in this Offering Circular, the investors should carefully consider the following risk factors, together with all other information contained in this Offering Circular (including the financial statements and the notes thereto), before purchasing the Bonds. The risks and uncertainties described below may not be the only ones that the Issuer, the Guarantor, the Issuer Group and/or the Guarantor Group face. Some risks may be unknown to the Issuer, the Issuer Group, the Guarantor or the Guarantor Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations, profitability or prospects of the Issuer, the Issuer Group, the Guarantor or the Guarantor Group or the value of the Bonds. All of these factors are contingencies which may or may not occur and none of the Issuer, the Issuer Group, the Guarantor or the Guarantor Group is 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 Issuer, the Guarantor, the Issuer Group and/or the Guarantor 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.

None of the Issuer, the Guarantor, the Issuer Group or the Guarantor Group represents 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 ISSUER GROUP'S BUSINESS

Uncertainties and instability in general economic, political and global market conditions could adversely affect the Issuer Group's business, financial condition and results of operations.

The global financial markets have been affected by a general slowdown of economic growth globally, resulting in substantial volatility in global financial markets and the tightening of liquidity in global credit markets. In recent years, the tightening monetary policies and high inflation in the PRC, escalating conflicts in the Middle East, global economic uncertainties and the euro zone sovereign debt crisis have resulted in adverse market conditions and increased volatility in the PRC and overseas financial markets. While it is difficult to predict how long these conditions will exist and the extent to which the Issuer Group may be affected, these developments may continue to present risks to the Issuer Group's business operations for an extended period of time, including an increase in interest expenses on the Issuer Group's bank borrowings, or a reduction in the amount of banking facilities currently available to the Issuer Group.

There are a number of uncertainties ahead with respect to the global economic growth. These conditions have been compounded by continued uncertainty over US trade and tariff policy, elevated geopolitical tensions, and the risk that expectations around AI-driven investment are reevaluated, which could prompt an abrupt correction concentrated in technology-linked assets and spread to broader markets. The US and China entered a "tariff truce" following the Kuala Lumpur talks in October 2025, with reciprocal tariffs and retaliatory measures suspended until 10 November 2026. However, this is only a temporary framework agreement, not a final one. The ongoing geopolitical tensions between the

United States and the PRC continue to cause significant uncertainty in the global macro economy, which may in turn adversely affect the Issuer Group's business, financial condition and results of operations. The amicable resolution of such a trade war remains elusive, and the lasting impacts any trade war may have on the PRC economy and the industries the Issuer Group's clients operate in remain uncertain.

Furthermore, global economic fluctuations have also had significant impacts on the global financial markets and on the Issuer Group. First, a rise in global trade protectionism will negatively impact the trade-dependent economies in Asia. Second, the European Central Bank raised its key interest rates by 25 basis points in June 2026. Its first increase since 2023, in response to inflation pressures arising from the conflict in the Middle East and elevated energy costs, while continuing to reduce its asset purchase portfolios. The Bank of Japan similarly raised its policy rate to 1.0% in June 2026, the highest level since 1995, and continues to taper its purchases of government bonds, albeit at a slower pace, with reductions to pause from April 2027. In the United States, the Federal Reserve has concluded its balance sheet runoff and has held its policy rate at 3.50%-3.75% throughout 2026. The interplay of these divergent and generally tighter monetary conditions with U.S. fiscal and monetary policies, together with reduced central-bank balance-sheet support, may lead to more volatile global capital flows and exchange-rate movements, which could in turn impact global growth and, accordingly, the business, financial condition and results of operations of the Issuer Group. 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 Issuer Group's business, financial condition and results of operations.

On 24 February 2022, Russia launched a large-scale invasion of Ukraine. As a result, the United States, the United Kingdom, the member states of the European Union and other public and private actors have levied severe sanctions on Russia. The geopolitical and macroeconomic consequences of this invasion and associated sanctions cannot be predicted, and such events, or any further hostilities in Ukraine or elsewhere, could severely impact the world economy. Please see “— *Any occurrence of force majeure events, natural disasters, contagious disease outbreaks or other adverse incidents in the PRC may materially and adversely affect the Issuer Group's businesses, financial condition and results of operations.*” for further information.

These developments, or the perception that any of them could occur, may adversely affect the stability of global financial markets and may significantly reduce global market liquidity and restrict the ability of market participants to operate in certain markets. These and other issues resulting from the global economic slowdown or uncertainty and financial market turmoil have adversely affected, and may continue adversely affecting China's economy, which may lead to a decline in the general demand for the Issuer Group's products and services and erosion of their prices. In addition, any further tightening of liquidity in the global financial markets may negatively affect the Issuer Group's access to capital and liquidity. Therefore, if the global economic slowdown and turmoil in the financial markets continue, the Issuer Group's business, financial condition and results of operations may be adversely affected.

The Issuer Group’s business, financial condition and results of operations are dependent on the level of economic activity in Chengdu and Dujiangyan City as well as the PRC.

Chengdu is the capital of Sichuan province. It is one of the three most populous cities in Western China. The Issuer Group’s businesses and assets are located in Dujiangyan City in Chengdu. Accordingly, the Issuer Group’s business, financial condition and results of operations have been and will continue to be dependent on the level of economic activity in Dujiangyan City and in Chengdu.

In recent years, there has been a slowdown in the growth of China’s economic development, as evidenced by the decrease in China’s gross domestic product (“GDP”) annual growth rate. It is unclear how the economic development in Dujiangyan City and Chengdu will be affected by a perceivable slowdown in the growth of the PRC economy, and there is no assurance that the policies and measures issued by the PRC Government will be effective in stimulating the recovery of the economy. There can be no assurance that the level of economic development in Dujiangyan City and Chengdu will continue to be maintained at the past rate of growth, if at all. Any slowdown in the economic development in Dujiangyan City and Chengdu may decrease the demand for the Issuer Group’s businesses and adversely affect the Issuer Group’s business, financial condition, results of operations and prospects.

The trade tensions between the United States and other major economies, particularly China, persist, and the risk of further escalation remains. This will impact trade flows and the global economy, and in turn, the liquidity and investment appetite of Dujiangyan City, Chengdu and/or the PRC, which would have a material and adverse impact on the Issuer Group’s business, financial condition and results of operation.

The Issuer Group’s business and future prospects to a large extent depend upon the Dujiangyan Municipal People’s Government’s public spending on infrastructure and fixed asset investments.

The Issuer Group’s business largely depends on continued spending by the Dujiangyan Municipal People’s Government to undertake infrastructure facilities and resettlement housing construction projects. The Issuer Group is a key construction and investment platform of the Dujiangyan State-owned Asset Supervision, Administration and Finance Bureau (都江堰市國有資產監督管理和金融工作局) (“Dujiangyan SASAFB”), which is the indirect sole shareholder of the Issuer Group. The Issuer Group’s business, results of operations and future prospects may be heavily affected by the Dujiangyan Municipal People’s Government’s budgets and planning, especially those allocated for infrastructure facilities and resettlement housing construction. Any significant reduction in the Dujiangyan Municipal People’s Government’s public budgets relating to infrastructure facilities and resettlement housing construction projects could materially affect the Issuer Group’s business.

There are a number of factors affecting the nature, scale, location and timing of the Dujiangyan Municipal People’s Government’s investments in infrastructure facilities and resettlement housing construction. The key factors are government policies and priorities relating to the development of different regions and the Dujiangyan Municipal People’s Government’s fiscal and monetary policies. Dujiangyan Municipal People’s Government’s investments in public infrastructure development are also affected by the government income and the general economic conditions in Dujiangyan City, Chengdu and the PRC.

Any slowdown in the overall economic conditions of Dujiangyan City, Chengdu and the PRC may affect the economic development of the Dujiangyan City and the fiscal conditions of Dujiangyan Municipal People's Government, which may in turn reduce the Dujiangyan Municipal People's Government's investments in urban and public infrastructure development. If the public budget or spending of the Dujiangyan Municipal People's Government on urban and public infrastructure decreases, the Issuer Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

The Issuer Group may not make decisions, take action or invest or operate in businesses or projects that are always in the Issuer Group's best interests or that aim to maximise the Issuer Group's profits as the Dujiangyan Municipal People's Government can exert significant influence on the Issuer Group.

The issuer is 100 per cent. owned by Chengdu Dujiangyan Investment and Development Group Co., Ltd., which in turn is 100 per cent. owned by the Dujiangyan SASAFB. The Issuer Group primarily engages in engineering construction business, primary land development business, sand and gravel sales business and other ancillary businesses in Dujiangyan City. Dujiangyan Municipal People's Government is in a position to exert influence on the Issuer Group's major business decisions and strategies, including the scope of its activities, investment decisions, annual budget plans, support from the government in various forms, preferential tax policies and dividend policy. There can be no assurance that the Dujiangyan Municipal People's Government would always take action that is in the Issuer Group's best interests or that aims to maximise the Issuer Group's profits. Dujiangyan Municipal People's Government may use its ability to influence the Issuer Group's business and strategy in a manner which is beneficial to Dujiangyan City as a whole, but which may not necessarily be in the Issuer Group's best interests. Dujiangyan Municipal People's Government may also change its policies, supports, intentions, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the economic, political and social environment as well as its projections of population and employment growth in Dujiangyan City and any such change may have a material effect on the Issuer Group's business and prospects. Any amendment, modification or repeal of Dujiangyan Municipal People's Government existing policies could result in a modification of the existing regulatory regime which in turn could have a material adverse effect on the Issuer Group's financial condition and results of operations.

PRC regulations on the administration of fiscal debts of local governments may impact the Issuer Group's financing model, business model and business scope.

To strengthen the management of China's local government financing vehicles and to manage the risks relating to China's local government debt, the State Council issued the Notice on Strengthening Management of Financing Platform of Local Government (國務院關於加強地方政府融資平台公司管理有關問題的通知) ("Circular 19") in June 2010 and the General Office of the NDRC issued the Notice on Further Regulating Issuance of Bonds by Financing Platform Companies Established by Local Governments (國家發展改革委辦公廳關於進一步規範地方政府投融資平台公司發行債券行為有關問題的通知) ("Circular 2881") in November 2010. According to Circular 19, all levels of local governments shall clear up the debts of their respective financing platforms. According to Circular 2881, the level of indebtedness of local governments will impact a financing platform's issuance of enterprise bonds.

In September 2014, the State Council released the Opinion on Enhancing the Administration of Fiscal Debts of Local Governments (國務院關於加強地方政府性債務管理的意見(國發[2014]43號)) (“**Circular 43**”). According to Circular 43, financing platform companies, such as the Issuer, are no longer permitted to function as the financing arm of the local government or incur new government debts and should carry on its operations and financing in accordance with market-oriented principles. Local governments should instead finance the development of public interest projects via the issuance of government bonds. Public interest projects that are profit-generating may be developed either by private investors independently or by a special-purpose company jointly set up by the local government and private investors. Private investors and the special-purpose companies jointly set up by the local government and the private investors are required to invest in accordance with market-oriented principles and development of the projects may be financed by bank loans, corporate bonds, project revenue bonds and asset-backed securitisation. Furthermore, private investors and special purpose companies shall bear the obligation to repay their debts and the relevant local government shall not be liable for any of the private investors’ or the special purpose companies’ debts. There are a few cases where certain debts of local financing platforms were classified as non-government debts since the release of Circular 43. However, whether the factual basis for such individual cases is comparable or relevant to other local governments’ financing platforms is unclear and different local governments’ interpretation and application of Circular 43 may vary from one another. If the Issuer is recognised as a local financing platform, the Issuer Group’s financing model, business model and business scope may be required to change significantly and going forward, investors in the Issuer’s indebtedness will only have recourse to the Issuer’s assets (and not those of the local government).

Circular 43 also sets forth the general principles of dealing with existing debts of local financing platforms. In 2014, the local counterparts of MOF began an audit on the existing debts of the financing vehicles of local governments whereby the existing debts of the financing vehicles reported by the local governments were to be classified into four categories, namely (i) debts that shall be repaid with funds of the local governments (the “**First Type of Borrowings**”), (ii) debts that are guaranteed by the local governments (the “**Second Type of Borrowings**”), (iii) debts that may be repaid by the local governments with public funds at its option when the borrowing financing vehicles are not able to repay (the “**Third Type of Borrowings**”); and (iv) debts that will not be repaid or financed with the funds of the local governments. Circular 43 is not applicable to the Bonds. Dujiangyan SASAFB and Dujiangyan Municipal People’s Government has no obligation to repay any amount under the Bonds. Investment in the Bonds relies solely on the credit risk of the Issuer. In the event 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 not any other person, including Dujiangyan SASAFB and Dujiangyan Municipal People’s Government.

On 26 April 2017, the MOF, the NDRC, the Ministry of Justice, the People’s Bank of China (“**PBOC**”), the China Banking Regulatory Commission and the CSRC jointly issued the Circular on Further Regulating the Debt Financing Behaviours of Local Government (關於進一步規範地方政府舉債融資行為的通知) (“**Circular 50**”).

Circular 50 reaffirmed that local government debts shall only be incurred through the issuance of local government bonds within the quota approved by the State Council, and the local governments and their departments are not permitted to use any other means for debt financing. The local governments and their departments are prohibited from requesting or ordering enterprises to issue debts for or on behalf of the local

governments. For the avoidance of doubt, Dujiangyan SASAFB or Dujiangyan Municipal People's Government has no obligation to repay any amount under the Bonds. If the Issuer does not fulfil its obligations under the Bonds, investors will only have recourse against the Issuer, and not Dujiangyan SASAFB or Dujiangyan Municipal People's Government. The description of support from the PRC Government in this Offering Circular is on the support given to the Issuer Group's business operations and should not be read as any indication that the PRC Government will provide any financial support to the Issuer in respect of their respective obligations under the Bonds.

On 28 May 2017, the MOF issued the Notice on Firmly Curbing Local Governments' Illegal Financing Activities in the Name of Government Procurement of Services (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) (“**Circular 87**”), which came into effect on the same day. According to Circular 87, it is prohibited to include certain kinds of infrastructure construction projects in the government's lists of procurement. Such requirements may have a significant impact on the Company and the Issuer Group's access to financing and operations.

On 11 May 2018, the NDRC and the MOF jointly issued the Circular of the National Development and Reform Commission and the Ministry of Finance on Improving the Market Restraint Mechanism and Taking Strict Precautions against Foreign Debt Risks and Local Debt Risks (國家發展改革委、財務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) (“**Circular 706**”). According to Circular 706, any enterprise that intends to incur medium and long-term foreign debt is prohibited from including public schools, public hospitals, public cultural facilities, parks, public squares, office buildings of government departments and public institutions, municipal roads, non-toll roads, non-operating water conservancy facilities, pipe network facilities, other public assets and the land use rights of reserve land in its assets. While the Issuer Group believes that its assets do not constitute public assets within the scope of Circular 706, there is no clear definition of public assets in Circular 706, so its interpretation may involve uncertainty. Circular 706 also reaffirms that the offering circulars of bond issuances shall not disclose information that can implicitly or explicitly indicate the government's endorsement of capital raising or conduct misleading publicity that implies an association with the government's credit. In addition, the liability of the local government as shareholder shall be limited to its agreed obligation to contribute to the registered capital of such enterprises, and the relevant foreign debts should be solely repaid by such enterprises as independent legal persons.

On 13 September 2018, the Guiding Opinions on Strengthening Asset-Liability Constraints on State-owned Enterprises (關於加強國有企業資產負債約束的指導意見) (the “**Guiding Opinions**”) was promulgated by the General Office of the CPC Central Committee and the General Office of the State Council and became effective on the same date. The Guiding Opinions, consistent with Circular 43 and Circular 50, ban local governments from engaging in “disguised” borrowing by using state-owned enterprises to issue corporate debt on their behalf.

On 6 July 2019, the General Office of the NDRC issued the Circular on Filing Requirements with respect to Application for Foreign Debt Issuance by Local State-owned Enterprises (Fa Gai Wei 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**”), which aims to strengthen the management of local government debt and prevent the risks of medium- and long-term foreign debts and hidden debt of local government.

Circular 666 expressly restricts the use of proceeds of foreign debt issued by local state-owned enterprises which undertake local government financing functions to repay medium- and long-term foreign debts due within one year.

The Issuer Group believes that the PRC Government will continue to implement Circular 19, Circular 2881, Circular 43, Circular 50, Circular 87, Circular 706, the Guiding Opinions, Circular 666 and other relevant regulations to control local government debts. Accordingly, the Issuer Group should rely on the cash flow generated from its operations and external borrowings to satisfy its cash needs for servicing its outstanding indebtedness and for financing its operating activities. The PRC Government may continue to release new policies or amend existing regulations to control the increase in local government debts in the PRC. The Issuer Group may be required to further change its financing model and business model, which may have a material impact on its business, financial condition, results of operations and prospects.

The PRC Government (including Dujiangyan Municipal People’s Government) has no payment or other obligations under the Bonds nor provides any assurance on the financial conditions of the Issuer and the Issuer Group.

The PRC Government (including Dujiangyan Municipal People’s Government) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds. The repayment obligations under the Bonds remain the sole obligation of the Issuer. Any ownership or control by the PRC Government (including Dujiangyan Municipal People’s Government) does not necessarily correlate to, or provide any assurance as to, the Issuer’s financial condition. This position has been reinforced by the Circular of the Ministry of Finance on Issues relevant to the Regulation on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (Cai Jin [2018] No.23) (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知(財金[2018]23號)) (the “**MOF Circular**”) promulgated on 28 March 2018 and which took effect on the same day, and the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知) (the “**Joint Circular**”) promulgated on 11 May 2018 and which took effect on the same day.

The PRC Government, as the ultimate equity holder of the Issuer, only has limited liability in the form of its equity contribution in the Issuer. The PRC Government and Dujiangyan Municipal People’s Government have no obligation to repay any amount under the Bonds, or the transaction documents relating thereto. The Bonds are solely to be repaid by the Company, as an obligor under the relevant transaction documents and as an independent legal person. In the event the Company does not fulfil its obligations under the Bonds, investors will only be able to claim as an unsecured creditor against the Company and its assets, and not any other person including the PRC Government, Dujiangyan Municipal People’s Government or any other local or municipal government. As the MOF Circular and the Joint Circular 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, which could have a significant impact on the Issuer and the Issuer Group’s business, financial condition, results of operations and prospects.

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

The Issuer Group's business operations and investments require substantial capital expenditure, and failure to obtain sufficient capital on acceptable terms or in a timely manner may adversely affect its business and growth prospects.

The Issuer Group's business activities and investments require substantial capital expenditure. The Issuer Group has historically satisfied its capital expenditure needs with the cash flow generated from its operating activities, bank and other borrowings, funds raised in the PRC domestic capital markets and equity contributions from its shareholders. There is no assurance that the Issuer Group's operations are able to generate sufficient cash flow at all times, if at all, which could constrain its working capital and have a material adverse effect on its business, financial conditions and results of operations. The Issuer 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, the Issuer Group's financial condition, and costs of financing. Some of these factors are beyond the Issuer Group's control.

The Issuer Group's capital expenditure and investment plans are affected by a number of factors, such as changes in project requirements, the Issuer Group's ability to generate sufficient cash flows from its operations, the availability and costs of external financing and the local government's plan for project buybacks and granting government funds. Any material changes in these factors, which may be out of the Issuer Group's control, may create a capital shortfall. In particular, any delays in government funding and cost overruns may also cause such shortfall. In these cases, the Issuer Group's reliance on external financings and its internal capital resources may increase. If the Issuer Group fails to raise sufficient funds in a timely manner or fails to obtain external financing on commercially acceptable terms, it 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 impact on its business, financial condition, results of operations and prospects.

The Issuer Group faces risks associated with contracting with public bodies.

As the primary construction and investment platform of Dujiangyan Municipal People's Government, focusing on engineering construction business, primary land development business, sand and gravel sales business and other ancillary businesses in Dujiangyan City, the Issuer Group collaborates with various governmental authorities and their controlled entities in Dujiangyan City. Although the Issuer Group believes that it currently maintains close working relationships with those governmental authorities and entities relevant to its businesses, there can be no assurance that these relationships will continue to be maintained on good terms in the future. Local governments and the government-controlled entities with which the Issuer Group collaborates may (i) have economic or business interests or consideration that are inconsistent with the Issuer Group's; (ii) take actions contrary to the Issuer Group's requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Issuer Group as to the contractual terms or other matters. If there are any material disagreements between the

Issuer Group and any local government or any of the government-controlled entities, there can be no assurance that the Issuer Group is able to successfully resolve them in a timely manner.

In addition, disputes with public bodies may last for considerably longer periods of time than those with private sector counterparties, and payments from the public bodies may be delayed as a result. Any of these may materially and adversely affect the business relationships between the Issuer Group and the local governments and the governmental entities, which may in turn materially and adversely affect the Issuer Group's business, financial condition, results of operations and prospects.

The Issuer Group may not successfully implement its growth strategy.

The Issuer Group has been focused on engineering construction business, primary land development business, sand and gravel sales business and other ancillary businesses in Dujiangyan City.

Whether the Issuer Group can successfully implement this strategy, to some extent, depends on the Issuer Group's ability to identify attractive projects, obtain required approvals from relevant regulatory authorities in the PRC, obtain sufficient capital on acceptable terms in a timely manner and maintain close working relationships with various governmental authorities and agencies. The success of negotiations with respect to any particular project cannot be assured. There can be no assurance that the Issuer Group will be able to successfully implement its strategy, manage or integrate newly-acquired operations with its existing operations. Failure to implement the Issuer Group's growth strategy could have a material adverse impact on its business, financial condition and results of operations.

There are risks associated with any material acquisitions by the Issuer Group in the future.

The Issuer Group may consider expanding its business by acquiring certain interests in other companies. During the course of these transactions, the Issuer Group will conduct due diligence investigations with respect to the target companies, but the due diligence with respect to any acquisition opportunity may not reveal all relevant facts that are necessary or useful in evaluating such opportunity, which could subject the Issuer Group to unknown financial and legal risks and liabilities. When determining the price for any acquisition, the Issuer Group will consider various factors, including the quality of the target business, estimated costs associated with the acquisition and the management of the target business, prevailing market conditions and intensity of competition. The Issuer Group will also face various issues arising from the acquisition after the relevant transaction is completed, such as integration of the business into its operations and allocation of internal resources. There can be no assurance that the Issuer Group will be able to address these issues effectively. Any major acquisition or transaction of a similar nature may consume substantial management attention and financial resources of the Issuer Group or even cause the Issuer Group to incur significant indebtedness. Any material decrease in its financial resources may limit the Issuer Group's ordinary operating activities and increase pressure on its liquidity, and in turn could adversely affect its business, financial condition and results of operations.

As at the date of this Offering Circular, the Issuer Group had not entered into any definitive agreement for any acquisition. The Issuer Group is unable to predict whether there will be any target suitable for acquisition or when any suitable acquisition opportunities could

arise. In the event that the Issuer Group enters into any letter of intent or agreement for any material acquisition after the issue of the Bonds, the market price and the trading volume of the Bonds may be adversely affected.

The Issuer Group has incurred substantial indebtedness and may incur additional indebtedness in the future, which could adversely affect its operations and its ability to satisfy its outstanding and future debt obligations.

To fund its projects and other businesses, the Issuer Group has incurred a large amount of indebtedness mainly through bank loans and issuance of domestic debt securities. As at 31 December 2023, 2024 and 2025, the Issuer Group's total indebtedness amounted to approximately RMB8,311.2 million, RMB10,692.7 million and RMB12,134.2 million, respectively, among which the Issuer Group's short-term borrowings (including non-current liabilities due within one year) amounted to RMB3,719.9 million, RMB4,884.8 million and RMB5,755.2 million, respectively. The Issuer Group may incur additional indebtedness in the future, including but not limited to the issuance of debt securities or entering into banking or other loan arrangements.

The Issuer Group's existing and future indebtedness and liabilities may be secured by the Issuer's or its subsidiaries' assets, including but not limited to land and other fixed assets. In the case that such security is enforced on such restricted assets, the Issuer Group's business operation and asset liquidity may be adversely affected. If any member of the Issuer Group incurs additional debt, the Issuer Group may be presented with increased risks. As at 31 December 2025, the restricted assets of the Issuer Group amounted to RMB2,149.66 million, representing 6.42 per cent. of the total assets of the Issuer Group as at 31 December 2025. Such assets are pledged and mortgaged to secure the payment obligation of the Issuer Group. The large scale of restricted assets may materially and adversely affect the Issuer Group's ability to service debt. In the event of bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, these restricted assets will be available to serve the Issuer Group's obligations under the Bonds only after all other debt secured by these assets has been repaid in full.

Creditors of the Company's subsidiaries have claims on such subsidiaries' assets that would be given priority over the claims of the Company's creditors. As a result, the payment obligations under the Company's indebtedness and liabilities will be effectively subordinated to all existing and future obligations of the Company's subsidiaries, and all claims of creditors of the Company's subsidiaries will have priority as to the assets of such entities over the Company's claims and those of its creditors.

In addition, from time to time, the Issuer Group guarantees indebtedness of other entities outside the Issuer Group and such guarantees may from time to time be secured by the Company's or its subsidiaries' assets, including but not limited to land and other fixed assets. Such entities are mainly state-owned enterprises that are owned or controlled by the shareholder of the Issuer Group. If any such entity defaults in paying the indebtedness, the Company or any other member of the Issuer Group (as the case may be) would be jointly liable for such indebtedness or obliged to pay the shortfall according to the provisions of the relevant guarantee, which would have an adverse effect on the Company's or, as the case may be, the Issuer Group's business, financial condition, results of operations and prospects. As at 31 December 2025, the outstanding guarantees provided by the Issuer Group to entities outside of the Issuer Group amounted to RMB9,599.77 million.

The Company also provides direct funding, guarantees and other support to certain of its subsidiaries and associated companies from time to time. If any of such subsidiaries or associated companies defaults on any borrowings lent or guaranteed by the Company, the Company will not receive the repayment as scheduled or the relevant lender may exercise its right under the guarantee to demand repayment from the Company. The occurrence of either of these types of events may result in a funding shortage at the Company's level and may materially and adversely affect the Company's ability to provide financial support to its other subsidiaries and associated companies. If the Company's financial or non-financial support ceases or diminishes for any reason, the operations of the relevant subsidiary or associated company may be materially and adversely affected, which in turn may have a material adverse effect on the Issuer Group's business, financial condition and results of operations.

Significant inventories may affect the Issuer Group's liquidity and restrict the Issuer Group's business activities and the Issuer Group is subject to inventory impairment risks.

As at 31 December 2023, 2024 and 2025, the inventories of the Issuer Group amounted to RMB18.34 billion, RMB19.21 billion and RMB16.54 billion, respectively, representing 58.62 per cent., 53.67 per cent. and 49.41 per cent. of the total assets of the Issuer Group As at 31 December 2023, 2024 and 2025. The Issuer Group's inventories primarily consist of the development cost of the infrastructure projects in its engineering construction business. Any interruption in the settlement of such projects could cause the Issuer Group's inventories to accumulate or depreciate in value, which may adversely affect the Issuer Group's businesses, financial condition, results of operations and prospects. The Issuer Group does not make any provision for any decrease in the value of its land. Therefore, a significant decrease in the value of the inventories the Issuer Group holds could materially and adversely affect the Issuer Group's business, financial condition, results of operations or prospects. Any failure to effectively manage the Issuer Group's inventory level will have a material impact on the Issuer Group's cash flow and adversely affect its ability to carry on ordinary business activities and to serve its outstanding indebtedness, such as the Bonds, which in turn could materially and adversely affect the Issuer Group's business, financial condition, results of operations or prospects.

The Issuer Group operates in multiple industries and markets and is exposed to business and market risks relating to different industries and markets.

The Issuer Group is engaged in a wide range of businesses of different natures. The Issuer Group is exposed to business and market risks relating to the different industries and markets in which it operates. The Issuer Group is exposed to various operational risks in these industries with which it may not be familiar. The Issuer Group needs to devote substantial resources to becoming familiar with and monitoring changes in different operating environments so that it can succeed in its businesses.

In addition, the successful operation of the Issuer Group requires an effective management system. As the Issuer Group continues to grow its businesses and expand into new industries, the Issuer Group's operations may become more complex, which would increase the difficulty of implementing its management system. If the Company's support to its various subsidiaries ceases or diminishes for any reason, the operations of the relevant subsidiaries may be materially and adversely affected, which may in turn have a material adverse effect on the Issuer Group's business, results of operations, financial condition and prospects.

The insurance coverage of the Issuer Group may not be adequate to protect it against all operational risks.

To manage operating risks, the Issuer Group maintains insurance policies that provide different types of risk coverage, which the Issuer Group believes to be consistent with the relevant law and industry and business practice in the PRC or elsewhere. However, claims under the insurance policies may not be honoured fully or on time, or the insurance coverage may not be sufficient to cover costs associated with accidents incurred in the Issuer Group's operations due to the abovementioned operational risks. There are also certain types of losses (such as from wars, acts of terrorism or acts of God, business interruption, property risks and third party (public) liability) that generally are not insured because they are either uninsurable or not economically insurable. To the extent that any of the Issuer Group companies suffers loss or damage that is not covered by insurance or that exceeds the limit of its insurance coverage, the Issuer Group's results of operations and cash flow may be materially and adversely affected.

The Issuer Group is required to comply with extensive environmental, safety and health laws and regulations and quality control standards and the compliance of which may be onerous or expensive.

The Issuer Group is required to comply with extensive environmental, health and safety laws and regulations promulgated by the PRC Government, as well as quality control standards. Given the magnitude and complexity of these laws and regulations, compliance with them or the establishment of effective monitoring systems may be onerous or require a significant amount of financial and other resources. If the Issuer Group fails to comply with these laws and regulations and industry standards applicable to its operations, it could be subject to suspension of its operations, failed evaluation when the project is delivered for review, substantial penalties, fines, suspension or revocation of its licences or permits to conduct business, termination of government contracts, administrative proceedings or litigation. Such events could have a material and adverse impact on its business, results of operations, financial condition and reputation. As these laws and regulations continue to evolve, there can be no assurance that the PRC Government will not impose additional or more onerous laws or regulations, compliance with which may cause the Issuer Group to incur significantly increased costs, which the Issuer Group may not be able to pass on to its customers.

The Issuer Group's businesses may be adversely affected if it is unable to retain and hire qualified employees.

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

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

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

The Issuer Group's internal control procedures are designed to monitor its operations and ensure overall compliance. However, such internal control procedures may be unable to identify all incidents of 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 Issuer Group takes to prevent and detect such

activities may not be effective. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity as a result.

The Issuer Group may not be able to detect and prevent money laundering committed by the Issuer Group’s customers.

The Issuer Group is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in the PRC and other jurisdictions in which the Issuer Group has operations. These laws and regulations require the Issuer Group, among other things, to adopt and enforce “know-your-customer” policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions. While the Issuer Group has adopted policies and procedures aimed at detecting and preventing the use of the Issuer Group’s networks for money-laundering activities and by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where the Issuer Group may be used by other parties to engage in money-laundering and other illegal or improper activities due to, among others, the short history of these policies and procedures. If the Issuer Group fail to fully comply with applicable laws and regulations, the relevant government agencies to which the Issuer Group reports to have the power and authority to impose fines and other penalties on the Issuer Group. In addition, the Issuer Group’s business and reputation could suffer if customers use the Issuer Group’s services for money-laundering or illegal or improper purposes.

The Issuer Group is exposed to litigation risks.

The Issuer Group may, from time to time, be involved in disputes with governmental entities, suppliers, employees and other third party service providers during the course of its daily operations. Claims may be brought against members of the Issuer Group based on a number of causes, such as defective or incomplete work, personal injuries, property damages, breach of warranty or delay in completion and delivery of projects. In addition, the Issuer 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 Issuer Group may be involved in lengthy and costly litigation or arbitration proceedings, which may distract the Issuer Group’s financial and managerial resources. In the event that the Issuer 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 Issuer Group, the amounts payable by the Issuer Group may not be fully covered by the Issuer Group’s insurance, and the amounts could differ from the provisions made by the Issuer Group based on its estimates. Any material charges associated with claims brought against the Issuer Group and material write downs associated with the Issuer Group’s claims could have a material adverse impact on its financial condition, results of operations and cash flow.

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

The Issuer 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 for the Issuer Group’s principal business. The effectiveness of the Issuer Group’s quality control system

depends significantly on a number of factors, including the design of the system, the related training programme, as well as its ability to ensure that the Issuer Group's employees adhere to its quality control policies and guidelines. Any failure or deterioration of the Issuer Group's quality control systems could result in defects in its projects, which in turn may subject the Issuer Group to contractual, product liability and other claims. Any such claims, regardless of whether they are ultimately successful, could cause the Issuer Group to incur significant costs, harm its business reputation and result in significant disruption to its operations. Furthermore, if any of such claims were ultimately successful, the Issuer Group could be required to pay substantial monetary damages or penalties. Although the Issuer Group believes that its quality control systems have functioned properly, there can be 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 Issuer Group's business and operations.

The Issuer Group's business is sensitive to adverse weather and environmental conditions.

Adverse weather conditions, such as extreme cold weather, snow, typhoons, flooding, heavy or sustained rainfall and natural disasters such as earthquakes, landslides or mudslides, may prevent the Issuer Group from conducting its construction activities or otherwise affect its productivity, preventing the Issuer Group from completing its construction projects on schedule, delaying its receipt of payment and possibly causing the Issuer Group to incur additional operating expenses. Adverse climatic conditions that are unusually severe or last longer than usual could therefore have a material adverse effect on the Issuer Group's business, financial condition and results of operations.

Any occurrence of force majeure events, natural disasters, contagious disease outbreaks or other adverse incidents in the PRC may materially and adversely affect the Issuer Group's businesses, financial condition and results of operations.

Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases may materially and adversely affect the Issuer Group's businesses and results of operations. Outbreaks of earthquakes, sandstorms, snowstorms, fires, droughts, or epidemics such as Severe Acute Respiratory Syndrome (SARS), H5N1 avian flu, human swine flu (also known as Influenza A (H1N1)) or, most recently, the novel coronavirus named COVID-19 by the World Health Organisation have had a material adverse impact on the economic and social conditions in the affected regions. the Issuer Group's the Issuer Group's the Issuer Group's Please refer to "*Risk Factors — Risks Relating to the Issuer Group's Business — Uncertainties and instability in general economic, political and global market conditions could adversely affect the Issuer Group's business, financial condition and results of operations*". Moreover, the PRC has experienced natural disasters such as earthquakes, floods and droughts in the past few years. As the Issuer Group's businesses are dependent on economic conditions in the PRC as a whole, any future occurrence of severe natural disasters in the PRC may adversely affect its economy and, in turn, the Issuer Group's businesses and results of operations. There is no assurance that any future occurrence of natural disasters, outbreak of avian influenza, severe acute respiratory syndrome, swine influenza or other epidemics or the measures taken by the PRC Government or other countries in response to such events will not seriously disrupt the Issuer Group's operations or those of the Issuer Group's business partners or prospective investors in the Issuer Group's, which may have a material adverse effect on the Issuer Group's results of operations.

The Issuer Group may be unable to comply with all relevant laws and regulations in the PRC relating to the Issuer Group's business operation.

The Issuer Group's projects are subject to strict PRC laws and regulations relating to their development, construction, licensing and operation. These laws and regulations relate to, among other things, project approval and other government approval and licensing requirements for building, operation and construction of new projects, landscape conservation and environmental conservation. In particular, before the Issuer Group constructs and operates its various projects, the Issuer Group must first obtain operational and construction permits from various authorities. Procedures for granting operational and construction permits vary by local area and certain provinces may reject requests for permits for a variety of reasons. Furthermore, operational and construction permits granted successfully to the Issuer Group in some areas may be subject to challenges by third parties. Moreover, the Issuer Group must comply with the relevant laws and regulations and the conditions imposed in the operations and construction permits, and there can be no assurance that the Issuer Group will be able to do so, which may result in fines, sanctions, criminal penalties and/or the suspension, revocation or non-renewal of approvals, licences or permits. There can be no assurance that the Issuer Group will be able to meet the applicable laws and regulations at all times. These factors could have a material and adverse effect on the Issuer Group's business, financial condition or results of operations.

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

The Issuer Group is the main entity responsible for the construction of major urban infrastructure projects in Dujiangyan City. The cost of construction materials, such as steel, which constitutes a portion of the Issuer Group's payments to its construction contractors, may fluctuate. Any increase in the cost of construction materials may result in additional costs to the Issuer Group and may lead to future increases in construction contract costs. Construction material costs have fluctuated in recent years. Any increase in the cost of any significant construction materials will adversely impact the Issuer Group's overall construction costs, which may materially and adversely affect the Issuer Group's business, prospects and results of operations.

The Issuer Group is subject to project development risks, cost overruns and delay in payments from contracting counterparties. Delays in the completion of the construction phase may adversely affect the Issuer Group's results of operations.

There are a number of construction, financing, operating and other risks associated with project developments in the PRC. Projects undertaken by the Issuer Group typically require substantial capital expenditure during the construction phase and usually take many years before they become operational and generate revenue. In particular, with respect to the Issuer Group's engineering construction projects under agency construction mode and the Issuer Group's primary land development projects, it may take years before the Issuer Group could fully receive payments from its contracting counterparties for its construction costs or expenses and service fees under such projects. This creates substantial capital expenditures and liquidity pressure for the Issuer Group. There can be no assurance that such payments will be received by the Issuer Group on time. Any delay in such payments may have adverse effects on the Issuer Group's cash flow and, therefore, its financial condition and results of operations.

The time taken and the costs involved in completing construction of projects can be adversely affected by many factors, including shortages in materials, equipment and labour, adverse weather conditions, natural disasters, labour disputes, disputes with sub-contractors, accidents, changes in governmental policies, approval time and other unforeseen circumstances. Any of these could give rise to delays in the completion of the construction phase and/or cost overruns, which may in turn result in loss of revenues. The failure to complete construction in accordance with the agreed specifications may result in liabilities, reduced efficiency and lower financial returns, which in turn may have a material and adverse effect on the Issuer Group's business, financial condition or results of operations.

The Issuer Group may not be able to complete its projects on time or at all.

Engineering construction projects, especially the Issuer Group's self-construction and self-operating projects, require substantial capital expenditures prior to and during the construction period. The construction of such projects may take many months or several years before the Issuer Group recovers all of its expenses and receives its service fees from Dujiangyan Municipal People's Government or generates profit from their operation, as the case may be. Meanwhile, the progress and cost for a development project can be adversely affected by many factors, including:

- delays in obtaining necessary licences, permits or approvals from governmental agencies or authorities;
- relocation of existing residents and/or demolition of existing structures;
- shortage of materials, equipment, contractors and skilled labour;
- labour disputes;
- construction accidents;
- natural catastrophes;
- adverse weather conditions; and
- changes in city zoning, planning and plot ratios.

Construction delays or failure to complete the construction of a project according to its planned specifications, schedules or budgets as a result of the above factors may adversely affect the Issuer Group's results of operations and financial position and may also cause reputational damage. There is no assurance that the Issuer Group will not experience such delays in delivery of its property projects in the future or that it will not be subject to any liabilities for any such delays.

The Issuer Group may be exposed to third-party claims of infringement or misappropriation of intellectual property rights, and it may be exposed to risks of failure to protect the Issuer Group's intellectual property rights.

The Issuer Group cannot be certain that its operations or any aspects of its business do not or will not infringe upon or otherwise violate patents, copyrights, trade secrets or other intellectual property rights held by third parties. From time to time in the future, the Issuer

Group may be subject to legal proceedings and claims alleging that it has infringed upon intellectual property rights of others, which, regardless of merit, may divert its management's attention, significantly consume its other resources and adversely affect its brand image, which would have a material adverse effect on business, results of operations and reputation of the Issuer Group.

The Issuer Group's success also depends on its ability to protect its own intellectual property rights. The Issuer Group cannot assure that the Issuer Group's intellectual property rights will not be misappropriated by third parties. In the event that the policies and the precautions the Issuer Group has taken do not adequately safeguard its intellectual property rights, the Issuer Group's business and its brand image may be adversely affected, which would have a material adverse effect on the business, results of operations and reputation of the Issuer Group.

Beijing Zhongming Guocheng, the Issuer Group's independent auditors for the years ended 31 December 2023, 2024 and 2025, has previously been and is now being investigated, censured or penalised by relevant regulatory authorities.

Beijing Zhongming Guocheng, the Issuer Group's independent auditors for the years ended 31 December 2023, 2024 and 2025, is a registered accounting firm in the PRC supervised by relevant PRC regulatory agencies. Beijing Zhongming Guocheng has previously been and is now being investigated, censured or penalised by relevant regulatory authorities in the PRC on various occasions, including multiple investigations undertaken by the CSRC in recent years. In connection with the investigations on Talent's certain negligence in performing its audit services for PRC companies, administrative sanctions, including warnings and/or monetary penalties into Talents and/or warnings, monetary penalties or restriction on market access on its specific accounting personnel involved in the relevant audit work, were imposed by the relevant regulatory authorities.

Beijing Zhongming Guocheng has confirmed that the auditors who participated in the audit of the Issuer's historical financial statements were not the subject of, or involved in the abovementioned investigation, censures, suspension or administrative sanctions or any such other investigations, censures, suspension or administrative sanctions and they are not subject to any investigation or penalty by any regulatory body, competent authority or industry association, and the previous censures were in respect of companies that are unrelated to the Issuer Group. Beijing Zhongming Guocheng has further confirmed that their audit work for the Issuer Group, including in respect of the financial statements included elsewhere in this Offering Circular, its registration as an accounting firm, its ability to provide comfort letters and the qualifications participating in this offering, are not affected by such investigations, censures or suspensions. As at the date of this Offering Circular, each of the Issuer and the Issuer Group is not aware of any fact or occurrence of development which causes it to believe that individual auditors who participated in the audit or review of its financial statements are or would become subject to any censure, investigation or other similar proceedings.

However, the process time and the results of the abovementioned investigations and the penalties Beijing Zhongming Guocheng may face remain uncertain. There can be no assurance that such potential penalties will not retrospectively affect the services provided by Beijing Zhongming Guocheng to the Issuer and the Issuer Group in relation to the offering of the Bonds, as well as other fundraising activities in the PRC. Such further sanctions, revocations and suspensions may also restrict it from providing audit services or

other services in connection with our future financing transactions. If any of these events were to happen, our reputation and the trading price of the Bonds may be affected. Potential investors should consider these factors prior to making any investment decision.

The Company's consolidated financial statements included in this Offering Circular have been prepared and presented in accordance with the PRC GAAP, which are different from IFRS in certain respects.

The Company'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. Please see "*Summary of Certain Differences between PRC GAAP and IFRS*" for details. In addition, the MOF may promulgate new accounting standards or requirements in relation to financial statements which would affect the PRC GAAP and the Issuer's accounting policies, or that the Issuer and/or its subsidiaries may change their accounting estimates in accordance with the applicable PRC GAAP from time to time, each of which may affect the presentation and comparability of the Issuer Group's financial statements. 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 Issuer may publish periodical financial information in the PRC pursuant to applicable PRC regulatory rules. Investors should be cautious and not place any reliance on any financial information other than that disclosed in this Offering Circular.

The Issuer may, from time to time, issue and publish its periodical financial information in the PRC pursuant to applicable PRC regulatory rules. After the Bonds are issued, the Issuer is required under the Terms and Conditions of the Bonds, among others, to provide holders of the Bonds with its audited financial statements and certain unaudited and unreviewed interim financial statements. The periodical financial information published by the Issuer Group in the PRC is normally derived from the Issuer Group's management accounts, which have not been audited or reviewed by independent auditors. As such, this financial information published in the PRC should not be referred to or relied upon by potential purchasers to provide the same quality of information associated with any audited or reviewed information. The Issuer is not responsible to holders of the Bonds for the unaudited and unreviewed financial information from time to time published in the PRC and therefore potential investors should not place any reliance on any such financial information. In addition, the historical financial information of the Issuer 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 Issuer 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 the economic environment, PRC rules and regulations and the domestic competitive landscape of the industries in which the Issuer Group operates its businesses.

Historical financial information of the Issuer Group may not be indicative of its current or future results of operations and investors should exercise caution in comparing financial data between periods due to material acquisitions, disposals or material changes to the list of consolidated subsidiaries.

The historical financial information of the Issuer 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 Issuer 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 the economic environment, PRC laws and regulations and the competitive landscape of the industries in which the Issuer Group operates its business. Furthermore, the future results of operations of the Issuer Group may also fluctuate or change materially due to changes in the Issuer Group's business model and/or the accounting treatments applied thereto. In addition, there is no assurance that the Issuer Group will not record an operating loss in the future, which may have an adverse effect on the Company's ability to pay its debt, including the Bonds.

Also, the historical financial information of the Issuer Group is sometimes adjusted or restated to address subsequent changes in accounting standards, the accounting policies and/or applicable laws and regulations with retrospective impact on the Issuer Group's financial reporting or to reflect the comments provided by the Issuer Group's independent auditors during the course of their audit or review in subsequent financial periods. Such adjustment or restatement may cause discrepancies between the financial information with respect to a particular period or date contained in the Issuer Group's historical financial statements and that contained in its future financial statements. The Issuer Group establishes, as well as acquires and disposes of equity interests in, portfolio companies from time to time in accordance with **the Issuer Group's** business objectives and the state-owned enterprise reform led by local governments. Period-to-period comparisons of the Company's historical operating results must be evaluated in light of the impact of such transactions.

RISKS RELATING TO THE GUARANTOR GROUP AND ITS BUSINESS

The Guarantor Group's business, financial condition, results of operations and prospects are heavily dependent on the level of economic development in the Sichuan Province, and in particular, Chengdu in Sichuan Province.

The Guarantor Group's businesses and assets are highly concentrated in Sichuan Province, and in particular, Chengdu in Sichuan Province. Therefore, its business, financial condition, results of operations and prospects have been, and will continue to be, heavily dependent on the social conditions, local government policies and level of economic activity in Sichuan Province, and in particular, Chengdu in Sichuan Province.

Although the economy of the PRC experienced rapid growth in the past 40 years, there has been a slowdown in the growth of the GDP of the PRC, which has raised market concerns that the historical rapid growth of the economy of the PRC may not be sustainable. According to the National Statistics Bureau of the PRC, the annual growth rate of the GDP of the PRC in 2020 slowed down to 2.2 per cent. on a year-on-year basis as compared to 6.0 per cent. in 2019 primarily as a result of the impact of the COVID-19 outbreak. While the GDP of the PRC increased by 8.4 per cent. in 2021, it decreased to 3.0 per cent. in 2022 and

5.2 per cent. in 2023. In March 2016, Moody's and S&P changed China's credit rating outlook to "negative" from "stable", which highlighted the country's surging debt burden and questioned the government's ability to enact reforms. On 24 May 2017, Moody's downgraded the PRC's long-term local currency and foreign currency issuer ratings to A1 from Aa3. On 21 September 2017, S&P's rating services downgraded the PRC's credit rating by one notch from AA- to A+. These highlighted the country's surging debt burden and questioned the government's ability to enact reforms. The national economic condition of the PRC has a material effect on the performance of regional economies in the PRC.

The Guarantor Group may establish or invest in any new businesses outside the Sichuan Province in the future, but the Guarantor Group expects that its future business and operations will continue to be concentrated in the Sichuan Province, in particular, Chengdu, Sichuan Province. If economic growth slows down, adverse changes in social conditions or local government policies arise, or any severe natural disasters or catastrophic events occur in the Sichuan Province, in particular Chengdu, Sichuan Province, the Guarantor Group's business, financial condition, results of operations and prospects could be materially and adversely affected.

The Guarantor Group's business and prospects to a large extent depend upon the budget or spending of the Sichuan Province on bond insurance.

The Guarantor is indirectly controlled by Sichuan Province under the PRC government. The Guarantor is designated by the Sichuan Province to carry out bond insurance mainly in Sichuan Province, and from time to time in other provinces. As many of these businesses operate for the public interest, governmental agencies and state-owned enterprises are among the Guarantor Group's major customers and the Sichuan Province funds the Guarantor Group's businesses to a large extent. The Guarantor Group's business and prospects have therefore historically been, and may continue to be, materially affected by the budget or public spending of the Sichuan Province in Chengdu, Sichuan Province.

There are a number of factors affecting the budget and spending of Sichuan Province on urbanization. The key factors include government policies and priority relating to the development of different industries and the fiscal and monetary policies of Sichuan Province. Such budget and spending are also affected by the government income and the general economic conditions in the PRC and in the Sichuan Province. Any worsening of the overall economic conditions of the PRC or the Sichuan Province may affect the economic development of Chengdu, Sichuan Province and the fiscal condition of the Sichuan Province, which may in turn materially and adversely affect the budget and spending of the Sichuan Province on the financial market. If such budget and spending decreases, the Guarantor Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

Macro-economic factors have had and may continue to have a material adverse effect upon the Guarantor Group's business, financial condition and results of operations.

The industries that the Guarantor Group operates in are cyclical and affected by macro-economic factors, including changes in international, national, regional and local economic conditions. In particular, most of the Guarantor Group's operations are conducted in the PRC and accordingly, the Guarantor Group's results of operations are closely affected by the macro-economic conditions in the PRC. Moreover, slowdown of the growth of the PRC economy and fear of a recession may decrease the consumer confidence

and lead to the decrease in demand for residential and commercial properties in the PRC. This could in turn materially and adversely affect the Guarantor Group's financial condition and results of operations.

In addition, the global economy may continue to deteriorate in the future and continue to have an adverse impact on the PRC's economy. In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a result of liberal monetary policy or excessive foreign fund inflow, or both. Furthermore, the U.S. government's policies may create uncertainty for the global economy and financial markets. The United States and the PRC have recently been involved in controversies over trade barriers that have threatened a trade war between the countries, and have implemented or proposed to implement tariffs on certain imported products. Sustained tension between the United States and the PRC over trade policies could significantly undermine the stability of the global and Chinese economies. Any future escalation of the ongoing trade war between the United States and China may negatively impact the growth in both economies and it is difficult to predict how economic development in the Sichuan Province will be affected thereby, and there can be no assurance that the policies and measures adopted by the PRC government will be effective in stimulating the recovery of the PRC economy. There can be no assurance that the level of economic development in the Sichuan Province will continue to grow at a rate higher than or equal to the past rate of growth, if at all. Also, on 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019 and on 31 December 2020, the United Kingdom left the European Single Market and European Union Customs Union. In 2022, the military conflict between the Russian Federation and Ukraine is contributing to further increases in the prices of energy, oil and other commodities and to volatility in financial markets globally, as well as a new landscape in relation to international sanctions. In March 2022, the U.S. Federal Reserve raised its benchmark federal-funds rate by a quarter percentage point to a range between 0.25 per cent. and 0.5 per cent., the first rate increase since 2018, following by successive upward interest rate adjustments by the U.S. Federal Reserve as well as central banks around the world, which may materially impact the outlook of global economy. Moreover, there are ongoing concerns about European sovereign debt levels, negative interest rate and the consequences for economic growth and investor confidence in the Eurozone, political gridlock in the United States over government spending, debt levels and civil rights issues and the consequences for economic growth and investor confidence in the United States, and the uncertainty around the Federal Reserve's future monetary policies. All these would add to the uncertainties relating to the overall prospects for the global and the PRC economies, which may have a material adverse impact to the Guarantor's business, prospects, financial conditions and results of operations.

Force majeure events, natural disasters, catastrophe or other events could result in severe personal injury to the Guarantor Group's staff, property damage and environmental damage, which may curtail the Guarantor Group's operations, cause delays in estimated completion dates for projects and materially and adversely affect its cash flows and, accordingly, adversely affect its ability to service debt. If any of the Guarantor Group's assets are damaged by severe weather or any other disaster, accident, catastrophe or other event, the Guarantor 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 Guarantor Group could be severely affected. In January 2020, the World

Health Organisation declared the outbreak of COVID-19 a Public Health Emergency of International Concern. In 2022, a number of countries have cancelled or relaxed their containment measures in relation to COVID-19. While restrictive measures have been relaxed and many aspects of daily life gradually returned to normal, there can be no assurance that there will not be a recurrence of an outbreak of COVID-19 which may continue to have a material adverse impact on the global economy in general. The Guarantor Group is constantly assessing the actual impact COVID-19 has had on the Guarantor Group, and any potential impact of COVID-19 on the Guarantor Group's business and results of operations. The full extent to which COVID-19 impacts the Guarantor Group's results will continue to depend on future developments. These developments are highly uncertain and cannot be predicted, including the overall impact on the financial market and economy in the PRC and globally.

Deteriorating conditions in the domestic and global financial markets that could impact the availability of credit generally may have a material and adverse impact on financing available to the Guarantor Group. A reduction in liquidity in the global financial markets and in the PRC may negatively affect the Guarantor Group's liquidity. Renewed turmoil affecting the financial markets, banking systems or currency exchange rates may significantly restrict the Guarantor Group's ability to obtain financing from the capital markets or from financial institutions on commercially reasonable terms, or at all, which could materially and adversely affect its business, financial condition and results of operations.

The Sichuan People's Government and Sichuan Province can exert significant influence on the Guarantor Group including the scope of its operations and investment decisions, which may not be in the Guarantor Group's best interests.

The Guarantor is indirectly controlled by Sichuan Province under the PRC government and, accordingly, the Sichuan People's Government and Sichuan Province can exert significant influence on the Guarantor Group's major business decisions and strategies, including the scope of its operations, investment decisions and dividend policy in a manner beneficial to Chengdu, Sichuan Province as a whole, but which may not necessarily be in the Guarantor Group's best interests. While the Guarantor Group needs to obtain the Sichuan People's Government's or Sichuan Province's approval on certain material matters in relation to business development and mergers and acquisitions, for the past three years ended 31 December 2025, there was no instance of the normal business operation of the Guarantor Group being negatively impacted as a result of the lack of support of the Sichuan People's Government and Sichuan Province. Nevertheless, there is no assurance that Sichuan Province would always make decisions in the Guarantor Group's best interests or with the aim of maximising the Guarantor Group's profits. For example, the Guarantor Group may from time to time be required to dispose of certain of its assets, which may not necessarily serve the Guarantor Group's best interest. There is no assurance that such disposals would not have a material adverse effect on the Guarantor Group's business, financial condition, results of operations and prospects. The Sichuan People's Government or the Sichuan Province could also change their policies, plans, preferences, views, expectations, projections, forecasts and opinions, as a result of changes in the PRC's economic, political and social environment, their projections of population and/or employment growth. Any such changes could potentially have a material adverse effect on the Guarantor Group's business, financial condition, results of operations and prospects.

The Guarantor Group is exposed to inherent credit risks arising out of its bond insurance business.

The Guarantor Group engages in bond insurance by, among other means, serving as guarantors of public and private corporate bonds, medium-term notes, commercial papers, and other mature and standardised debt instruments. For the bond insurance industry, credit risk is the most important and direct risk faced by market participants, including the Guarantor Group. If there is a downturn in general economic conditions in the PRC and/or any issuer of debt instruments guaranteed by the Guarantor Group loses its ability or willingness to satisfy its obligations under the relevant indebtedness, the Guarantor will be required to pay the outstanding debt obligations on behalf of such issuers, resulting in unwanted cash outflows.

In considering whether to insure a bond issuance, the Guarantor undertakes a process of scrutinizing applications submitted by putative issuers and carrying out and completing the necessary due diligence procedures. The Guarantor also practices both regular and irregular due diligence and tracing activities as part of its protocols to tighten up post-issuance checks. To mitigate its credit risk exposure, on a case-by-case assessment the Guarantor may require issuers to charge and/or pledge their intangible assets, real properties, receivables, and equity interests in favour of the Guarantor. In some cases, the Guarantor may also require issuers to give and/or arrange for the giving of demand guarantees and counter-guarantees to insulate the Guarantor from financial liabilities.

Even so, however, the Guarantor Group remains exposed to inherent credit risks arising out of its bond insurance business. The Guarantor Group may also have to incur significant time and costs and experience a lot of procedural difficulties in enforcing these protective measures. These protective measures may be insufficient in securing all potential liabilities to which the Guarantor Group is exposed either. Further, if several guarantees given by the Guarantor Group are subject to enforcement at the same time, the Guarantor Group's ability to entertain every guarantee will decrease. If any of these credit risks materialize, the Guarantor Group will inevitably experience a material adverse effect on its business, financial condition, results of operations and prospects.

The Guarantor Group may not be able to successfully identify, invest in, or operate suitable investment projects or new businesses.

The Guarantor Group may from time to time consider investment projects or new businesses opportunities that may complement its core business portfolio and capabilities and assist in expanding the market share of its core business operations. The ability of the Guarantor Group's operations to grow by investments is dependent upon, and may be limited by, the availability of attractive projects, its ability to agree commercial and financing terms to the satisfaction of the Guarantor Group or to obtain required approvals from relevant regulatory authorities. There can be no assurance that the Guarantor Group will be able to identify suitable investments projects, complete the investments on satisfactory terms or, if at all, if any such investments are consummated, satisfactorily integrate the businesses and investment projects. Any failure of the Guarantor Group to implement its expansion plans through investments could have a material adverse effect on the Guarantor Group's business, financial condition, results of operations and prospects, and may expose the Guarantor Group to potential difficulties that could prevent it from achieving its strategic objectives.

The Guarantor Group guarantees a substantial amount of debt instruments of various entities in Mainland China which may negatively impact the Guarantor Group’s financial position if these guarantees are being enforced.

The Guarantor Group engages in bond insurance by serving as guarantors of public and private corporate bonds, medium-term notes, commercial papers, and other mature and standardized debt instruments. As of 31 December 2025, the total amount for which the Guarantor Group provided credit enhancement was RMB72.50 billion. For the years ended 31 December 2023, 2024 and 2025, the Guarantor Group has committed itself to insuring 35, 53 and 52 tranches of bond issuances, respectively. As at 31 December 2025, the Guarantor Group classifies its business risk into five levels, namely “normal” (正常), “concerned” (關注), “secondary” (次級), “suspicious” (可疑), and “losses” (損失). The Guarantor Group has also set aside funds for probable future financial impacts, by making provisions for normal risks, special risks, and bond insurance (investment) risks. Funds set aside to cater for probable bond insurance (investment) risks are further segregated to serve as contingent liability provisions (未到期責任準備金) and bond insurance compensation provisions (增信業務賠償準備金). Despite these measures, provisions may still be inadequate to cover all potential liabilities to which the Guarantor Group is exposed, in which case the Guarantor Group’s revenues will suffer an adverse hit in the event that the guarantees given by the Guarantor Group are being enforced. As at 31 December 2025, the Guarantor Group did not encounter any incidents of default which required the Guarantor to perform its obligations under the guarantees. There can be no assurance that defaults will not occur in the future, in which case the Guarantor Group’s business, results of operations and financial position could be materially and adversely affected.

The Guarantor Group operates in limited lines of businesses, and is subject to challenges not found in companies operating in multiple industries and investing in a wide range of businesses and markets.

The Guarantor Group predominantly focuses on bond insurance. As such, the Guarantor Group is exposed to risks associated with narrow business lines. For instance, if new governmental policies are enacted that adversely affect the business operations of the Guarantor Group and restrict its growth potentially, the Guarantor Group may not be able to adapt to adversarial operating environments. While the Guarantor Group is planning to diversify its business profile, the Guarantor Group is exposed to the risk of repayment of its debt liabilities if there is a change in operating environments which will affect its success in its businesses.

Additionally, the Guarantor Group’s bond insurance business centers predominantly in Sichuan Province. The Guarantor Group is hence exposed to all risks associated with only narrowly transacting businesses in a particular city or a certain province in the PRC. The Guarantor Group’s bond insurance business is vulnerable to all possible adverse changes flowing from any negative economic, political and regulatory changes in Sichuan Province.

The Guarantor Group may face short-term pressure on its solvency positions, which may affect its ability to generate sufficient cash to satisfy its outstanding and future debt obligations.

The Guarantor Group has significant amount of short-term debt which exposes the Guarantor Group to liquidity risks. The Guarantor Group continually reviews its current and expected future funding requirements and evaluates and engages in discussions with financial institutions, from time to time, on proposals regarding different sources of

funding. If any member of the Guarantor Group incurs additional current liabilities, the risks that the Guarantor Group faces as a result of its already substantial short-term indebtedness and leverage could intensify.

Any mismatch of the maturity profile of the Guarantor Group's assets and liabilities will impact its liquidity, debt repayment ability and financing capabilities, which could have a material and adverse effect on its business, results of operations, financial condition and prospects.

The Guarantor Group's business is capital-intensive which requires substantial working capital and stable financing channels to support its day-to-day business operations. The Guarantor Group's major funding sources include its net assets. The Guarantor Group strives to effectively match the maturity profile of its assets and liabilities to manage liquidity risk. Since its inception, the Guarantor Group did not experience any liquidity difficulties due to any maturity mismatch between assets and liabilities. However, there can be no assurance that the Guarantor Group will not experience any such liquidity difficulty due to maturity mismatch in the future. Failure to effectively match the maturity profile of the Guarantor Group's assets and liabilities may lead to a liquidity shortage, or the Guarantor Group's inability to repay its matured debts or obtain additional financing. If any of the above occurs, the Guarantor Group's business, results of operations, financial condition and prospects may be materially and adversely affected.

PRC economic, political and social conditions as well as government policies could adversely affect the Guarantor Group's business, and state ownership or control over the Guarantor does not provide assurance of the Guarantor's financial condition.

Substantially all of the Guarantor Group's assets are located in the PRC, and all of the Guarantor Group's operating revenue is derived from the Guarantor Group's operations in the PRC. Accordingly, the Guarantor Group's financial condition, results of operations and prospects are, to a material extent, subject to economic, political and legal developments in the PRC. The PRC economy differs from the economies of most developed countries in many respects, including with respect to government involvement, level of development, economic growth rate, control of foreign exchange and allocation of resources.

The PRC economy 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 on market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises. However, a large portion of productive assets in the PRC remain owned by the PRC government. The PRC government continues to play a significant role in regulating industrial development, the allocation of resources, production, pricing and management, and there can be no assurance that the PRC government will continue to pursue the economic reforms or that any such reforms will not have an adverse effect on the Guarantor Group's business. The Guarantor Group's operations and financial results could also be materially and adversely 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). For example, the PRC government may decide to change its current policies with respect to the Guarantor Group's core business industries, and, as such, this could have adverse impact on the Guarantor Group's business and results of operations. In the past, the PRC government has implemented administrative

measures to restrain economic growth rates that were considered unsustainably high and to calm inflation fears. Such actions may result in an economic slowdown which could have negative macro-economic effects in the PRC and PRC-related markets. The Guarantor Group's operating results and financial condition may also be materially and adversely affected by other changes in taxation and changes in state policies affecting the industries in which the Guarantor Group operates. In addition, the growth of the Guarantor Group's projects and business operations depends heavily on economic growth. If the PRC's economic growth slows down or if the PRC economy experiences a recession, the Guarantor Group's business prospects may be materially and adversely affected. The Guarantor Group's operations and financial results, as well as its ability to satisfy its obligations under the Deed of Guarantee, could also be materially and adversely affected by changes in measures which might be introduced to control inflation, changes in the rate or method of taxation, the imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. Even if the Guarantor is indirectly controlled by Sichuan Province under the PRC government, there can be no assurance of the Guarantor's financial condition.

The Guarantor Group's business operations require substantial capital, and the Guarantor Group may not be able to obtain sufficient, or any, funds on commercially acceptable terms to finance its operations or expansion plans.

Due to the capital-intensive nature of the Guarantor Group's business operations, a substantial amount of capital, as well as ongoing funding, is required to support the Guarantor Group's business growth. The Guarantor Group's business growth and working capital requirements are primarily supported by internal funding sources, bank loans and other borrowings and equity. The Guarantor Group's ability to arrange financing and the cost of such financing are dependent on numerous factors, including global economic and market conditions, interest rates, credit availability from banks or other lenders, success of the Guarantor Group's businesses, changes in the monetary policy of the PRC government with respect to bank interest rates and lending policies and the political and economic conditions in the PRC generally. If the Guarantor Group fails to maintain its existing and future loan arrangements on commercially acceptable terms, there can be no assurance that the Guarantor Group will be able to continue to obtain adequate, or any, funding in the future on terms favourable to the Guarantor Group. If sufficient financing is not available to meet the Guarantor Group's needs, or cannot be obtained on commercially acceptable terms, or at all, the Guarantor Group may not be able to refinance its existing loans, fund the operation and/or expansion of its business, introduce new products and services or compete effectively. As a result, the business, financial condition and results of operations of the Guarantor Group would be materially and adversely affected.

The Guarantor Group may cease to enjoy or enjoy less government subsidies and grants as well as tax exemptions, the loss of which, or a reduction in which, could substantially reduce the Guarantor Group's profits.

In light of the strategic importance of most of the Guarantor Group's businesses to Chengdu, Sichuan Province, the Guarantor Group has received various kinds of support (including government subsidies and grants designed to boost business incentives) from the Sichuan People's Government and/or the Sichuan Province to support its investments in and operation of its businesses.

There can be no assurance that any of the Sichuan People's Government and the Sichuan Province will continue to provide support at the same level to the Guarantor Group or that the fiscal subsidies, asset transfers, government capital contributions or other types of government support will not be adjusted or terminated due to changes in government policy or otherwise.

If favourable fiscal subsidies and grants, asset transfers, government capital contributions or other incentives which are currently available to the Guarantor Group are reduced, eliminated or delayed in the future, some of the Guarantor Group's businesses may no longer be viable, and the financial conditions and results of operations of the Guarantor Group may be materially and adversely affected.

The Guarantor Group may be unsuccessful in integrating and managing current or future investments and/or acquisitions, and there are risks associated with any material acquisitions by the Guarantor Group.

The Guarantor Group, from time to time, considers investment and acquisition opportunities that may complement its core business portfolio and capabilities, and which assist in expanding the market share of its core business operations. The ability of the Guarantor Group's operations to grow by investments in, and/or acquisitions of, its target businesses is dependent upon, and may be limited by, the availability of attractive projects, its ability to agree commercial, technical and financing terms to the satisfaction of the Guarantor Group, and obtaining all required approvals from relevant regulatory authorities. Such investments and/or acquisitions may also expose the Guarantor Group to potential difficulties that could prevent it from achieving the strategic objectives for the investments and/or acquisitions or the anticipated levels of profitability from the investments and/or acquisitions. These difficulties include:

- diversion of management's attention from the Guarantor Group's existing investments and/or businesses;
- increases in the Guarantor Group's expenses and working capital requirements, which may reduce its return on invested capital;
- decreases in its financial resources which may limit or reduce the Guarantor Group's ordinary operating activities and increase pressure on its liquidity;
- insufficient expertise to manage its additional risk exposure;
- exposure to new laws and regulations with which the Guarantor Group is not familiar, or is currently not subject to, and which may lead to increased litigation and regulatory risk;
- difficulty of expanding into markets in different geographic locations and challenges of operating in markets and industries that the Guarantor Group does not have substantial experience in;
- increases in debt, which may increase the Guarantor Group's finance costs as a result of higher interest payments;
- exposure to unanticipated contingent liabilities from acquired businesses; and

- difficulties in integrating acquired businesses or investments into the Guarantor Group's existing operations, which may prevent it from achieving, or may reduce, the anticipated synergies.

There is no assurance that the difficulties above would not arise and result in a material and adverse impact on the Guarantor Group's business, prospects, financial condition or results of operations.

In addition, where the Guarantor Group invests in joint ventures where it may not have management control over its investments, there can be no assurance that such joint ventures will operate smoothly or successfully, if at all. There can also be no assurance that joint venture partners will act in a way which is consistent with the interest of the Guarantor Group, and will be able and willing to fulfil their obligations under the relevant joint venture or other agreements.

Furthermore, during the course of any material acquisition transactions, the Guarantor Group typically conducts due diligence investigations with respect to the target companies, but the due diligence with respect to any acquisition opportunity may not reveal all relevant facts that are necessary or useful in evaluating such opportunity, which could subject the Guarantor Group to unknown financial, legal and other risks and liabilities. When determining the consideration for any acquisition, the Guarantor Group will consider various factors, including, but not limited to, the quality of the target business, estimated costs associated with the acquisition and the management of the target business, prevailing market conditions and intensity of competition. The Guarantor Group is unable to predict whether there will be any target suitable for acquisition or when any suitable acquisition opportunities could arise. In the event that the Guarantor Group enters into any letter of intent or agreement for any material acquisition after the issue of the Bonds or the giving of the Guarantee, the market price and the trading volume of the Bonds may be adversely affected.

The Guarantor Group has substantial indebtedness and may incur additional indebtedness in the future, which could adversely affect its future strategy and operations and its ability to generate sufficient cash to satisfy its outstanding and future debt obligations.

The Guarantor Group may incur additional indebtedness and continuing liabilities in the future, including the issuance of debt securities or entering into financing or other loan arrangements. The level of existing indebtedness and incurrence of further indebtedness could have important consequences to the Guarantor Group's business, including:

- increasing the Guarantor Group's vulnerability to adverse general economic and industry conditions;
- requiring the Guarantor Group to dedicate a substantial portion of its cash flows from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flows to fund working capital, capital expenditures and other general corporate purposes;
- limiting the Guarantor Group's ability to capture investment and/or acquisition opportunities, and inhibiting its ability to grow and expand its business;

- adding to the Guarantor Group's interest exposure as a proportion of its costs of doing business;
- limiting the Guarantor Group's flexibility in planning for or reacting to changes in its businesses and the industries in which it operates;
- reducing the Guarantor Group's competitiveness compared to its competitors that have less debt; and
- increasing the costs of additional financing.

Creditors of the Guarantor's subsidiaries would have a claim on the Guarantor's subsidiaries' assets that would be prior to the claims of the Guarantor's creditors. As a result, the payment obligations under the Guarantor's indebtedness and liabilities will be effectively subordinated to all existing and future obligations of the Guarantor's subsidiaries, and all claims of creditors of the Guarantor's subsidiaries will have priority as to the assets of such entities over the Guarantor's claims and those of its creditors.

In addition, the Guarantor Group continually reviews its current and expected future funding requirements and evaluates and engages in discussions with financial institutions and other market participants, from time to time, on proposals regarding different sources of funding. In incurring indebtedness and liabilities from time to time, members of the Guarantor Group may create security over their assets, receivables or equity interests in companies or entities held by them (which may include the Guarantor's subsidiaries) in favor of the relevant creditors. Should any of the Guarantor Group's secured indebtedness becomes immediately due and payable as a result of any default in payment or the occurrence of other events of default as defined under the relevant secured indebtedness, the relevant secured creditors would be entitled to take enforcement actions against such secured assets, receivables and equity interests. The secured creditors might take over the relevant subsidiaries' titles to the secured assets, receivables and equity interests, or sell them through auction. In such an event, the value of the Guarantor Group's assets portfolio will diminish, and fewer assets and/or equity interests will be available for distribution to unsecured creditors if the relevant subsidiaries are in liquidation. If any member of the Guarantor Group incurs additional debt, the risks that the Guarantor Group faces as a result of its already substantial indebtedness and leverage could intensify.

Furthermore, if the Guarantor or the relevant subsidiaries are unable to comply with the restrictions (including restrictions on the Guarantor Group's future investments) and covenants in its current or future debt obligations and other agreements, a default under the terms of such agreements may occur.

In addition, if the default provisions in the Guarantor Group's loan agreements are drafted wide enough to cover non-payments by its guarantee business of its guarantee contracts, this may also be viewed as a default under such loan agreements. In the event of a default under such agreements, the holders of the debt could terminate their commitments to the Guarantor or its subsidiaries, accelerate the debt and declare all amounts borrowed due and payable, or terminate the agreements, as the case may be. Some of the financing arrangements entered into by the Guarantor and its subsidiaries may contain cross-acceleration or cross-default provisions. As a result, a default by the Guarantor or any of its subsidiaries under any of such agreements may cause the acceleration of repayment of not only such debt but also other debts, or result in a default under other debt

agreements and potentially the Bonds and the Deed of Guarantee. If any of these events occurs, there can be no assurance that the assets and cash flows of the Guarantor or its subsidiaries would be sufficient to repay in full all of their respective debts as they become due, or that the Guarantor or its subsidiaries would be able to find alternative financing. Even if the Guarantor and its subsidiaries could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Guarantor or, as the case may be, its subsidiaries.

The Guarantor Group's ability to generate cash to service its indebtedness depends on many factors beyond its control.

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

The Guarantor Group faces risks associated with contracting with public bodies.

As the Guarantor Group focuses on, among other things, bond insurance in Chengdu, Sichuan Province, the Guarantor Group collaborates with various governmental authorities and their controlled entities in Chengdu, Sichuan Province. Although the Guarantor Group believes that it currently maintains close working relationships with those governmental authorities and entities relevant to its businesses, there can be no assurance that these relationships will continue to be maintained on good terms in the future. Local governments and the government-controlled entities with which the Guarantor Group collaborates may (i) have economic or business interests or consideration that are inconsistent with the Guarantor Group's; (ii) take actions contrary to the Guarantor Group's requests, policies or objectives; (iii) be unable or unwilling to fulfil their obligations; (iv) have financial difficulties; or (v) have disputes with the Guarantor Group as to the contractual terms or other matters. If there are any material disagreements between the Guarantor Group, and any local government or any of the government-controlled entities, there can be no assurance that the Guarantor Group is able to successfully resolve them in a timely manner. If the Guarantor Group's counterparties encounter financial difficulties and/or fail to timely and fully satisfy their payment obligations, whether or not as a result of a reduction in government funding, the Guarantor Group's business, financial condition, results of operations and prospects may be materially and adversely affected, as the Guarantor Group may suffer from making its own payment obligations as a result, among other adverse consequences.

In addition, disputes with public bodies may last for considerably longer periods of time than for those with private sector counterparties, and payments from the public bodies may be delayed as a result. Any of these may materially and adversely affect the business relationships between the Guarantor Group, and the local governments and the governmental entities, which may in turn materially and adversely affect the Guarantor Group's business, financial condition, results of operations and prospects.

Increasing financing costs or insufficient funding due to fluctuations in interest rates and stock markets may have an adverse effect on the Guarantor Group's expansion plans and results of operations.

The Guarantor Group is exposed to interest rate risk resulting from fluctuations in interest rates on its borrowings, and changes in interest rates affect its finance expenses and, ultimately, its results of operations. Substantially all of the Guarantor's indebtedness bears interest, some of which accrue at interest rates linked to benchmark lending rates published by the PBOC or to the loan prime rates (the "LPR") published by the National Interbank Funding Centre. A significant increase in interest rates, particularly in the benchmark lending rates or the LPR, would negatively impact the Guarantor Group's ability to repay its debts. As the Guarantor Group relies heavily on external sources to secure investment capital to finance the expansion of its power generation and other businesses, it is sensitive to the cost of capital in securing these loans. The PBOC has abolished the upper limit on Renminbi lending rates, which could result in the Guarantor Group paying higher interest rates, and permitted banks to offer deposit rates below the PBOC benchmark rate, which could cause the Guarantor Group to earn lower interest income on its cash deposits. The PBOC may from time to time increase the benchmark interest rate on general lending in the PRC. If the PBOC was to raise benchmark lending rates, the Guarantor Group's finance expenses would increase, which would have a material adverse effect on the Guarantor Group's business, financial condition and results of operations.

However, certain loans entered into by the Guarantor Group may also be secured, and there can be no assurance that additional financing will be available to the Guarantor Group on terms deemed to be commercially acceptable to the Guarantor Group, or at all. Adverse global market conditions will have an adverse impact on the Guarantor Group's ability to obtain financing. Although the Guarantor Group has relied primarily on local sources of funding which have been less impacted by global market conditions, reduced liquidity in the global capital markets could impact the Guarantor Group's financing abilities in overseas markets. If the Guarantor Group is unable to secure sufficient financing on acceptable terms on a timely basis, its business, financial condition and results of operations may be materially and adversely affected.

The Guarantor Group's risk management framework, policies and procedures and internal controls may not fully protect the Guarantor Group against various risks inherent in its business.

The Guarantor Group has established an internal risk management framework, policies and procedures to manage its risk exposures, primarily operational risk, compliance risk and legal risk, as well as liquidity risk. These risk management policies and procedures are based upon historical behaviors, and the Guarantor Group's experience in the relevant industries. They may not be adequate or effective in managing the Guarantor Group's future risk exposures, or protecting the Guarantor Group against unidentified or unanticipated risks, which could be significantly greater than those indicated by the Guarantor Group's

historical experience. Although the Guarantor Group is continuously updating these policies and procedures, it may fail to predict future risks due to rapid changes in the market and regulatory conditions, and new markets the Guarantor Group enters.

Although the Guarantor Group has established internal controls to ensure its risk management policies and procedures are adhered to by its employees as it conducts its business, its internal controls may not effectively prevent or detect any non-compliance of its policies and procedures, which may have a material adverse effect on the Guarantor Group's business, financial condition and results of operations.

While the Guarantor Group has not identified any deficiency in the implementation of its internal control procedures, there can be no assurance that no internal control deficiencies will be identified in the future. Failure to address the Guarantor Group's internal control and other deficiencies in a timely and effective manner may undermine the effectiveness of the Guarantor Group's risk management system, may result in inaccuracies in the Guarantor Group's financial reporting, and may also increase the potential for financial losses and non-compliance with regulations. As a result, the Guarantor Group's asset quality, business, financial condition and results of operations may be materially and adversely affected.

Effective implementation of the Guarantor Group's risk management and internal controls also depends on the Guarantor Group's employees. There can be no assurance that such implementation will not involve human error or other mistakes, which may significantly undermine the effectiveness and performance of the Guarantor Group's risk management and internal controls, resulting in a material adverse effect on the Guarantor Group's business, results of operations and financial position.

While the Guarantor Group believes that it offers its employees competitive compensation and is able to attract and retain qualified personnel, there can be no assurance that the Guarantor Group can be successful in recruiting or retaining its key managerial personnel and employees.

The success of the Guarantor Group's business depends, to a large extent, on the strategic vision of its board of directors, the continued service of key managerial personnel, including directors and key senior executives, and the ability to attract and retain highly skilled personnel. While the Guarantor Group believes that it offers its employees competitive compensation and is able to attract and retain qualified personnel, there can be no assurance that the Guarantor Group can be successful in recruiting or retaining its key managerial personnel and employees, in which case the Guarantor Group's operations may be adversely affected. In particular, the market for qualified investment professionals is competitive. The Guarantor Group's investment professionals possess extensive experience and expertise in investment, are responsible for implementing the Guarantor Group's investment strategies, identifying and executing its investments, and have a valuable business network that may lead to investment opportunities. Therefore, the loss of its investment professionals could jeopardize the performance of the Guarantor Group's business, which would have a material adverse effect on its business, financial condition and results of operations. If one or more of the Guarantor Group's key managerial personnel or other personnel are unable or unwilling to continue in their present positions, the Guarantor Group may not be able to replace them easily or at all, and its business may be disrupted and its financial position and results of operations may be materially and adversely affected.

In addition, failure of any of the Guarantor Group's key managerial personnel or employees to observe and perform its obligations under its service agreements, or any labor unrest and any increase in labor costs resulting from such dispute, may have a material adverse effect on the Guarantor Group's results of operations and profits.

The Guarantor Group's operations are subject to force majeure events, natural disasters and outbreaks of contagious diseases.

Force majeure events, natural disasters, catastrophe or other events could result in severe personal injury to the Guarantor Group's staff, property damage and environmental damage, which may curtail the Guarantor Group's operations, cause delays in estimated completion dates for projects, materially and adversely affect its cash flows and, accordingly adversely affect its ability to service debt.

The Guarantor Group's operations are mainly based in the Sichuan Province, in particular, Chengdu, Sichuan Province, which is exposed to potential natural disasters including, but not limited to, earthquakes, flooding, landslides, mudslides and drought.

If any of the Guarantor Group's developments are damaged by severe weather conditions (such as extreme cold weather, snow, flooding and heavy or sustained rainfall) or any other disaster (such as earthquakes, landslides and mudslides), accident, catastrophe or other event, the Guarantor Group's operations may be significantly interrupted. The occurrence or continuance of any of these, or similar events, could increase the costs associated with the Guarantor Group's operations and reduce its ability to operate its businesses effectively, thereby reducing its incomes.

In addition, some of the Guarantor Group's contracts with suppliers and other counterparties have force majeure provisions that permit such parties to suspend, terminate or otherwise not perform obligations under their contracts upon the occurrence of certain events including, but not limited to, strikes and other industrial or labor disturbances, terrorism, restraints of government, civil disturbances, or any natural disaster; all being circumstances which are beyond the control of the party claiming force majeure. If one or more of the Guarantor Group's suppliers or other counterparties do not perform under their contracts for any extended period of time, due to the declaration of a force majeure event or otherwise, the Guarantor Group's results of operations and financial condition could be materially and adversely affected.

Risks of substantial costs and liabilities are inherent in the Guarantor Group's principal operations, and there can be no assurance that significant costs and liabilities will not be incurred, including those relating to claims for damages to property or persons. The frequency and magnitude of natural disasters seen over the past few years could have a significant impact on the capacities of the insurance market and on the costs of civil liability and damages insurance cover for the Guarantor Group.

In addition, the Guarantor Group's operations are subject to outbreaks of contagious diseases. For example, the outbreak of SARS that began in the PRC and Hong Kong in early 2003 had an adverse effect on all levels of business in Hong Kong and the PRC. There have been sporadic outbreaks of the H5N1 virus or "Avian Influenza A" among birds, in particular, poultry, as well as some isolated cases of transmission of the virus to humans. There have also been recent outbreaks among humans of the influenza A/H1N1 virus globally. On 11 June 2009, the World Health Organization raised its global pandemic alert

to Phase 6 after considering data confirming the outbreak. The outbreak of SARS and the influenza A/H1N1 virus led to a significant decline in travel volumes and business activities throughout most of the Asian region. The occurrence of another outbreak of SARS, the influenza A/H1N1 virus, Middle East Respiratory Syndrome (MERS), H7N9, COVID-19 pandemic or of any other highly contagious disease may result in another economic downturn and may have an adverse effect on the overall level of business and travel in the affected areas. It may also disrupt the Guarantor Group's business operations, and consequently have an adverse effect on its financial condition and results of operations.

Public corporate disclosure about the Guarantor may be limited.

As the Guarantor is an unlisted Guarantor, there may be less publicly available information about the Guarantor than is regularly made available by public companies in certain other countries.

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

The Guarantor will be subject to reporting obligations in respect of the Bonds to be listed on MOX. The disclosure standards imposed by MOX may be different than those imposed by securities exchanges in other countries or regions. As a result, the level of information that is available may not correspond to what investors in the Bonds are accustomed to.

The Guarantor Group's ability to access credit and capital markets may be adversely affected by factors beyond its control.

The Guarantor Group's ability to obtain external financing in the future and the cost of such financing is subject to a variety of factors and uncertainties, including but not limited to: the conditions of the general financial, capital and credit markets; potential changes in monetary policies with respect to bank interest rates, foreign exchange rates and overall lending policy; and performance of the Guarantor Group's business and financial conditions at that time.

The Guarantor Group maintains a certain level of indebtedness to finance its operations. If there is any default under such financing arrangements, or the renegotiation efforts of such default is not successful or made in a timely manner or that the Guarantor Group is not be able to refinance its obligations under such arrangement on acceptable terms, the Guarantor Group's financial position, cash flow position and business prospects may be materially and adversely affected.

Interest rate increases by the PBOC or market disruptions may increase the Guarantor Group's cost of borrowing or adversely affect its ability to access credit and capital market. There can be no assurance that the anticipated cash flow from the Guarantor Group's operations will be sufficient to meet all of its cash requirements, or that it will be able to secure external financing at competitive rates, or at all. Any such failure may adversely affect the Guarantor Group's ability to finance its operations, meet its obligations or implement its development strategy.

The Guarantor Group's risk management and internal control systems may not fully protect it against various risks inherent in its business.

The Guarantor Group may be exposed to fraud or other misconduct committed by its employees, representatives, agents, customers or other third parties that could subject it to financial losses and sanctions imposed by governmental authorities, which in turn affects its reputation. 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 Guarantor 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 Guarantor Group's customers;
- misappropriation of funds;
- conducting transactions that exceed authorized limits;
- engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities when marketing or selling products;
- engaging in unauthorized or excessive transactions to the detriment of the Guarantor Group's customers;
- making or accepting bribes;
- conducting any insider dealing; or
- otherwise not complying with applicable laws or the Guarantor Group's internal policies and procedures.

The Guarantor Group has established risk management and internal control systems consisting of the relevant organisational framework policies, risk management policies and risk control procedures to manage its risk exposures, primarily its operational risk and legal risk. However, it may not be successful in implementing its risk management and internal control systems. While the Guarantor Group seeks to continue to enhance its risk management and internal control systems from time to time, such risk management and internal control systems may not be adequate or effective notwithstanding its efforts, and any failure to address any potential risks and internal control deficiencies could materially and adversely affect its business, financial condition and results of operations. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, and the precautions the Guarantor Group takes to prevent and detect such activities may not be effective. There is no assurance that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity as a result.

Since the Guarantor Group's risk management and internal control systems depend on the implementation by its employees, all its employees are required adhere to such policies and procedures, and the implementation of such policies and procedures may involve human errors or mistakes. The Guarantor Group is subject to risks in relation to actions taken by it or its employees that constitute violations of the laws and regulations. Moreover, the Guarantor Group's growth and expansion may affect its ability to implement stringent risk management and internal control policies and procedures as its business evolves. If the Guarantor Group fails to timely adopt, implement and modify, as applicable, its risk management and internal control policies and procedures, its business, financial condition and results of operations could be materially and adversely affected.

Litigation and regulatory investigations and the resulting sanctions or penalties may adversely affect the Guarantor Group's reputation, business, results of operations and financial condition.

The Guarantor Group may be involved, from time to time, in legal proceedings arising in the ordinary course of its operations. Please see "Description of the Guarantor Group — Litigation" for further information. Litigation arising from any failure, injury or damage from the Guarantor Group's operations may result in the relevant member of the Guarantor Group being named as defendant in lawsuits asserting large claims against such member of the Guarantor Group or subject such member of the Guarantor Group to significant regulatory penalties. These risks often may be difficult to assess or quantify and their existence and magnitude often remain unknown for a substantial period of time. Actions brought against the Guarantor Group may result in settlements, injunctions, fines, penalties or other sanctions adverse to the Guarantor Group's reputation, financial condition and results of operations. Even if the Guarantor Group is successful in defending against these actions, the costs associated with the Guarantor Group's defence may be significant. When the market experiences a downturn, the number of legal claims and amount of damages sought in litigations and regulatory proceedings may increase. A significant judgment, arbitration award or regulatory action against the Guarantor Group, or a disruption in the Guarantor Group's business arising from adverse adjudications in proceedings against the Guarantor Group's directors, senior management or key employees, would materially and adversely affect the Guarantor Group's liquidity, business, financial condition, reputation, results of operations and prospects.

Further, the Guarantor Group is exposed to risks associated with litigation relating to its operations such as the risk of lawsuits and other legal actions. The Guarantor Group may from time to time be exposed to arbitration claims and lawsuits. Claims may be brought against the Guarantor Group for liabilities for shareholder dispute, defective or incomplete work, personal injuries, damage to or destruction of property, breaches of warranty, termination of contracts or delayed payments to its suppliers or subcontractors. The Guarantor Group may also bring claims against counterparties to preserve or enforce its contractual rights. The claims and charges may involve actual damages and contractually-agreed-upon liquidated sums. In the event that the Guarantor Group prevails in those legal proceedings, there is no assurance that the judgment or awards can be effectively enforced. If a judgment or award is rendered against the Guarantor Group, it would have to incur a loss against earnings to the extent a reserve had not been established for the matter in its financial statements, or to the extent the claims were not sufficiently covered by the insurance coverage of the Guarantor Group. Both claims brought against the Guarantor Group and by the Guarantor Group, if not resolved or settled through negotiation or mediation, the Guarantor Group may have to be involved in lengthy and

costly litigation or arbitration proceedings, which may distract the Guarantor Group's financial and managerial resources. Amounts ultimately realized from project or other claims by the Guarantor Group could differ materially from the balances included in the financial statements, resulting in a loss against earnings of the Guarantor Group to the extent profit has already been accrued on a project or other contract. Charges and write-downs associated with claims brought against the Guarantor Group have a material adverse impact on the financial condition, results of operations and cash flow of the Guarantor Group. Moreover, legal proceedings resulting in judgments or findings against the Guarantor Group may harm its reputation and damage its prospects for future contract awards and business.

In addition, the Guarantor Group may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable decrees that result in liabilities. There can be no assurance that the number of legal claims and amount of damages sought in litigation and regulatory proceedings will not increase in the future. A significant judgement or regulatory action against the Guarantor Group or a disruption in its business arising from adverse adjudications in proceedings against its directors, officers or employees would have a material adverse effect on the Guarantor Group's liquidity, business, financial condition, results of operations and prospects. Also, in the event that the Guarantor Group makes any other investments or acquisitions in the future, there can be no assurance that the Guarantor Group would not have any exposure to any litigation or arbitration proceedings or other liabilities relating to the acquired businesses or entities.

The Guarantor Group is subject to risks associated with certain covenants or restrictions under its bank borrowings or financing arrangements, which may adversely affect the Guarantor Group's business, financial condition and results of operations.

Increases in the level of the Guarantor Group's debt and restrictions in the covenants contained in the instruments governing the Guarantor Group's debt could have important consequences. For example, they could:

- make it more difficult for the Guarantor Group to obtain additional financing on acceptable terms;
- require the Guarantor Group to dedicate a substantial portion of its cash flows from operating activities to the repayment of its debt and the interest associated with its debt; limit the Guarantor Group's operating flexibility due to financial and other restrictive covenants, including restrictions on incurring additional debt, and create liens on its properties;
- place the Guarantor Group at a competitive disadvantage compared with its competitors that have relatively less debt; and
- make the Guarantor Group more vulnerable to downturns in its business.

If the Guarantor Group is unable to comply with the restrictions and covenants or 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 Guarantor Group, as the case may be, accelerate repayment of the debt and declare all outstanding amounts due and

payable or terminate the agreements, as the case may be. As a result, the Guarantor Group's default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, or result in a default under its other debt agreements. If any of these events occur, the Guarantor Group cannot assure you that its assets and cash flows would be sufficient to repay in full all of its indebtedness, or that the Guarantor Group would be able to find alternative financing. Even if the Guarantor Group could obtain alternative financing, they cannot assure you that it would be on terms that are favourable or acceptable to it.

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

The Guarantor Group relies heavily on its quality control systems to ensure the timely completion, safety and quality of its projects. The effectiveness of the Guarantor Group's quality control system depends significantly on a number of factors, including a timely update of the quality control system to suit the ever-changing business needs, the related training programs as well as its ability to ensure that the Guarantor Group's employees adhere to its quality control policies and guidelines. As the Guarantor Group engages in bond insurance, it regularly needs to simultaneously manage and finance multiple projects which adds to the burden of the Guarantor Group's quality control system. There can be no assurance that the quality of the projects undertaken by the Guarantor Group will always meet the required standard. Any failure or deterioration of the Guarantor Group's quality control systems could result in defects in its projects, which in turn may subject the Guarantor Group to contractual, product liability and other claims. Any such claims, regardless of whether they are ultimately successful, could cause the Guarantor Group to incur significant costs, harm its business reputation and result in significant disruption to its operations. Furthermore, if any of such claims is ultimately successful, the Guarantor Group could be required to pay substantial monetary damages or penalties. Although the Guarantor Group believes that its quality control systems have functioned properly, there can be 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 Guarantor Group's business and operations.

The Guarantor 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 licenses or permits.

The Guarantor 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 Guarantor Group's licenses 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 Guarantor 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 Guarantor Group has not received any notice regarding non-compliance with the applicable safety regulations or requirements from any government authority. In addition, PRC laws and regulations are constantly evolving. There can be no assurance that the PRC government will not impose additional or stricter laws or regulations, which may increase compliance costs of the Guarantor Group.

The Guarantor Group's results of operations, financial condition and prospects may fluctuate.

The investment properties are measured applying certain accounting estimates and valuation techniques which may be varied and with significant unobservable inputs and the changes in their fair value are recorded in the Guarantor's consolidated income statements, therefore directly affecting its results of operations. There is no assurance that it will not incur fair value losses in the future. If it incurs significant fair value losses, its results of operations, financial condition and prospects may be adversely affected.

Further, none of financial information of the Guarantor Group in this Offering Circular is intended to represent or predict the Guarantor Group's results of operations for any future periods. The Guarantor Group's future results of operations may change materially if its future growth deviates from the historical trends for various reasons, including factors beyond its control, such as changes in economic environment, PRC environmental rules and regulations, and the competitive landscape of the industries in which the Guarantor Group operates its businesses. The Guarantor Group may also acquire businesses or companies, or dispose of its subsidiaries or assets from time to time in accordance with the Guarantor Group's business objectives. Period-to-period comparisons of the Guarantor Group's historical operating results must be evaluated in light of the impact of any such transactions.

The Guarantor Group has experienced net cash outflows from investing activities.

The Guarantor Group had reported net cash outflows from investing activities in the past. There can be no assurance that the Guarantor Group will not experience liquidity or negative cash flow issues in the future. If the Guarantor Group fails to generate sufficient cash flow from its operations, or if the Guarantor Group fails to maintain sufficient cash and financing, the Guarantor Group's liquidity position may be adversely affected. If the Guarantor Group does not have sufficient cash flows to fund the Guarantor Group's business, operations and capital expenditure, the Guarantor Group's business and financial position, and more importantly its ability to service its debt, will be materially and adversely affected.

The Bonds are not rated but the Guarantor's corporate rating may be lowered or withdrawn in the future.

The Bonds are not rated. On 18 June 2026, the Guarantor has been given a credit rating of "AAA" by CSCI Pengyuan Credit Rating Co., Ltd. (中證鵬元資信評估股份有限公司). Any corporate rating it received and receives later addresses the Guarantor's ability to perform its obligations under the terms of the Bonds and the Guarantee and credit risks in determining the likelihood that payments will be made when due under the Bonds and the Guarantee. A rating may not remain for any given period of time and could be lowered or withdrawn entirely by the rating agency. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. The Guarantor has no obligation to inform holders of the Bonds of any such revision, suspension or withdrawal. A reduction, suspension or withdrawal at any time of the corporate rating may adversely affect the market price of the Bonds.

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

The Guarantor Group's businesses involve many risks and hazards which may be beyond our control and could cause significant business interruptions, personal injuries and property or environmental damage, and could increase various, unexpected and unforeseeable nature and extent of costs for an unknown duration. These risks include but are not limited to:

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

Members of the Guarantor Group maintain limited insurance policies, which the Guarantor Group believes to be consistent with the industry and business practice in the PRC. There can be no assurance that the insurance maintained by the Guarantor Group will provide adequate coverage in all circumstances. Although each of the Guarantor Group's facilities has a track record of safe operation and none of them has suffered any material hazards over the last three years, there can be no assurance that hazards, accidents or mishaps will not occur in the future. The occurrence of any such incident for which the Guarantor Group is uninsured or inadequately insured may have a material adverse effect on its business, financial condition and results of operations. In addition, the Guarantor Group may not always be able to obtain insurance of the type and amount the Guarantor Group desires at reasonable rates.

Over time, premiums and deductibles for insurance policies may increase substantially, and certain insurance policies could become unavailable or available only for reduced amounts of coverage. If the Guarantor Group was to incur significant liability for which the Guarantor Group is not insured or not fully insured, such liability could have a material

adverse effect on its financial position and results of operations. In addition, any claims made under any insurance policies maintained by the Guarantor Group may not be paid in a timely manner, or at all, and may be insufficient if such an event were to occur.

Claims under the insurance policies may not be honored fully or on time, or the insurance coverage may not be sufficient to cover costs incurred in the Guarantor Group's operations due to the abovementioned operational risks. There are also certain types of losses (such as from wars, acts of terrorism or acts of God, business interruption, property risks and third-party (public) liability) that generally are not insured because they are either uninsurable or not economically insurable. To the extent that the Guarantor or any of its subsidiaries suffers loss or damage that is not covered by insurance or that exceeds the limit of its insurance coverage, the Guarantor Group's results of operations and cash flow may be materially and adversely affected.

Certain facts and statistics in this Offering Circular are derived from publications not independently verified by the Guarantor, the Manager or their respective advisers.

This Offering Circular contains facts and statistics relating to the economy of the PRC, Sichuan Province and the industries in which the Guarantor Group operates. While the Guarantor has taken reasonable care to select reputable and reliable information sources and ensure that the facts and statistics relating to the relevant economies and the industries in which the Guarantor Group operates presented are accurately extracted from such sources, such facts and statistics have not been independently verified by the Guarantor, the Manager or their respective advisers and, therefore, none of them makes any representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside the PRC. Due to ineffective calculation and collection methods and other problems, the facts and statistics herein may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon.

The Guarantor Group may not be able to renew certain licenses, certificates and permits for its operations.

Under applicable PRC laws, the Guarantor Group is required to obtain certain licenses, certificates and permits from relevant PRC governmental authorities. In addition, eligibility criteria for these licenses, certificates and permits may change from time to time and additional ones may be required and higher compliance standards may have to be observed. If there are new laws or regulations, or changes in the interpretation of any existing laws or regulations, the Guarantor Group's compliance costs may increase and it may become more costly for the Guarantor Group to continue the operation of any part of its businesses, which could have a material adverse effect on the business operations and prospects, financial position and results of operations.

RISKS RELATING TO THE PRC

A slowdown in the PRC economy and uncertainties in global economic and political conditions may materially and adversely affect the Issuer Group and the Guarantor Group.

A substantial majority of the Issuer Group's and the Guarantor Group's business, assets and operations are located in the PRC. Accordingly, the Issuer Group's and the Guarantor Group's business, financial condition, results of operations and prospects are, to a significant degree, affected by the overall development of the PRC economy and changes in global economic and political conditions.

Although the PRC economy has experienced significant growth in the past few decades, its growth has been subject to fluctuations and has moderated in recent years. According to the National Bureau of Statistics of the PRC, the PRC's GDP grew by 5.2 per cent. in 2023, 5.0 per cent. in 2024 and 5.0 per cent. in 2025. There can be no assurance that the PRC economy will continue to grow at the same pace as in the past or that any policy measures implemented by the PRC government to support economic growth, stabilise the real estate market, stimulate domestic demand or improve investor confidence will be effective.

The outlook for the PRC economy remains subject to uncertainties and downside risks, including, among others, weak domestic demand, the downturn and adjustments in the real estate sector, local government debt pressure, changes in monetary and fiscal policies, volatility in commodity and energy prices, fluctuations in global financial markets, and uncertainties arising from international trade, tariff measures and geopolitical tensions. In particular, sustained or escalating trade tensions between the PRC and the United States, changes in tariff or export control policies, and other geopolitical developments may adversely affect global trade, investor sentiment, financing conditions and the PRC economy.

Any material slowdown or instability in the global economy, the PRC economy or regional economies may reduce business activities, affect government fiscal revenue and public-sector investment, increase the Issuer Group's and the Guarantor Group's financing costs, reduce the availability of financing and adversely affect the Issuer Group's and the Guarantor Group's business, financial condition, results of operations and prospects.

The PRC's economic, political and social conditions, as well as government policies, could affect the Issuer Group's and the Guarantor Group's business, financial condition and results of operations.

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

large portion of productive assets in the PRC remain owned by the PRC government. The PRC government continues to play a significant role in regulating industrial development, the allocation of resources, production, pricing and management, and there can be no assurance that the PRC government will continue to pursue the economic reforms or that any such reforms will not have an adverse effect on the Issuer Group's and the Guarantor Group's business.

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

There are uncertainties with respect to the interpretation and enforcement of PRC laws and regulations, and the PRC legal system could limit the legal protection available to investors.

Each of the Issuer and the Guarantor is a state-owned limited liability company incorporated under the laws of the PRC. The PRC legal system is based on written statutes. The PRC government has promulgated laws and regulations dealing with economic matters such as the issuance and trading of securities, shareholder rights, foreign investment, corporate organisation and governance, commerce, taxation and trade. However, many of these laws and regulations continue to evolve, may be subject to different interpretations and may be inconsistently enforced. In addition, there is only a limited volume of published court decisions which may be cited for reference, but such cases have limited precedential value as they are not binding on subsequent cases. These uncertainties relating to the interpretation of PRC laws and regulations can affect the legal remedies and protection that are available to investors and can adversely affect the value of an investment.

Furthermore, the PRC legal system is still evolving, and the existing laws and regulations may not sufficiently cover all aspects of the fast growing economic activities in the PRC. 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 Issuer Group and the Guarantor Group may not be aware of their respective violation of these policies and rules until sometime after the violation. In addition, any litigation in the PRC may be protracted and result in substantial costs and diversion of resources and management's attention.

As a result of these uncertainties with respect to the PRC legal system, lack of uniform interpretation and effective enforcement, the Issuer Group or the Guarantor 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 judgements against the Issuer Group, the Guarantor Group and their respective management.

Each of the Issuer and the Guarantor is a state-owned limited liability company incorporated under the laws of the PRC, and a substantial majority of their respective business, assets and operations are located in the PRC. In addition, their respective directors and executive officers reside in the PRC, and their assets may also be located in the PRC. Therefore, it may not be possible for investors to effect service of process upon the Issuer, the Guarantor or those persons outside the PRC.

It may be difficult to effect service of process upon, or to enforce against, the Issuer, the Guarantor or their respective directors or members of the Issuer's and the Guarantor Group's senior management who reside in the PRC in connection with judgements obtained in non-PRC courts. The PRC has not entered into treaties or arrangements providing for the recognition of judgement made by courts of most other jurisdictions. On 14 July 2006, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the **"Choice of Court Arrangement"**), pursuant to which a party with an enforceable final court judgement rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a "choice of court" agreement in writing may apply for recognition and enforcement of the judgement in the PRC. Similarly, a party with an enforceable final court judgement rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a "choice of court" agreement in writing may apply for recognition and enforcement of such judgement in Hong Kong. A "choice of court" agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Choice of Court Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgement rendered by a Hong Kong court in the PRC if the parties in dispute do not enter into a "choice of court" agreement in writing. As a result, it may be difficult or impossible for investors to effect service of process against the Issuer or the Issuer's directors or members of its senior management in the PRC and/or to seek recognition and enforcement for foreign judgements in the PRC. On 18 January 2019, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters between the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the **"2019 Arrangement"**), which seeks to establish a bilateral legal mechanism with greater clarity and certainty for recognition and enforcement of judgements in a wider range of civil and commercial matters between the courts of Hong Kong and the PRC. The 2019 Arrangement will be implemented by local legislation in Hong Kong and will take effect after both Hong Kong and the PRC have completed the necessary procedures to enable implementation and shall apply to judgements made by the courts of Hong Kong and the PRC on or after the date of the commencement of the 2019 Arrangement. Upon commencement of the 2019 Arrangement, the Choice of Court Arrangement shall be terminated, except for "choice of court" agreements in writing made between parties before the commencement of the 2019 Arrangement, in which case the Choice of Court Arrangement shall continue to apply. However, the recognition and enforcement of judgements rendered by a Hong Kong court in the PRC are subject to the

provisions, limits, procedures and other terms and requirements of the 2019 Arrangement. There can be no assurance that investors can successfully effect service of process against the Issuer or the Issuer's directors or members of its senior management in the PRC and/or to seek recognition and enforcement for judgements rendered by a Hong Kong court in the PRC. Furthermore, the PRC does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgements awarded by courts of the United States, United Kingdom, or some other European countries or Japan. Hence, the recognition and enforcement in the PRC of judgement of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible.

The payment of dividends by the Issuer Group's and the Guarantor Group'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 Group's and the Guarantor Group'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 its subsidiaries may impact the Issuer Group's and the Guarantor Group's ability to fund its operations and to service its indebtedness.

The Issuer Group's and the Guarantor Group's labour costs may increase for reasons such as the implementation of the PRC Labour Contract Law or inflation in the PRC.

The Issuer Group's business is labour intensive and the Guarantor Group is required to maintain a certain number of employees to effectively conduct its business. Industrial action or other labour unrest, which may be unforeseeable or beyond the Issuer Group's and the Guarantor Group's control, may directly or indirectly prevent or hinder the Issuer Group's and the Guarantor Group's normal operations, and, if not resolved in a timely manner, could adversely affect its business and prospects. There is no assurance that labour unrest will not affect the general labour market or result in changes to relevant labour laws.

In recent years, the PRC government had amended labour laws to enhance the protection of employees' rights. In addition, increasing minimum wages, awareness of labour protection and inflation also led to increases in labour costs for PRC enterprises. The Issuer Group and the Guarantor Group may not be able to pass on any such increases to its customers. Any failure to do so may have a material and adverse effect on the Issuer Group's and the Guarantor Group's financial condition and results of operations.

RISKS RELATING TO THE BONDS AND THE GUARANTEE

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

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

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

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

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

Any failure to complete the Foreign Debt Registration within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the investors of the Bonds.

In accordance with the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) issued by the SAFE on 28 April 2013, which came into effect on 13 May 2013 and as amended on 4 May 2015, the Issuer shall register the issuance of the Bonds with the SAFE. According to the Operation Guidelines for Administration of Foreign Debt Registration (外債登記管理操作指引) promulgated together with the Administrative Measures for Foreign Debt Registration on 28 April 2013 and effective on 13 May 2013, the Notice by the State Administration of Foreign Exchange on Issuing the Guidelines for Foreign Exchange Business under the Capital Account (2024 version) (國家外匯管理局關於印發資本項目外匯業務指引(2024年版)的通知) promulgated on 3 April 2024 and effective on 6 May 2024, and the Notice of PBOC on Matters Concerning Macroprudential Management on All-round Cross-border Financing (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知), which came into effect on 12 January 2017, the Issuer is required to register the Bonds within 15 working days after execution of the Trust Deed and complete such registration in accordance with the Administrative Measures for Foreign Debt Registration. Before such registration of the Bonds is completed, it is uncertain whether the Bonds are enforceable as a matter of PRC law and it may be difficult for Bondholders to recover amounts due from the Issuer, and the Issuer may not be able to remit the proceeds of the offering into the PRC or remit money out of the PRC in order to meet its payment obligations under the Bonds. Pursuant to article 27(5) of the Administrative Measures for Foreign Debt Registration, a failure to comply with registration requirements may result in a warning and fine as set forth under article 48 of the Foreign Exchange Administrative Regulations (外匯管理條例) promulgated by the State Council in 2008.

However, pursuant to article 40 of the Foreign Debt Administration Provisional Rules (外債管理暫行辦法) promulgated by the MOF, the NDRC and the SAFE, a failure by a domestic entity to register a foreign debt contract will render the contract not legally binding and unenforceable. Under the Terms and Conditions, the Issuer undertakes to register or cause to be registered with the SAFE the Bonds in accordance with the applicable law, regulations and implementation rules issued by the PBOC, the SAFE and other competent authorities in the PRC from time to time, and use its best endeavours to complete the Foreign Debt Registration and obtain a registration record (or any other document evidencing the completion of the Foreign Debt Registration) from the SAFE. The Issuer has already consulted with the local SAFE in connection with the registration procedures and documentary requirements. The Issuer does not foresee any obstacle in completing the registration. If the Issuer fails to complete the registration with the SAFE, the Issuer may have difficulty in remitting funds offshore to service payments in respect of the Bonds and investors may encounter difficulties in enforcing judgments obtained in the Hong Kong courts with respect to the Bonds and the Trust Deed in the PRC. In such circumstances, the value and secondary market price of the Bonds may also be materially and adversely affected.

Implementation of the Circular 56 may involve significant uncertainties.

According to the Circular 56 issued by the NDRC, which took effect on 10 February 2023, domestic enterprises and their controlled entities overseas shall procure the registration of any debt securities or medium to long term loans 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, and notify the particulars of the relevant issues or drawings within 10 PRC business days after closing. The Issuer has registered the issuance of the Bonds with the NDRC and obtained a certificate from the NDRC on 22 July 2026 evidencing such registration (the “**NDRC Certificate**”). Pursuant to the Circular 56, the Issuer shall, among other things, (i) within ten Registration Business Days after the Issue Date, report certain information about the Bonds to the NDRC, including, among others, the key operating indicators of the Issuer and information about the Bonds; (ii) within ten PRC business days after the expiration of the validity of the NDRC Certificate, report the foreign debts borrowing information of the Bonds; and (iii) within five PRC business days before the end of January and the end of July during each year that the Bonds are outstanding, report the status of the use of proceeds raised from the offering of the Bonds, the repayment of principal and interest on the Bonds and the related plans and key operating indicators of the Issuer, among other matters. If the Issuer fails to report the relevant information in accordance with the Circular 56, the NDRC may direct the Issuer to make corrections within a prescribed time period, and if the violation is serious or if the Issuer fails to make a correction within the prescribed time period, the NDRC may give a warning to the Issuer and its main responsible persons.

In addition, the administration of Circular 56 may be subject to a certain degree of executive and policy discretion by the NDRC. There is no assurance that any future change in PRC laws and regulations relating to the interpretation of Circular 56 and its related rules would not have a negative impact on the performance, validity and/or enforceability of the Bonds in the PRC. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions.

The Bonds and the Guarantee are unsecured obligations.

As the Bonds and the Guarantee are unsecured obligations of each of the Issuer and the Guarantor, the repayment of the Bonds and payment under the Guarantee may be compromised if:

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

If any of these events were to occur, the Issuer’s or the Guarantor’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 and the Guarantee will be structurally subordinated to the existing and future indebtedness and other liabilities and commitments of the Issuer's and the Guarantor's respective existing and future subsidiaries and other affiliates and effectively subordinated to the Issuer's and the Guarantor's secured debt to the extent of the value of the collateral securing such indebtedness.

The Bonds and the Guarantee will be structurally subordinated to any debt and other liabilities and commitments, including trade payables and lease obligations, of the Issuer's and the Guarantor's respective existing or future subsidiaries or other affiliates, whether or not secured. The Bonds will not be guaranteed by any of the Issuer's and the Guarantor's respective subsidiaries or affiliates, and the Issuer and the Guarantor 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 or the Guarantor. The ability of such subsidiaries or affiliates to pay dividends or otherwise transfer assets to the Issuer or the Guarantor is subject to various restrictions under applicable laws. The Issuer's and the Guarantor's respective subsidiaries and affiliates are separate legal entities that have no obligation to pay any amounts due under the Bonds or the Guarantee, or make any funds available therefor, whether by dividends, loans or other payments. The Issuer's and the Guarantor's right to receive assets of any of the Issuer's and the Guarantor's respective subsidiaries or affiliates, 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 or the Guarantor is a creditor of that subsidiary). Consequently, the Bonds and the Guarantee will be effectively subordinated to all liabilities, including trade payables and lease obligations, of any subsidiaries or other affiliates of the Issuer or the Guarantor.

The Bonds and the Guarantee will be the Issuer's and the Guarantor's (subject to Condition 4(a) (*Negative Pledge*) of the Terms and Conditions) unsecured obligations respectively and will (i) rank at least equally in right of payment with all the Issuer's and the Guarantor's other present and future unsecured and unsubordinated obligations; (ii) be effectively subordinated to all of the Issuer's and the Guarantor's present and future secured indebtedness to the extent of the value of the collateral securing such obligations; and (iii) be senior to all of the Issuer's and the Guarantor's present and future subordinated obligations, subject in all cases to exceptions as may be provided by applicable legislation. As a result, claims of secured lenders, whether senior or junior, with respect to assets securing their loans will have priority with respect to those assets. In the event of the Issuer's or the Guarantor's bankruptcy, insolvency, liquidation, reorganisation, dissolution or other winding up, or upon any acceleration of the Bonds, these assets will be available to pay obligations on the Bonds or the Guarantee (as the case may be) 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 or the Guarantor'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.

If the Issuer, the Guarantor or any other member of the Issuer Group or the Guarantor Group is unable to comply with the restrictions and covenants in their respective debt agreements, or the Bonds, there could be a default under the terms of these agreements or the Bonds, which could cause repayment of their respective debts to be accelerated.

Certain financing agreements entered into by members of the Issuer Group and the Guarantor Group may contain operational and financial restrictions on the Issuer Group's, the Guarantor Group's or, as the case may be, the relevant subsidiary's business operations or financing activities, that prohibit the relevant borrower from incurring additional indebtedness, providing guarantees to other parties or changing its business focus or corporate structure unless it is able to satisfy certain requirements, including but not limited to meeting certain financial ratios or obtaining the relevant lender's prior consent. The ability of the Issuer Group and the Guarantor Group to meet such requirements may be affected by events beyond their respective control, and the Issuer Group and the Guarantor Group may not be in compliance with such restrictions from time to time. Such restrictions may also negatively affect the Issuer Group's and the Guarantor Group's ability to respond to changes in market conditions in time, take advantage of business opportunities the Issuer Group or the Guarantor 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 ability of the Issuer, the Guarantor and any member of the Issuer Group or the Guarantor Group to satisfy any obligations under the Bonds, the Guarantee and/or other debts, as the case may be.

If the Issuer or the Guarantor is unable to comply with the restrictions and covenants under the Bonds, or with its current or future debt obligations and other agreements (if any), there could be a default under the terms of those agreements, including the Bonds. In the event of a default under such agreements, the holders of the debt could terminate their commitments to lend to the Issuer or the Guarantor (as the case may be), accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate such agreements, as the case may be. Furthermore, some of the Issuer's and the Guarantor's debt agreements, including the Bonds, may contain cross-acceleration or cross-default provisions. As a result, the default by the Issuer, the Guarantor or any other member of the Issuer Group or the Guarantor Group under one debt agreement may cause the acceleration of repayment of debt, including the Bonds, or result in a default under their respective other agreements, including the Bonds. If any of these events occur, there can be no assurance that the Issuer's assets and cash flows would be sufficient to repay in full all of the indebtedness of the Issuer or such other member of the Issuer Group, that the Guarantor's assets and cash flows would be sufficient to repay in full all of the indebtedness of the Guarantor or such other member of the Guarantor Group, or that the Issuer or the Guarantor 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 Issuer, the Guarantor or such other member of the Issuer Group or the Guarantor Group.

The Bondholders would need to be subject to the exclusive jurisdiction of the Hong Kong courts and there can also be no assurance that the PRC courts will recognise and enforce judgments of the Hong Kong courts in respect of English law governed matters or disputes.

The Terms and Conditions, the Deed of Guarantee, the Trust Deed and the Agency Agreement are governed by English law, whereas parties to these documents have submitted to the exclusive jurisdiction of the Hong Kong courts. 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.

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 Issuer Group and the Guarantor Group are subject are also relatively undeveloped and untested. On 18 January 2019, Hong Kong and the PRC entered into the 2019 Arrangement, which seeks to establish a bilateral legal mechanism with greater clarity and certainty for recognition and enforcement of judgments in a wider range of civil and commercial matters between Hong Kong and the PRC. The 2019 Arrangement has taken effect since 29 January 2024 and shall apply to judgments made by the courts of Hong Kong and the PRC on or after the date of the commencement of the 2019 Arrangement (excluding specified kinds of judgments such as judgments relating to bankruptcy or winding-up). In relation to claims made in connection with the Bonds, the Deed of Guarantee the Trust Deed and the Agency Agreement, under the 2019 Arrangement, judgments of Hong Kong courts are likely to be recognised and enforced by the PRC courts where the contracting parties to the transactions pertaining to such judgments have agreed to submit to the exclusive jurisdiction of Hong Kong courts. However, the recognition and enforcement of foreign judgments in the PRC are subject to the provisions, limitations, procedures and other terms and requirements of the 2019 Arrangement. Recognition and enforcement of a Hong Kong court judgment could be refused if, among other things, the PRC courts consider that the enforcement of such judgment is contrary to the social and public interest of the PRC or if other circumstances specified by the 2019 Arrangement are present. While it is expected that the PRC courts will recognise and enforce a judgment given by Hong Kong courts governed by English law, there can be no assurance that the PRC courts will do so for all such judgments as there is no established practice in this area.

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

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

An active trading market for the Bonds may not develop.

The Bonds will be 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 Issuer Group's and the Guarantor Group's operations and the market for similar securities. Although application will be made to the MOX for listing of the Bonds, no assurance can be given as to the liquidity of, or trading market for, the Bonds. In addition, one or more initial investors in the Bonds may purchase a significant portion of the aggregate principal amount of the Bonds pursuant to the offering. The liquidity of the Bonds will be adversely affected if the Bonds are held or allocated to limited investors. None of the Joint Lead Managers is obliged to make a market in the Bonds, and if any of the Joint Lead Managers does so, it may discontinue such market-making activity at any time at its sole discretion. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed

secondary market. In addition, Bondholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Offering Circular), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Bonds. Such 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 Issuer Group or the Guarantor 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, Bondholders 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 may be different from the standards applicable to debt securities listed in certain other countries or regions.

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 countries or regions. As a result, the level of information that is available may not correspond to what Bondholders 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 Issuer's, the Issuer Group's, the Guarantor's or the Guarantor Group's revenue, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, changes in interest rates and fluctuations in prices for comparable companies or any adverse change in 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 trading volume and price of the Bonds. There is no assurance that these developments will not occur in the future.

International financial markets and world economic conditions may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC.

Since the global financial crisis in 2008 and 2009, the international financial markets have experienced significant volatility. In December 2016, the U.S. Federal Reserve raised interest rates for the first time in a year, and the second time since the 2008 financial crisis. The U.S. Federal Reserve further raised interest rates three times in 2017 and four times in 2018 but lowered them three times in 2019 and twice in 2020 as a result of the impact of the COVID-19 pandemic on the American economy. However, in 2022 and 2023, the U.S. Federal Reserve raised interest rates multiple times in order to control inflation. In 2024, the U.S. Federal Reserve began to lower interest rates. Such fluctuations may increase the

uncertainties relating to the prices of U.S. dollar denominated bonds. More recently, the failure of several regional banks in the U.S. has cast doubt on the health of the global banking industry and exacerbated the already turbulent international financial markets caused by rising interest rates. If similar developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

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

The Bonds will carry fixed interest rates. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for Bondholders. However, 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 Issuer or the Guarantor may be unable to redeem the Bonds upon the due date for redemption thereof.

Unless previously redeemed, or purchased and cancelled, on the Maturity Date, the Bonds will be redeemed at their principal amount, or following the occurrence of a Relevant Event, the Issuer may, at the option of any Bondholder, be required to redeem all, but not some only, of such Bondholder's Bonds at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with any accrued interest up to but excluding the relevant Put Settlement Date. On the Maturity Date or 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 Guarantor (who will be required to make payments pursuant to the Guarantee) would have sufficient liquidity at such time to make the required payment upon redemption of the Bonds. The ability to redeem the Bonds on the Maturity Date or in such event may also be limited by the terms of other debt instruments. The Issuer's failure to repay, repurchase or redeem tendered Bonds, or the Guarantor's failure to make payments under the Guarantee could constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's or the Guarantor's other indebtedness.

The insolvency laws of the PRC may differ from those of other jurisdictions with which the holders of the Bonds may be more familiar.

As each of the Issuer and the Guarantor is incorporated under the laws of the PRC, any insolvency proceeding relating to the Issuer and the Guarantor 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. There is no assurance that investors in the Bonds will be able to receive the same level of protection under the insolvency laws of the PRC as those in their respective home jurisdictions.

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

The Terms and Conditions and the Trust Deed contain provisions for calling meetings of the holders of the Bonds to consider matters affecting their interests generally, and to pass resolutions in writing or by way of electronic consents through the relevant clearing system(s) (as defined in the Trust Deed). These provisions permit defined majorities to bind all Bondholders including those Bondholders who did not attend and vote at the relevant meeting or participate in the relevant resolution and those Bondholders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of holders of the Bonds may be adverse to the interests of the individual holders of the Bonds.

Modifications and waivers may be made in respect of the Terms and Conditions, the Trust Deed, the Deed of Guarantee and/or the Agency Agreement by the Trustee or less than all of the holders of the Bonds.

The Terms and Conditions provide that the Trustee may (but shall not be obliged to) agree, without the consent of the holders of the Bonds, to any modification of any of the Terms and Conditions or any of the provisions of the Trust Deed, the Deed of Guarantee and/or the Agency Agreement (other than in respect of a Reserved Matter (as defined in the Trust Deed)) which in the opinion of the Trustee will not be materially prejudicial to the interests of the holders of the Bonds and to any modification of any of the Terms and Conditions or any of the provisions of the Trust Deed, the Deed of Guarantee and/or the Agency Agreement or the Bonds 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 or any rule or procedure of the relevant clearing system.

In addition, the Trustee may (but shall not be obliged to), without the consent of the holders of the Bonds, agree to the waiver or authorisation of any breach or proposed breach of any of the Terms and Conditions or any of the provisions of the Trust Deed, the Deed of Guarantee and/or the Agency Agreement or the Bonds if, in the opinion of the Trustee, the interests of the holders of the Bonds will not be materially prejudiced thereby.

The Trustee is not, however, responsible nor shall have any liability for the legality, effectiveness, validity, enforceability or admissibility in evidence of the Trust Deed, the Deed of Guarantee, the Agency Agreement or the Bonds or any transaction documents relating to the Bonds, save in relation to its own gross negligence, wilful default or fraud.

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 and the Guarantor pursuant to Condition 9 (*Events of Default*) of the Terms and Conditions and taking action pursuant to Condition 13 (*Enforcement*) of the Terms and Conditions), the Trustee may (at its sole and absolute discretion) request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions and/or steps and/or institutes proceedings on behalf of the Bondholders. The Trustee shall not be obliged to take any such actions and/or steps and/or institute such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution (as defined in the Trust Deed) or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds then outstanding and (ii) it shall have been

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 or steps can be taken or such proceedings instituted. The Trustee may not be able to take actions or steps or institute proceedings, notwithstanding the provision of an indemnity or security 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 and/or steps and/or institute such proceedings directly.

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

Under the Enterprise Income Tax Law of the PRC (effective 1 January 2008, last amended 29 December 2018, together with its implementation rules, the “**EIT Law**”), any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained income derived from sources within the PRC. There remains uncertainty as to whether the gains realised on the transfer of the Bonds by non-resident enterprise Bondholders would be treated as income derived from sources within the PRC and be subject to PRC enterprise income tax. In addition, under the Individual Income Tax Law of the PRC (last amended 31 August 2018 and effective on 1 January 2019, together with its implementation rules, the “**IIT Law**”), any individual who has no domicile and does not live within the territory of the PRC or who has no domicile but has lived within the territory of China for less than one year shall pay individual income tax for any income obtained within the PRC. There is uncertainty as to whether the gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排) (the “**Tax Arrangement**”) which was promulgated on 21 August 2006, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds if such capital gains are not connected with an office or establishment that the Bondholders have in the PRC and all the other relevant conditions are satisfied.

On 23 March 2016, the MOF and the State Administration of Taxation issued the Circular of Full Implementation of Replacing Business Tax with Value-Added Tax Reform (關於全面推開營業稅改徵增值稅試點的通知) (Caishui [2016] No. 36) (the “**Circular 36**”) last amended on 1 April 2019, which introduced a new value-added tax (“**VAT**”) from 1 May 2016. Further, Circular 36 was partially amended by Announcement of the State Taxation

Administration on Matters relating to Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) which was issued by the State Administration of Taxation on 21 March 2019 and became effective on 1 April 2019, and on 25 December 2024, the Standing Committee of the National People's Congress issued the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》) (“**Value-added Tax Law**”), which became effective on 1 January 2026.

Under Circular 36 and Value-added Tax Law, VAT is applicable where entities or individuals provide services within the PRC. The Issuer will be obliged to withhold VAT of 6 per cent. and certain surcharges on payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. The Circular 36 and the Value-added Tax Law together with other laws and regulations pertaining to VAT are relatively new, and the interpretation and enforcement of such laws and regulations involve uncertainties.

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

Any downgrading of the Issuer's corporate ratings, or those of its subsidiaries, by rating agencies could adversely affect the Issuer Group's business and its liquidity.

The Issuer has been assigned a corporate credit rating of “BBB” with a stable outlook by Lianhe Global. Any adverse revision to the Issuer Group's corporate ratings, or those of its subsidiaries, for domestic and international debt by rating agencies may adversely affect the Issuer Group's business and financial performance and the trading price of the Bonds. Further, the Issuer Group's ability to obtain financing or to access to capital markets may also be limited, thereby lowering its liquidity.

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

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

While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the Clearing System for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the Clearing System(s) to receive payments under the 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 relevant clearing system to appoint appropriate proxies. Similarly, holders of beneficial interests in a Global Certificate will not have a direct right under such Global Certificate to take enforcement action against the Issuer in the event of a default under the Bonds but will have to rely upon their rights in the Trust Deed.

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

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

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

The Issuer may redeem the Bonds at its option, in whole but not in part, at a redemption price equal to their principal amount, together with interest accrued to, but excluding, the date fixed for redemption if, subject to certain conditions, as a result of a change in tax law, the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in the Terms and Conditions), as further described in Condition 6(b) (*Redemption for Taxation Reasons*) of the Terms and Conditions.

If the Issuer redeems the Bonds prior to the Maturity Date, investors may not receive the same economic benefits they would have received had they held the Bonds to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, the Issuer's ability to redeem the Bonds may reduce the market price of the Bonds.

The Issuer may issue additional bonds in the future.

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

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

The Bonds will be issued in the Specified Denomination (as defined in the Terms and Conditions) of 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.

RISKS RELATING TO THE BONDS DENOMINATED IN RENMINBI

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

Currently Renminbi is not freely convertible. 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 import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and is subject to a strict monitoring system.

There is no assurance that the PRC government will continue to gradually relax its control over cross-border remittance of Renminbi in the future. Current schemes for Renminbi cross-border utilisation may be discontinued or new regulations in the PRC may be introduced 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 denominated in Renminbi, the Issuer will need to source Renminbi offshore to finance such obligations under the Bonds denominated in Renminbi, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

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

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. The PBOC has established Renminbi clearing and settlement systems with financial institutions in major global financial centres (each a “**RMB Clearing Bank**”), including London, Frankfurt and Singapore where restrictions are imposed by the PBOC on Renminbi business. These banks do not have direct Renminbi liquidity support from the PBOC. Renminbi Clearing Banks only have access to onshore liquidity support from the PBOC for squaring open positions of

participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints due to 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 could affect the liquidity of the Bonds. To the extent the Issuer is required to source Renminbi in the offshore market to service payments on the Bonds, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all, which could significantly impact the Issuer's ability to service its obligations under the Bonds.

TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions of the Bonds (as defined below) substantially in the form in which they (subject to modification and 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 issue of the CNY660,000,000 in aggregate principal amount of 3.7 per cent. guaranteed bonds due 2029 (the “**Bonds**”, which expression, unless the context requires otherwise, includes any further bonds issued pursuant to Condition 15 of these terms and conditions (these “**Conditions**”) and to be consolidated and forming a single series therewith) of Dujiangyan Urban and Rural Construction Group Co., Ltd. (都江堰市城鄉建設集團有限公司) (the “**Issuer**”) was authorised by a resolution of the board of directors of the Issuer passed on 6 February 2026 and a resolution of the shareholder of the Issuer dated 26 February 2026. The Bonds are constituted by a trust deed dated 29 September 2026 (the “**Issue Date**”) (as amended and/or supplemented and/or replaced from time to time, the “**Trust Deed**”) made between the Issuer, Tianfu Bond Insurance Co., Ltd. (天府信用增進股份有限公司) (the “**Guarantor**”) and CNCBI Trustee Limited (in such capacity, the “**Trustee**”, which expression shall, where the context so permits, include its successor(s) and assign(s) and all other persons for the time being the trustee or trustees under the Trust Deed) as trustee for itself and the Bondholders (as defined below). These Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed, which includes the form of the Bonds. The Bonds have the benefit of a deed of guarantee dated 29 September 2026 (as amended and/or supplemented from time to time, the “**Deed of Guarantee**”) made between the Guarantor and the Trustee relating to the Bonds, such deed being executed in favour of the Trustee for itself and the Bondholders. The giving of the Guarantee (as defined below) was authorised by the project approval resolution resolved by the Chairman of the Guarantor dated 15 September 2026. An agency agreement (as amended, restated, replaced and/or supplemented from time to time, the “**Agency Agreement**”) dated 29 September 2026 relating to the Bonds has been entered into between the Issuer, the Guarantor, the Trustee and China CITIC Bank International Limited as principal paying agent (in such capacity, the “**Principal Paying Agent**”, which expression shall include any successor and assigned principal 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 and assigned 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 or assigned transfer agent appointed from time to time pursuant to the Agency Agreement, in connection with the Bonds) and any other agents appointed thereunder. In these Conditions, “**Paying Agents**” means any paying agents appointed from time to time pursuant to the Agency Agreement with respect to the Bonds and includes the Principal Paying Agent, and “**Agents**” means the Principal Paying Agent, any other Paying Agents, the Registrar, any Transfer Agent and any other agent or agents appointed from time to time pursuant to the Agency Agreement with respect to the Bonds.

So long as any Bond is outstanding (as defined in the Trust Deed), copies of the Trust Deed, the Agency Agreement and the Deed of Guarantee are available for inspection at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) at the principal office of the Trustee, being as at the Issue Date at 13/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong following prior written request and proof of holding and

identity to the satisfaction of the Trustee. 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 the Deed of Guarantee and are deemed to have notice of those provisions of the Agency Agreement applicable to them.

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

1 FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are issued in registered form in the specified denomination of CNY1,000,000 and integral multiples of CNY10,000 (each, a “**Specified Denomination**”) in excess thereof. The Bonds are represented by registered certificates (the “**Certificates**”) and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same Holder (as defined below).

Title to the Bonds shall pass by transfer and registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”), on which shall be entered the names and addresses of holders and the particulars of the Bonds held by them and of all transfers of the Bonds. Each holder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds. The Holder of any Bond shall (except as ordered by a court of competent jurisdiction or as otherwise required by law) be deemed to be and treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the Certificate (other than the endorsed form of transfer, duly completed) representing 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 any 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 name thereof).

*Upon issue, the Bonds will initially be represented by a global certificate (the “**Global Certificate**”) registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A. These 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” in the Offering Circular.*

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 the Bonds. The Bonds are not issuable in bearer form.

2 TRANSFERS OF BONDS AND ISSUE OF CERTIFICATES

(a) Transfer

A holding of Bonds may, subject to Conditions 2(d) and 2(e) and relevant provisions of the Agency Agreement, be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred (which shall be in a Specified Denomination), together with the form of transfer endorsed on such Certificate(s), duly completed and executed 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. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred (which shall be in a Specified Denomination) and a further new Certificate in respect of the balance of the holding not transferred (which shall be in a Specified Denomination) shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a Holder, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing 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.

(b) Delivery of New Certificates

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

(c) Transfer Free of Charge

Registration and transfer of Bonds and issuance of new Certificates shall be effected without charge to the relevant Bondholder by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment by the relevant Bondholder of any and all taxes, duties, assessments or other governmental

charges that may be imposed in relation to any of them (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require in respect thereof); (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its sole and absolute discretion with the documents of title or identity of the person making the application; and (iii) the Registrar or the relevant Agent (as the case may be) being satisfied in its sole and absolute discretion that the Regulations (as defined below) have been complied with.

(d) Restricted Transfer Periods

No Holder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for any payment of principal, interest or premium in respect of that Bond, (ii) after a Put Exercise Notice (as defined in Condition 6(c)) has been deposited in respect of such Bond pursuant to Condition 6(c), (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)(ii)), or (iv) during the period of 15 days prior to (and including) any date on which Bonds may be called for redemption by the Issuer pursuant to Condition 6(b).

(e) Regulations

All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations (the “**Regulations**”) concerning transfer and registration of Bonds, the initial form of which is scheduled to the Agency Agreement. No transfer of title to a Bond will be valid unless and until entered on the Register. Each of the Issuer and the Registrar may change the Regulations from time to time, with the prior written approval of the Trustee and (in the case of any change proposed by the Issuer) of the Registrar. A copy of the current Regulations will be mailed (free of charge to the Bondholder and at the expense of the Issuer) by the Registrar to any Bondholder following written request and is available at the specified office of the Registrar for inspection by any Bondholder at all reasonable times during usual business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) from Monday to Friday (other than public holidays)) upon prior written request and proof of holding and identity to the satisfaction of the Registrar.

3 STATUS

(a) Status of the Bonds

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 or priority 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.

(b) Status of the Guarantee

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Trust Deed and the Bonds. The Guarantor's obligations in that respect (the "**Guarantee**") are contained in the Deed of Guarantee. The payment obligations of the Guarantor under the Guarantee 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.

4 COVENANTS

(a) Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and each of the Issuer and the Guarantor will ensure that none of their respective Subsidiaries (as defined below) will, create, or have outstanding, any Security Interest (as defined below), upon the whole or any part of their present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness issued or incurred outside the PRC, or any guarantee or indemnity in respect of any Relevant Indebtedness issued or incurred outside the PRC, without at the same time or prior thereto according to the Bonds (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 (as defined in the Trust Deed) of the Bondholders.

(b) Notification to NDRC

The Issuer undertakes that it will within the relevant prescribed timeframes after the Issue Date file or cause to be filed with the NDRC the requisite information and documents in respect of the Bonds in accordance with the Administrative Measures for the Review and Registration of Medium- and Long-Term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) issued by the NDRC on 5 January 2023 which came into effect on 10 February 2023 (the "**NDRC Administrative Measures**") and any implementation rules, reports, certificates, approvals or guidelines as issued by the NDRC from time to time, including but not limited to, the NDRC Post-Issue Filing.

(c) Undertakings relating to Foreign Debt Registration

The Issuer undertakes that it will (i) within 15 Registration Business Days after the Issue Date, submit or cause to be submitted an application for registration of the Bonds with SAFE pursuant to the Administrative Measures for Foreign Debt Registration (外債登記管理辦法) and its operating guidelines, effective as of 13 May 2013 and as amended on 4 May 2015 and if applicable, the Circular of the People's Bank of China on Matters relating to the Macro-prudential Management of Full-covered Cross-border Financing (Yin Fa [2017] No. 9) (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知) (銀發[2017] 9號) issued by the People's Bank of China which came into effect on 12 January 2017 (the

“**Foreign Debt Registration**”), (ii) use its best endeavours to complete the Foreign Debt Registration and obtain a registration record or filing evidence from SAFE on or before the Registration Deadline, and (iii) comply with all applicable PRC laws and regulations in relation to the Bonds.

(d) Notification of Completion of the Foreign Debt Registration and the NDRC Post-Issue Filing

The Issuer shall within ten Registration Business Days after the later of the submission of the NDRC Post-Issue Filing and the completion of the Foreign Debt Registration, provide the Trustee with (i) a certificate in English (substantially in the form set out in the Trust Deed) signed by an Authorised Signatory of the Issuer confirming (A) the completion of the Foreign Debt Registration and the NDRC Post-Issue Filing and (B) that no Relevant Event, Event of Default or any event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 9 become an Event of Default has occurred; and (ii) copies of the relevant documents evidencing the Foreign Debt Registration and the NDRC Post-Issue Filing (if any), each certified in English by an Authorised Signatory of the Issuer as being a true and complete copy of the original (the items specified in (i) and (ii) together, the “**Registration Documents**”). In addition, the Issuer shall, within ten Registration Business Days after the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16) confirming the completion of the NDRC Post-Issue Filing and the Foreign Debt Registration.

The Trustee may rely conclusively without investigation or verification on the Registration Documents and shall have no obligation or duty to monitor, assist with or ensure the completion of the Foreign Debt Registration on or before the Registration Deadline or to verify the accuracy, content, completeness, validity and/or genuineness of any Registration Documents or any other certificate, confirmation or other document, or to translate or procure the translation into English of any Registration Document or any other certificate, confirmation or other document, or to give notice to the Bondholders confirming the completion of the Foreign Debt Registration, and shall not be liable to the Bondholders or any other person for not doing so.

(e) Financial Information

(i) Financial Information of the Issuer

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 Issuer’s Audited Financial Reports prepared in the English language in accordance with PRC GAAP (audited by a nationally recognised firm of independent accountants) within 150 days of the end of each Relevant Period; and (ii) a copy of the Issuer’s Unaudited Financial Reports prepared in the English language on a basis consistent with the Issuer’s Audited Financial Reports within 120 days of the end of each Relevant Period.

(ii) Financial Information of the Guarantor

So long as any Bond remains outstanding, the Guarantor will furnish the Trustee with (i) a copy of the relevant Guarantor's Audited Financial Reports within 180 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 (ii) a copy of the Guarantor's Unaudited Financial Reports within 90 days of the end of each Relevant Period prepared on a basis consistent with the Guarantor's Audited Financial Reports, and if such reports shall be in the Chinese language, together with an English translation of the same translated by (A) a nationally or internationally recognised firm of independent accountants or (B) a professional translation service provider and checked by a nationally or internationally recognised firm of independent accountants, together with a certificate in English signed by an Authorised Signatory of the Guarantor certifying that such translation is complete and accurate (on which the Trustee may conclusively rely without further enquiry or investigation and without liability to each of the Bondholder, the Issuer, the Guarantor or any other person for doing so). The Trustee shall not be required to review the Guarantor's Audited Financial Reports or the Guarantor's Unaudited Financial Reports delivered to it as contemplated in this Condition 4(e) 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

Each of the Issuer and the Guarantor shall send a Compliance Certificate (as defined below) to the Trustee (i) at the same time as the Issuer's Audited Financial Reports or the Guarantor's Audited Financial Reports (as the case may be) for each Relevant Period are furnished to the Trustee pursuant to Condition 4(e) and (ii) within 14 days of any written request therefor from 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 doing so, for the accuracy, validity and/or genuineness of any matters or facts stated therein.

(g) Definitions

In these Conditions:

"Authorised Signatory" means any director or any other officer of the Issuer or the Guarantor, as the case may be, who has been duly authorised by the board of directors of the Issuer or the Guarantor, as the case may be, to sign any certificate or document required in connection with the Bonds, the Trust Deed, the Deed of Guarantee (in the case of the Guarantor only) and the Agency Agreement on behalf of, and so as to bind the Issuer or the Guarantor, as the case may be, and which the Issuer or the Guarantor, as the case may be, has notified in writing to the Trustee and the Agents as provided in the Agency Agreement;

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

- (i) no Event of Default (as defined in Condition 9) or Potential Event of Default (as defined below) had occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and
- (ii) the Issuer or the Guarantor, as the case may be, has complied with all its obligations and covenants under the Trust Deed, the Deed of Guarantee (in the case of the Guarantor only) and the Bonds, or, if any non-compliance has occurred, giving details of such non-compliance;

“Guarantor’s Audited Financial Reports” means, for a Relevant Period, the annual audited consolidated balance sheet, income statement, cash flow statement and statement of changes in owners’ equity of the Guarantor together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them, prepared in accordance with the applicable PRC GAAP;

“Guarantor’s Unaudited Financial Reports” means, for a Relevant Period, semi-annual unaudited and unreviewed consolidated balance sheet, income statement, cash flow statement and statement of changes in owners’ equity of the Guarantor (if any) 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.

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

“Issuer’s Audited Financial Reports” means, for a Relevant Period, the annual audited consolidated balance sheet, income statement, cash flow statement and statement of changes in owners’ equity of the Issuer together with any statements, reports (including any directors’ and auditors’ reports) and notes attached to or intended to be read with any of them, prepared in accordance with the applicable PRC GAAP;

“Issuer’s Unaudited Financial Reports” means, for a Relevant Period, semi-annual unaudited consolidated balance sheet, income statement, cash flow statement and statement of changes in owners’ equity of the Issuer (if any) 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.

“NDRC” means the National Development and Reform Commission of the PRC or any of its local counterparts;

“PBOC” means the People’s Bank of China;

“**Person**” means any 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 in China 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 and the PRC;

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

“**Relevant Indebtedness**” means any present or future indebtedness which (i) is in the form of, or represented or evidenced by, any bonds, notes, debentures, debenture stock, loan stock or other securities, and which (ii) for the time being is, or is 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;

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

“**SAFE**” means the State Administration of Foreign Exchange of the PRC or its competent local branches;

“**Security Interest**” means any mortgage, charge, lien, pledge, encumbrance or other security interest of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, charge, lien, pledge, security interest, easement or encumbrance of any kind); and

a “**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.

5 INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 3.7 per cent. per annum, payable semi-annually in arrear in equal instalments of CNY185 per Calculation Amount (as defined below) on 29 March and 29 September in each year (each an “**Interest Payment Date**”) commencing on 29 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 Principal Paying Agent has notified the 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).

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**”. If interest is required to be calculated for a period of less than a complete Interest Period, the relevant day-count fraction will be determined on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed (the “**Day-count Fraction**”).

Interest in respect of any Bond shall be calculated per CNY10,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the rate of interest specified above, the Calculation Amount and the Day-count Fraction for the relevant period, rounding the resulting figure to the nearest 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 the Interest Payment Date falling on, or nearest to, 29 September 2029 (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 to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable)

and in writing to the Trustee and the Principal Paying Agent, at their principal amount together with any interest accrued to, but excluding, the date fixed for redemption, if the Issuer (or, if the Guarantee were called, the Guarantor) satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts (as defined in Condition 8) 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 and/or amendment becomes effective on or after 24 September 2026, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, *provided that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds (or the Guarantee, as the case may be) then due. Prior to the giving of any notice of redemption pursuant to this Condition 6(b), the Issuer (or, if the Guarantee were called, the Guarantor) shall deliver to the Trustee (A) a certificate in English signed by an Authorised Signatory of the Issuer (or the Guarantor, as the case may be) stating that the obligation referred to in (i) above of this Condition 6(b) cannot be avoided by the Issuer (or, if the Guarantee were called, the Guarantor) 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 (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay such Additional Tax Amounts as a result of such change and/or amendment, and the Trustee shall be entitled (but shall not be obliged) to accept and conclusively rely upon such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b) without further enquiry or investigation and without liability to the Bondholders, the Issuer, the Guarantor or any other person for doing so, in which event the same shall be conclusive and binding on the Bondholders. Neither the Trustee nor any of the Agents shall be responsible for monitoring or taking any steps to ascertain whether any of the circumstances mentioned in this Condition 6(b) has occurred or for calculating or verifying the calculations of any amount payable under any notice of redemption under this Condition 6(b) or any Put Exercise Notice (as defined below) under Condition 6(c) or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation thereto and none of them shall be liable to the Bondholders, the Issuer, the Guarantor or any other person for not doing so.

All Bonds in respect of which any notice of redemption is given under this Condition 6(b) shall be redeemed on the date specified in such notice in accordance with this Condition 6(b).

(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 at 101 per cent. (in the case of a redemption for a Change of

Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with any interest accrued 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 the Principal Paying Agent or any other Paying Agent a duly completed and signed notice of redemption, substantially in the form scheduled to the Agency Agreement (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 the Bondholders by the Issuer in accordance with Condition 16.

The “**Put Settlement Date**” shall be the fourteenth day after the expiry of such period of 30 days as referred to above.

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

The Issuer shall give notice in writing to the Bondholders in accordance with Condition 16 and to the Guarantor, the Trustee and the Principal Paying Agent in writing by not later than 14 days (in the case of a redemption for a Change of Control) or five days (in the case of a redemption for a No Registration Event) following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Bonds pursuant to this Condition 6(c).

Unless it has received notice from the Issuer pursuant to this Condition 6(c), the Trustee shall be entitled to assume that no Relevant Event has occurred. Neither the Agents nor the Trustee shall be required to monitor or to take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur and none of them shall have any obligation or duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with any Registration Conditions and none of them shall be liable to Bondholders, the Issuer, the Guarantor or any other person for not doing so.

For the purposes of these Conditions:

a “**Change of Control**” occurs when:

- (i) PRC Government Persons together cease to directly or indirectly hold or own at least 90 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 an asset sale or transfer) or the surviving entity (in the case of a consolidation or merger) is/are, directly or indirectly, at least 90 per cent. held or owned by the PRC Government Persons (whether singly or in combination);

“PRC Government Persons” means (i) the State-owned Assets Supervision and Administration Commission of the State Council or any successor entity thereto, (ii) Dujiangyan State-owned Asset Supervision, Administration and Finance Bureau (都江堰市國有資產監督管理和金融工作局) or its successor(s), and/or (iii) the Central People’s Government of the PRC, or (iv) any person or entity directly or indirectly wholly-owned by any of (i) to (iii);

a **“No Registration Event”** occurs when the Registration have not been satisfied in full on or before the Registration Deadline;

a **“person”** includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or, agency of a state (in each case whether or not being a separate legal entity);

“Registration Conditions” means the receipt by the Trustee of the Registration Documents relating to the Foreign Debt Registration in accordance with Condition 4(d); and

a **“Relevant Event”** will be deemed to occur if: (i) there is a No Registration Event; or (ii) there is a Change of Control;

So long as the Bonds are represented by the Global Certificate, the right of the Bondholders to redemption of the Bonds following the occurrence of a Relevant Event will be effected in accordance with the rules and procedures for the time being of the relevant clearing systems.

(d) Purchase

The Issuer, the Guarantor and any of their respective 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, the Guarantor or any such Subsidiary, shall not entitle the Holder thereof to vote at any meetings of the Holders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Holders or for the purposes of Condition 9, Condition 12(a) and Condition 13.

(e) 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(e). If there is more than one notice of redemption given in respect of any Bond (which shall include any 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 monitoring or taking any steps to ascertain whether any of the circumstances mentioned in Condition 6(b) has occurred or calculating or verifying any calculations of any amounts payable under any notice of redemption and shall not be liable to the Holders, the Issuer, the Guarantor or any other person for not doing so.

(f) Cancellation

All Certificates representing Bonds redeemed or purchased by or on behalf of any of the Issuer, the Guarantor or their respective Subsidiaries may be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds may be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor 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 Registrar or any Transfer Agent if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in Condition 7(a)(ii).
- (ii) Interest on each Bond shall be paid, on the due date for payment, to the Holder at its registered account each as 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**”). Upon application by the Holder to the specified office of the Registrar or any Transfer Agent before the Record Date, or at the option of the relevant Agent, such payment of interest shall be made by wire transfer to the registered account of the Bondholder. For the purposes of this Condition 7(a)(ii), a Bondholder’s “**registered account**” means the Renminbi-denominated account maintained by or on behalf of it with a bank in Hong Kong, details of which appear on the Register.
- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

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

- (b) **Payments subject to Fiscal Laws:** All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives 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 is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if that 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 is required to be but has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on the first Payment Business Day on which the Principal Paying Agent is open for business and on or following which the relevant Certificate is surrendered.
- (d) **Appointment of Agents:** The Principal Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed in the Agency Agreement. The Principal Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer and the Guarantor (or, as provided in the Trust Deed, and the Agency Agreement, the Trustee) and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer and the Guarantor reserve the right at any time with the prior written approval of the Trustee (i) to vary or terminate the appointment of the Principal Paying Agent, the Registrar, the Transfer Agent or any of the other Agents, and (ii) to appoint additional or other Paying Agents and/or Transfer Agents, *provided that* the Issuer and the Guarantor shall at all times maintain (A) a Principal Paying Agent, (B) a Registrar, (C) a Transfer Agent and (D) such other agents as may be required by any other stock exchange on which the Bonds may be listed. Any such additional or other Agent shall be a bank or trust company of international repute with experience of performing the role and duties of the Agent which it replaces. Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Bondholders in accordance with Condition 16.
- (e) **Delay in Payment:** The 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.

- (f) **Non-Payment Business Day:** If any date for payment in respect of any Bond is not a Payment Business Day, the Holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment.

In this Condition 7, “**Payment Business Day**” means a day other than a Saturday, a Sunday or a public holiday on which banks and foreign exchange markets are generally open for business and settlement of Renminbi payments in Hong Kong and the place in which the specified place of the Principal Paying Agent is located and (if surrender of the relevant Certificate is required) in the relevant place of presentation.

8 TAXATION

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

Where withholding or deduction is made by the Issuer or as the case may be, the Guarantor for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC at a rate up to and including the aggregate rate applicable on 24 September 2026 (the “**Applicable Rate**”), the Issuer or the Guarantor, as the case may be, will increase the amounts paid by it to the extent required, so that the net amount received by the Bondholders equals the amounts which would otherwise have been received by them had no such withholding or deduction been required.

If the Issuer or, as the case may be, the Guarantor is required to make a deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the PRC in excess of the Applicable Rate, then the Issuer or the Guarantor, as the case may be, 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 (or the Guarantee, as the case may be):

- (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) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented for payment or surrendered (where presentation or surrender is required) more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such Additional Tax Amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days.

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 that, upon further surrender of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

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

If the Issuer or the Guarantor, as the case may be, becomes subject at any time to any taxing jurisdiction other than the PRC, reference 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 in any event be responsible for paying any tax, duty, charges, assessments, government charges, withholding or other payment referred to in this Condition 8 or otherwise in connection with the Bonds or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Bondholder or any other party to pay such tax, duty, assessments, government charges, withholding or other payment in any jurisdiction or be responsible to provide any notice or information to the Trustee or any Agent 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, charges, assessments, government charges, withholding or other payment imposed by or in any jurisdiction.

9 EVENTS OF DEFAULT

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its 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 in any such case that the Trustee shall have first been indemnified and/or

secured and/or pre-funded to its satisfaction), give written notice to the Issuer and the Guarantor that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with any accrued and unpaid interest:

(a) With respect to the Issuer:

- (i) **Non-Payment:** there has been a failure to pay when due and payable (A) the principal of or any premium (if any) on any of the Bonds when due or (B) any interest on any of the Bonds when due and, in the case of interest, such failure continues for a period of 14 days; or
- (ii) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations under the Bonds or the Trust Deed (other than those referred to in Condition 9(a)(i) or where it gives rise to a right of redemption pursuant to Condition 6(c)), which default is, in the opinion of the Trustee, incapable of remedy or, if such default is, in the opinion of the Trustee, capable of remedy, such default is not remedied within 60 days after written notice of such default shall have been given to the Issuer by the Trustee; or
- (iii) **Cross-Default of the Issuer:** (A) any other present or future indebtedness of the Issuer or any of its Subsidiaries for or in respect of moneys borrowed or raised becomes (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 (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period; or (C) the Issuer or any of its Subsidiaries fails to pay when due or, as the case may be, within any originally applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(a)(iii) have occurred in aggregate equals or exceeds U.S.\$20 million or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 9(a)(iii) operates); or
- (iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any material part of the property, assets or revenues of the Issuer or any of the Principal Subsidiaries and is not discharged or stayed within 60 days; or
- (v) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of the Principal Subsidiaries over all or a material part of its assets 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 any such action is not discharged within 60 days; or

- (vi) **Insolvency:** the Issuer or any of the Principal Subsidiaries is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts 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 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 the Principal Subsidiaries; or
- (vii) **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 Principal Subsidiary, or the Issuer or any Principal Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for (I) the purpose of and followed by a solvent winding-up, dissolution, reconstruction, amalgamation, reorganisation, merger or consolidation (A) on terms approved by an Extraordinary Resolution of the Bondholders, or (B) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Issuer or any of its Subsidiaries, or (II) a solvent winding up of any Principal Subsidiary, or (III) a disposal or sale of any Principal Subsidiary to another person on an arm's length basis; or
- (viii) **Government Intervention:** (A) any step is taken by any person acting under the authority of any national, regional or local government with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the undertaking, assets and revenues of the Issuer or any of its Principal Subsidiaries or (B) 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
- (ix) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done by the Issuer in order (A) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (B) to ensure that those obligations are legally binding and enforceable and (C) to make the Bonds, the Certificates, the Register and the Trust Deed admissible in evidence in the courts of Hong Kong, is not taken, fulfilled or done; or
- (x) **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds and/or the Trust Deed; or
- (xi) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to Conditions 9(a)(iv) to 9(a)(x) (both inclusive).

(b) With respect to the Guarantor:

- (i) **Non-Payment:** in case that the Guarantee is called, there has been a failure to pay when due and payable (A) the principal of or any premium (if any) on any of the Bonds when due or (B) any interest on any of the Bonds when due and, in the case of interest, such failure continues for a period of 14 days; or
- (ii) **Breach of Other Obligations:** the Guarantor does not perform or comply with any one or more of its other obligations under the Bonds, the Trust Deed and/or the Deed of Guarantee (other than those referred to in Condition 9(b)(i) or where it gives rise to a right of redemption pursuant to Condition 6(c)), which default is, in the opinion of the Trustee, incapable of remedy or, if such default is, in the opinion of the Trustee, capable of remedy, such default is not remedied within 30 days after written notice of such default shall have been given to the Guarantor by the Trustee; or
- (iii) **Cross-Acceleration of the Guarantor:** (A) any other present or future indebtedness of the Guarantor or any of its Subsidiaries becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), (B) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (C) the Guarantor 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 in respect of which one or more of the events mentioned above in this Condition 9(b)(iii) have occurred equals or exceeds CNY350,000,000 or its equivalent in any other currency (on the basis of the middle spot rate for the relevant currency against the Renminbi as quoted by any leading bank on the day on which this Condition 9(b)(iii) operates); or
- (iv) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or any material part of the property, assets or revenues of the Guarantor or any of its Principal Subsidiaries and is not discharged or stayed within 45 days; or
- (v) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Guarantor or any of its Principal Subsidiaries over all or a material part of the assets of the Guarantor or its relevant Principal Subsidiary, as the case may be, 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 any such action is not discharged within 45 days; or
- (vi) **Insolvency:** the Guarantor or any of its Principal Subsidiaries is (or is deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts as and when such debts fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit

of the relevant creditors in respect of 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 Guarantor or any of its Principal Subsidiaries, as the case may be; or

- (vii) **Winding-up:** (A) an order of any court of competent jurisdiction is made or an effective resolution is passed for the winding-up or dissolution of the Guarantor or any of its Principal Subsidiaries, or (B) the Guarantor or any of its Principal Subsidiaries ceases or threatens to cease to carry on all or a material part of its business or operations, except in the case of (A) and (B) above for the purpose of and followed by a reconstruction, dissolution, amalgamation, reorganisation, merger or consolidation: (I) on terms approved by the Bondholders by Extraordinary Resolution, (II) in the case of a Principal Subsidiary of the Guarantor, whereby the undertaking and assets of such Principal Subsidiary are transferred to or otherwise vested in the Guarantor or another of its Subsidiaries, or (III) in the case of a disposal of a Principal Subsidiary of the Guarantor, on an arm's length basis where the proceeds resulting from such disposal (whether in cash or otherwise) are fully vested in the Guarantor and/or another of its Subsidiaries; or (IV) the voluntary solvent winding-up of any of the Guarantor's Principal Subsidiaries; or
- (viii) **Nationalisation:** any step is taken by any person acting under the authority of any national, regional or local government with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a substantially part of the assets of the Guarantor or any of its Principal Subsidiaries; or
- (ix) **Authorisation and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done by the Guarantor in order (A) to enable the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds, the Trust Deed and the Deed of Guarantee (as applicable), (B) to ensure that those obligations are legally binding and enforceable and (C) to make the Bonds, the Certificates, the Register, the Trust Deed and the Deed of Guarantee admissible in evidence in the courts of Hong Kong, is not taken, fulfilled or done; or
- (x) **Illegality:** it is or will become unlawful for the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds, the Trust Deed and/or the Deed of Guarantee; or
- (xi) **Unenforceability of Guarantee:** any part of the Guarantee is unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by the Guarantor; or
- (xii) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to Conditions 9(b)(iv) to 9(b)(viii) (both inclusive).

In this Condition 9, “**Principal Subsidiary**” means any Subsidiary of the Issuer or the Guarantor:

- (I) whose revenue or (in the case of a Subsidiary of the Issuer or the Guarantor, as the case may be, which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement, is at least five per cent. of the consolidated revenue of the Issuer or five per cent. of the consolidated revenue of the Guarantor, as the case may be, as shown by the latest audited consolidated income statement of the Issuer or the Guarantor, as the case may be, including, for the avoidance of doubt, the Issuer or the Guarantor, as the case may be, and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (II) whose net profit or (in the case of a Subsidiary of the Issuer or the Guarantor, as the case may be, which itself has Subsidiaries) consolidated net profit, as shown by its latest audited income statement, is at least five per cent. of the consolidated net profit of the Issuer or five per cent. of the consolidated net profit of the Guarantor, as the case may be, as shown by the latest published audited consolidated income statement of the Issuer or the Guarantor, as the case may be, including, for the avoidance of doubt, the Issuer or the Guarantor, as the case may be, and its consolidated Subsidiaries’ share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or
- (III) whose gross assets or (in the case of a Subsidiary of the Issuer or the Guarantor, as the case may be, which itself has Subsidiaries) consolidated gross assets, as shown by its latest audited balance sheet are at least five per cent. of the amount which equals the amount included in the consolidated gross assets of the Issuer or five per cent. of the amount which equals the amount included in the consolidated gross assets of the Guarantor, as the case may be, and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Issuer or the Guarantor, as the case may be, including, for the avoidance of doubt, the investment of the Issuer or the Guarantor, as the case may be, and their respective consolidated Subsidiaries in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer or the Guarantor, as the case may be, and after adjustment for minority interests; or
- (IV) to which is transferred the whole or substantially the whole of the assets of a Subsidiary of the Issuer or the Guarantor, as the case may be, which immediately prior to such transfer was a Principal Subsidiary of the Issuer or the Guarantor, as the case may be, provided that the Principal Subsidiary of the Issuer or the Guarantor, as the case may be, which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary of the Issuer or the Guarantor, as the case may be, and the Subsidiary of the Issuer or the Guarantor, as the case may be, to which the assets are so transferred shall forthwith become a Principal Subsidiary of the Issuer or the Guarantor, as the case may be, on or after the date on which the first audited accounts (consolidated, if appropriate) of the Issuer or the Guarantor, as the case may be, prepared as of a date later than such transfer are issued unless such transferor Subsidiary or such transferee Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (I), (II) or (III) above of this definition;

provided that, in relation to paragraphs (I), (II) and (III) above of this definition:

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

A certificate signed by an Authorised Signatory of the Issuer or the Guarantor (as the case may be) stating that, in his/her opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary of the Issuer or the Guarantor (as the case may be), shall, in the absence of manifest error, be conclusive and binding on all parties.

10 PRESCRIPTION

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

11 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to the Bondholders in accordance with Condition 16, 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, DETERMINATION AND ENTITLEMENT OF TRUSTEE

(a) Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of the Bondholders to consider matters affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Trust Deed, the Deed of Guarantee and/or the Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee, and shall be convened by the Trustee if requested in writing to do so by Bondholders holding not less than ten per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing 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 and the Deed of Guarantee, including consideration of proposals, *inter alia*, (i) to modify the Maturity Date 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, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, or (v) to modify or cancel the Deed of Guarantee (other than an amendment or supplement to, or a replacement of, the Deed of Guarantee in connection with a further issue of bonds pursuant to Condition 15 or modification pursuant to Condition 12(b)), in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on the Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution (A) in writing signed 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 or (B) passed by Electronic Consent (as defined in the Trust Deed) shall, in each case, 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. A resolution passed in writing or by Electronic Consent will be binding on all Bondholders whether or not they participated in such resolution.

For so long as the Bonds are represented by the Global Certificate, an Extraordinary Resolution includes a consent given by way of Electronic Consent through the relevant clearing system(s) by or on behalf of all the Bondholders of not less than 90 per cent. in principal amount of the Bonds for the time being outstanding.

(b) Modification, Waiver, Authorisation and Determination

The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, the Deed of Guarantee and/or the Agency Agreement or the Bonds that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law or any rule or procedure of the relevant clearing system, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of these Conditions or any of the provisions of the Trust Deed, the Deed of Guarantee and/or the Agency Agreement or the Bonds that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders as soon as practicable thereafter in accordance with Condition 16. The Trustee may request and conclusively rely without further enquiry, investigation or verification and without liability upon certificate signed by an Authorised Signatory of the Issuer or the Guarantor (as the case may be) and/or an opinion of counsel concerning the compliance with the above conditions in respect of any modification and/or amendment, without further enquiry or investigation and without liability to the Issuer, the Guarantor or any other person for doing so.

(c) Entitlement of the Trustee

In connection with the performance and exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the interests of, or be responsible for the consequences of such exercise for, individual Bondholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Bondholders (whatever their number) resulting

from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Guarantor or, in the case of a claim by any Bondholder, the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 ENFORCEMENT

At any time after the Bonds become due and payable, the Trustee may, at its sole and absolute discretion and without further notice, (i) take such steps and/or actions and/or institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the terms of the Trust Deed, the Deed of Guarantee, the Agency Agreement and/or the Bonds (as the case may be), and/or (ii) take action (including legal action) to protect or preserve the rights and interests of the Bondholders, but it need not take any such steps and/or actions and/or institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds then outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Holder may proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to be indemnified, secured and/or pre-funded to its satisfaction and to be relieved from responsibility in certain circumstances including, without limitation, provisions relieving it from taking any steps and/or actions and/or instituting any proceedings to enforce its rights under the Trust Deed, the Deed of Guarantee, the Agency Agreement and/or these Conditions and/or in respect of the Bonds and/or from taking other steps and/or actions and/or instituting proceedings unless first indemnified and/or secured and/or pre-funded to its satisfaction and entitling the Trustee to be paid or reimbursed for its fees, costs, expenses and indemnity payments and for any liabilities incurred by it in priority to the claims of the Bondholders. The Trustee and its parent, subsidiaries and affiliates are entitled (i) to enter into business transactions with the Issuer, the Guarantor and/or any entity related (directly or indirectly) to the Issuer or the Guarantor (ii) to act as trustee for the bondholders of any other securities issued by or relating to, the Issuer and any entity related to the Issuer or the Guarantor (iii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders and (iv) to 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 accept and shall be entitled to rely conclusively without further enquiry or investigation and without liability to the Issuer, the Guarantor, or any other person for doing so, and may act or refrain from acting, in each case without liability to the Bondholders, the Issuer, the Guarantor or any other person on any report, confirmation, certificate or information from or any advice or

opinion of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert or professional adviser, 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, the Agents or any other person 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 further enquiry or investigation and without liability to the Issuer, the Guarantor, or any other person for doing so, on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, information, advice or opinion shall be binding on the Bondholders and if provided by the Issuer or the Guarantor, the Issuer or the Guarantor, as the case may be.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Deed of Guarantee, 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 refraining 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 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 action, 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 Guarantor, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from taking such action, making such decision or giving such direction or certification where the Trustee is seeking such direction or clarification of any directions from the Bondholders or in the event that the instructions, directions or clarifications sought are not provided by the Bondholders. None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee in accordance with the instructions or any direction or request of the Bondholders. The Trustee shall be entitled to rely on any approval, direction or instruction of the Bondholders holding the requisite principal amount of Bonds outstanding (whether given by Extraordinary Resolution or otherwise as contemplated or permitted by the Trust Deed and/or the Bonds).

None of the Trustee or any of the Agents shall be responsible or liable for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer or the Guarantor in relation to the Bonds, of the duties and obligations on their part expressed in respect of the same and, unless it has express notice in writing 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 of the Agents shall have any obligation to monitor or take any steps to ascertain compliance with the provisions of the Trust Deed, the Deed of Guarantee, the Agency Agreement or these Conditions or whether an Event of Default, a Potential Event of Default, a Relevant Event or any event which could lead to the

occurrence of a Relevant Event, an Event of Default or a Potential Event of Default has occurred and shall not be liable to the Bondholders or any other person for not doing so.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Guarantor and their respective Subsidiaries, and the Trustee shall not at any time have any responsibility or liability for the same and no Bondholder shall rely on the Trustee in respect thereof.

15 FURTHER ISSUES

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and the timing for complying with the requirements set out in these Conditions in relation to the NDRC Post-issue Filing and the Foreign Debt Registration and the relevant notifications to the Trustee and the Holders) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any further bonds issued pursuant to this Condition 15 and consolidated and forming a single series with the 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 and be guaranteed by the Guarantor pursuant to a deed supplemental to the Deed of Guarantee or an additional deed of guarantee.

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

16 NOTICES

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

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear Bank SA/NV, Clearstream Banking S.A., or the Alternative Clearing System (as defined in the form of the Global Certificate), any notice to the holders of the Bonds shall be validly given by the delivery of the relevant notice to Euroclear Bank SA/NV, Clearstream Banking S.A., or the Alternative Clearing System for communication by it to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Bonds, the Trust Deed or the Deed of Guarantee (save as specifically set out therein) under the Contracts (Rights of Third Parties) Act 1999, but this shall not affect any right or remedy which exists or is available apart from such Act and is without prejudice to the rights of the Bondholders as set out in Condition 13.

18 GOVERNING LAW AND JURISDICTION

(a) Governing Law

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

(b) Jurisdiction

The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Trust Deed, the Deed of Guarantee and the Agency Agreement and accordingly any legal action or proceedings arising out of or in connection with any Bonds, the Trust Deed, the Deed of Guarantee and the Agency Agreement (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed and the Agency Agreement, and the Guarantor has in the Trust Deed, the Agency Agreement and the Deed of Guarantee, 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.

Each of the Issuer, the Guarantor and the Trustee has in the Trust Deed submitted to the exclusive jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient or inappropriate forum to settle any dispute.

(c) Agent for Service of Process

Each of the Issuer and Guarantor has irrevocably appointed Cogency Global (HK) Limited at Room 2303, 23/F, The Sun’s Group Centre, 200 Gloucester Road, Wan Chai, Hong Kong as its agent in Hong Kong. Such service shall be deemed completed on delivery to such process agent (whether or not forwarded to and received by the Issuer or the Guarantor, as the case may be). If for any reason

Cogency Global (HK) Limited ceases to be such an agent in Hong Kong, the Issuer or the Guarantor, as the case may be, shall promptly appoint a new agent in Hong Kong to accept service of process on its behalf, notify the Trustee and the Bondholders (in accordance with Condition 16) of that appointment and deliver to the Trustee a copy of the new agent's acceptance of such appointment within 30 days of such cessation, failing which the Trustee shall be entitled but not obliged to appoint (at the expense of the Issuer or the Guarantor) such an agent by written notice to the Issuer and/or the Guarantor. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) Waiver of Immunity

Each of the Issuer and the Guarantor has in the Trust Deed and the Agency Agreement, and the Guarantor has in the Deed of Guarantee, waived any right to claim sovereign, crown, state or other immunity from jurisdiction or execution and any similar defence, and has irrevocably consented to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) or any order or judgment made or given in connection with any Proceedings.

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

The Global Certificate contains provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Terms and Conditions set out in this Offering Circular. The following is a summary of certain of those provisions. Terms defined in the Terms and Conditions set out in this Offering Circular have the meaning in the paragraphs below.

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

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

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either the Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Paying Agent and the Registrar through which the Bonds are held (“**Alternative Clearing System**”) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer at its own expense will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days’ notice at its specified office of such holder’s intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

PAYMENT

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

NOTICES

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any Alternative Clearing System, notices to holders of the Bonds shall be validly given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in substitution for notification as required by the Terms and Conditions, and shall be deemed to have been validly given on the date of delivery to such clearing system.

MEETINGS

For the purposes of any meeting of Bondholders, the 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

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

ISSUER'S REDEMPTION

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

TRANSFERS

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

CANCELLATION

Cancellation of any Bond represented by the Global Certificate by the Issuer following the redemption or purchase by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of the Bondholders and the Global Certificate.

TRUSTEE'S POWERS

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obligated to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the 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 CNY660,000,000. After deducting from such gross proceeds the commissions and other estimated expenses payable in connection with the issuance of the Bonds, the Issuer intends to use the net proceeds from this offering for refinance the principal of the medium- to long-term offshore bonds.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Issuer Group's consolidated capitalisation as at 31 December 2025 as adjusted to give effect to the issuance of the Bonds before deducting the underwriting fees and commissions and other estimated expenses payable in connection with this offering. The following table should be read in conjunction with the Issuer Group's consolidated financial information and related notes included in this Offering Circular.

	As at 31 December 2025	
	Actual	As adjusted
	(RMB) (Audited)	(RMB) (Unaudited)
Current indebtedness		
Short-term borrowings	2,653,200,000.00	2,653,200,000.00
Non-current liabilities due within one year ⁽⁷⁾	3,054,002,107.90	3,054,002,107.90
Other current liabilities	48,000,000.00	48,000,000.00
Total current indebtedness⁽¹⁾	5,755,202,107.90	5,755,202,107.90
Non-current indebtedness	—	—
Long-term borrowings	4,306,452,759.12	4,306,452,759.12
Bonds payable	1,533,933,798.78	1,533,933,798.78
Long-term payables ⁽⁶⁾	285,629,788.21	285,629,788.21
Other non-current liabilities ⁽⁸⁾	252,982,850.00	252,982,850.00
Bonds to be issued ⁽²⁾	—	660,000,000.00
Total non-current indebtedness⁽³⁾	6,378,999,196.11	7,038,999,196.11
Total indebtedness⁽⁴⁾	12,134,201,304.01	12,794,201,304.01
Totals owner's equity	10,013,687,480.00	10,013,687,480.00
Total capitalisation⁽⁵⁾	22,147,888,784.01	22,807,888,784.01

Notes:

- (1) Total current indebtedness used in this section represents the sum of short-term borrowings, non-current liabilities due within one year and other current liabilities as shown in the above table.
- (2) The amount represents the aggregate principal amount of the Bonds to be issued, before deducting commissions and other estimated expenses payable in connection with the offering of the Bonds.
- (3) Total non-current indebtedness used in this section represents the sum of long-term borrowings, bonds payable, long-term payables, other non-current liabilities and bonds to be issued as shown in the above table.
- (4) Total indebtedness used in this section represents the sum of total current indebtedness and total non-current indebtedness as shown in the above table.
- (5) Total capitalisation used in this section represents the sum of total indebtedness as shown in the above table and total owner's equity.
- (6) The amount of the long-term payables shown on the Consolidated Balance sheet of the Issuer Group 2025 Audited Financial Statements was RMB1,097,145,813.02, which comprises (i) the payable financial lease payments as shown in the above table and (ii) the special payable amounting to RMB811,516,024.81, as extracted from Note 8.31 to the Issuer Group 2025 Audited Financial Statements. The special payable were interest-free project funding provided by the government and therefore excluded from the long-term payables used in this section for the calculation of the total indebtedness of the Issuer Group as shown in the above table.

- (7) The non-current liabilities due within one year shown on the Consolidated Balance sheet of the Issuer Group 2025 Audited Financial Statements was RMB3,054,272,458.11, which comprises (i) long-term borrowings due within one year amounting to RMB1,827,482,328.20, (ii) bonds payable due within one year amounting to RMB986,684,909.86; (iii) long-term payables due within one year amounting to RMB185,398,919.84; (iv) other non-current liabilities due within one year amounting to RMB54,435,950.00 and (v) lease liabilities due within 1 year amounting to RMB270,350.21 as extracted from Note 8.26 to the Issuer Group 2025 Audited Financial Statements. The other non-current liabilities as shown in the above table excludes lease liabilities due within one year.
- (8) The amount of the other non-current liabilities shown on the Consolidated Balance sheet of the Issuer Group 2025 Audited Financial Statements was RMB341,976,918.64, which comprises (i) the aviation information circulation notes amounting to RMB88,994,068.64, and (ii) the other non-current liabilities amounting to RMB252,982,850.00 as extracted from Note 8.32 to the Issuer Group 2024 Audited Financial Statements. The other non-current liabilities as shown in the above table excludes the amount of aviation information circulation notes.

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

Except as disclosed above and otherwise disclosed in this Offering Circular, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Issuer since 31 December 2025.

DESCRIPTION OF THE ISSUER GROUP

OVERVIEW

The issuer group is the main entity responsible for the construction of major urban infrastructure projects in Dujiangyan City. The issuer group's business consists of the following five business segments: (i) engineering construction, (ii) trading, (iii) sand and gravel sales, (iv) primary land development and (v) other businesses. Below is an overview of each of the five business segments of The issuer group:

- **Engineering Construction:** The issuer group's engineering construction business primarily consists of construction of infrastructure facilities and resettlement housing in Dujiangyan City. It operates this business segment predominantly through its wholly-owned subsidiary New City Construction.
- **Trading:** The issuer group's trading operations primarily involve (i) ferrous metal smelting and rolling products business and (ii) the grain, oil, meat and eggs sales. The issuer group engages in these trading business through the Issuer and its subsidiary, Sichuan Runxi Supply Chain Management Co., Ltd. (四川潤熹供應鏈管理有限公司), respectively.
- **Sand and Gravel Sales:** The issuer group's sand and gravel sales business primarily consists of extraction, transportation and sales of sand and gravel resources in Dujiangyan City and its surrounding areas. It operates this business segment predominantly through its wholly-owned subsidiary, Runmao Industry.
- **Primary Land Development:** The issuer group's primary land development business primarily involves primary land development projects in Qingchengshan Town (青城山鎮), Riverside New District (濱江新區), Xujia Town (胥家鎮) and Puyang Town (蒲陽鎮) of Dujiangyan City. It operates this business segment predominantly through New City Construction and New City Constructions' subsidiaries including Dujiangyan Construction and Chengheng Rural Revitalisation. In 2025, the issuer group had completed the redevelopment of its existing land holdings. Due to policy and market factors, the issuer group has not undertaken any new land redevelopment projects.
- **Other Businesses:** The issuer group's other businesses primarily consist of rental services, property sales, building materials sales, asset transfers, material processing, land comprehensive improvement, and consulting services. It operates this business segment predominantly through its subsidiaries including Runxi Supply Chain, New City Constructions and Runmao Industry.

For the years ended 31 December 2023, 2024 and 2025, The issuer group's total revenue was approximately RMB1,366.63 million, RMB1,317.11 million and RMB1,308.88 million, respectively. The issuer group's total assets as at 31 December 2023, 2024 and 2025 were approximately RMB31,277.55 million, RMB35,783.46 million and RMB33,483.34 million, respectively.

As at the date of this Offering Circular, Dujiangyan SASAFB (formerly known as Dujiangyan State-owned Assets Supervision and Administration Committee (都江堰市國有資產監督管理委員會)) holds 100 per cent. of the equity interest of Dujiangyan

Investment, which in turn holds 100 per cent. of the equity interest of the Issuer. For a detailed shareholding structure of the Issuer, see “Description of The issuer group — Organisational Structure”.

As at the date of this Offering Circular, the Issuer has been assigned a “BBB” corporate rating from Lianhe, with a stable outlook.

HISTORY AND MILESTONE

The following table sets out key corporate historical events and milestones of The issuer group’s development over the years:

1993	On 2 June 1993, New City Construction was established.
1999	On 19 November 1999, Dujiangyan Construction was established.
2010	In September 2010, the Issuer (formerly known as Dujiangyan Jiju Agriculture Co., Ltd. (都江堰市集聚農業有限公司) and Dujiangyan Essence Runyuan Agricultural Investment Co., Ltd. (都江堰市精華潤源農業投資有限公司)) was established by Dujiangyan Modern Agriculture Development Investment Co., Ltd. (都江堰市現代農業發展投資有限責任公司) (“ Dujiangyan Modern Agriculture ”) with a registered capital of RMB10 million.
2013	In November 2013, Dujiangyan Modern Agriculture transferred 100 per cent. of the equity interests in the Issuer to Dujiangyan State-owned Assets Supervision and Administration Office (都江堰市國有資產監督管理辦公室) (“ Dujiangyan SASAO ”).
2017	On 5 December 2017, Chengheng Rural Revitalisation was established.
2018	In June 2018, in accordance with the Notice on Matters Concerning the Equity Transfer of State-owned Enterprises (Duguoazifa [2018] No. 48) (《關於國有企業股權劃轉有關事項的通知》(都國資發[2018]48號)) issued by Dujiangyan SASAO, Dujiangyan SASAO transferred 100 per cent. of the equity interests in the Issuer to Dujiangyan Modern Agriculture.
2019	On 9 September 2019, Runmao Industry was established.

In August 2022 and September 2022, in accordance with the Notice on Matters Concerning the Equity Transfer of State-owned Enterprises (Duguoizifa [2019] No. 80) (《關於國有企業股權劃轉有關事項的通知》(都國資發[2019]80號)) and the Notice on Matters Concerning the Transfer of Equity State-owned Enterprises (Duguoizifa [2019] No. 86) (《關於國有企業股權劃轉有關事項的通知》(都國資發[2019]86號)) issued by Dujiangyan SASAFB, Dujiangyan Modern Agriculture transferred 100 per cent. of the equity interest in the Issuer to Dujiangyan SASAFB. The Issuer's name was also changed to Dujiangyan Essence Runyuan Agricultural Investment Co., Ltd. (都江堰市精華潤源農業投資有限公司).

2020 On 24 July 2020, Runxi Supply Chain was established.

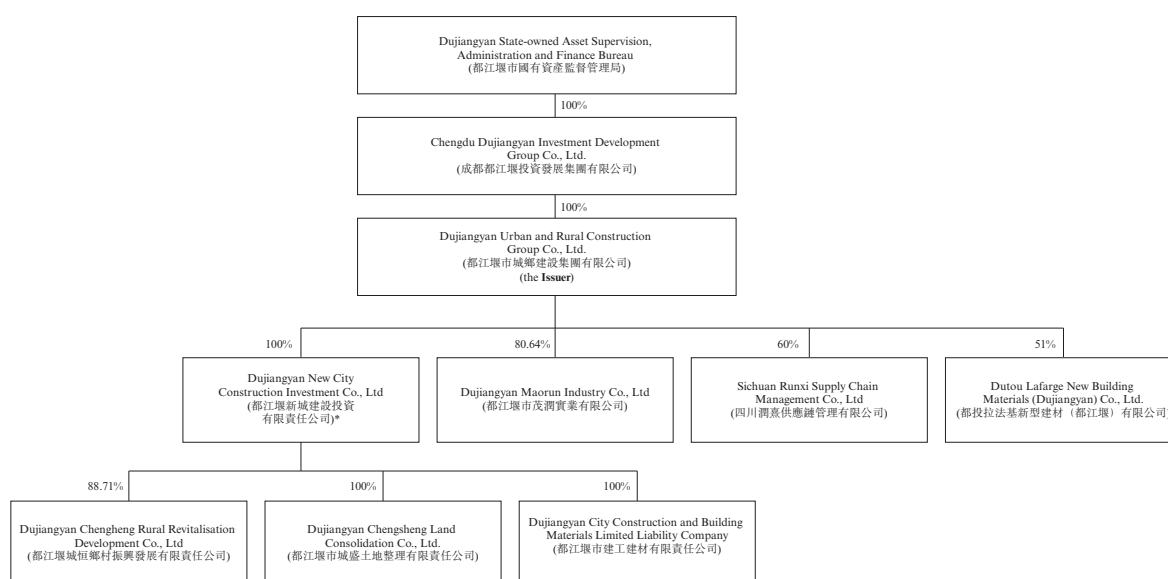
In December 2020, in accordance with the Reply on Matters Concerning the Transfer of Equity Interests in Dujiangyan Essence Runyuan Agricultural Investment Co., Ltd. (Duguoizifa [2020] No. 86) (《關於劃轉都江堰市精華潤源農業投資有限公司等股權有關事宜的批覆》(都國資發[2020]86號)) issued by Dujiangyan SASAFB, Dujiangyan SASAFB transferred 100 per cent. of the equity interests in the Issuer to New City Construction at nil consideration.

2021 In July 2021, in accordance with Dujiangyan City's unified deployment regarding state-owned enterprise reform and the work arrangements for the strategic adjustment of Dujiangyan Investment Group's industrial layout and structure, Dujiangyan New City Construction Investment Co., Ltd. (都江堰新城建設投資有限責任公司) and Dujiangyan City Jinghua Runyuan Agricultural Investment Co., Ltd. (都江堰市精華潤源農業投資有限公司) were merged and reorganised, with New City Construction Company becoming a second-tier subsidiary. Jinghua Runyuan Company was fully incorporated into the issuer group's centralised management, becoming a third-tier subsidiary of the Dujiangyan Investment Group.

- 2022 In August 2022, in accordance with the Minutes of the 85th Meeting of the First Board of Directors (第一屆董事會第85次會議紀要) of Dujiangyan Investment, (i) New City Construction transferred 100 per cent. of the equity interests in the Issuer to Dujiangyan Investment at nil consideration (the “**New City Construction Transfer**”); and (ii) Dujiangyan Investment transferred 100 per cent. of the equity interests in New City Construction to the Issuer at nil consideration (the “**Dujiangyan Investment Transfer**”). The industrial and commercial registrations with respect to the New City Construction Transfer and the Dujiangyan Investment Transfer were completed on 25 October 2022 and 3 November 2022, respectively. After the Reorganisation, the Issuer became a direct wholly-owned subsidiary of Dujiangyan Investment and New City Construction became a direct wholly-owned subsidiary of the Issuer.
- 2026 On 4 February 2026, the 100 per cent equity interest in Dujiangyan Minshui Environmental Protection Technology Co., Ltd. (都江堰市岷水環保科技有限責任公司) held by a subsidiary of the issuer group was transferred to Dujiangyan Xingshi Group Co., Ltd.(都江堰興市集團有限責任公司) This matter has not had a material impact on the issuer group’s business segments or profit model.

ORGANISATIONAL STRUCTURE

The chart below illustrates the simplified corporate structure of The issuer group and its material subsidiaries as at the date of this Offering Circular:



COMPETITIVE STRENGTHS

The issuer group believes that its success and prospects are primarily attributable to the following competitive strengths:

Excellent business and economic environment in Dujiangyan City

Dujiangyan City is a county-level city in Sichuan Province located at the northwest edge of the Chengdu Plain (成都平原) under the administration of Chengdu City (成都). Dujiangyan City connects Pengzhou City (彭州市), Pidu District (郫都區) and Wenjiang District (溫江區) to the east, Wenchuan County (汶川縣) to the west and north, and Chongzhou City (崇州市) to the south.

Dujiangyan City is a national famous historical and cultural city. Situated 48 kilometers from Chengdu, it is within the Chengdu Half-hour Economic Circle (成都半小時經濟圈) and it is the only city in the Chengdu-Chongqing Economic Circle (成渝經濟圈) which has three world-level heritages, i.e. the World Cultural Heritage (世界文化遺產), the World Natural Heritage (世界自然遺產) and the World Heritage of Irrigation Engineering (世界灌溉工程遺產). The excellent location of Dujiangyan makes it an important transportation hub in West Chengdu Plain connecting among several important highways, including National Highway 213 (Lanzhou-Kunming) (213國道(蘭州至昆明)), Chengdu-Guangzhou Expressway (Chengdu section of Rongchang Expressway) (成灌高速公路(蓉昌高速成都段)), Chengdu-Qingdao Tourism Expressway (成青旅遊快速通道), and Shaxi Line Extension (沙西線延伸段). Dujiangyan City also has quick access to domestic and international air transportation through Chengdu Shuangliu International Airport (成都雙流國際機場). Moreover, it has access to seas through the Dujiangyan-Chengdu-Beihai Land-sea Highspeed Corridor (都江堰 — 成都 — 北海高速出海通道) and Dujiangyan-Chengdu-Chongqing-Shanghai Land-sea Highspeed Corridor (都江堰 — 成都 — 重慶 — 上海高速出海通道).

As Dujiangyan City serves as a hub connecting the ethnic minorities region in Northwest Sichuan (川西北少數民族山區) and the Chengdu Plain, it plays an important role in the distribution of materials, business trading and cultural exchanges between the two areas, leading to an abundance of economic opportunities and great potential for future development of Dujiangyan City. With the development of Western China by the PRC Government (西部大開發), the continuous development of the Chengdu-Chongqing Economic Zone (成渝經濟區) as well as the implementation of the “14th Five-Year Plan” (「十四五」規劃) in Sichuan Province and Dujiangyan City which entails favourable policies promoting local development, the economic connectivity between Sichuan Province and Dujiangyan City with other major economic centers in the PRC will be substantially increased. In recent years, Dujiangyan City has experienced continuous and rapid economic development and its comprehensive competitiveness has been strengthened significantly due to the aforementioned factors. For the years ended 31 December 2023, 2024 and 2025, Dujiangyan City’s GDP amounted to approximately RMB50.68 billion, RMB54.54 billion and RMB60.07 billion, respectively.

Given The issuer group primarily operates its business within Dujiangyan City in the Sichuan Province, The issuer group believes that the excellent location and economic development potential of Dujiangyan City, as well as the implementation of the regional development policies in Dujiangyan City and its neighboring areas, has driven, and will continue to drive the demand for municipal development in Dujiangyan City, which has

contributed, and will continue to contribute to the growth of The issuer group's business operations, including but not limited to its sand and gravel sales business and engineering construction business. The issuer group believes that these developments will bring significant business opportunities and strong growth potentials to the issuer group's business going forward.

Healthy relationship with banks and diversified financing channels of Dujiangyan Investment and strong support from Dujiangyan Investment in The issuer group's financing activities

Dujiangyan Investment, the Issuer's parent company, has established good and stable relationships with many financial institutions and has maintained diversified financing channels to meet its business needs. As one of the most important subsidiaries of Dujiangyan Investment, The issuer group undertakes a number of significant projects and has received strong support from Dujiangyan Investment in its financing activities including obtaining credit facilities and project financing. Dujiangyan Investment's healthy relationships with banks and diversified financing channels and its strong support towards The issuer group's financing activities have supported The issuer group's sustainable development and laid a solid foundation for The issuer group's future financing efforts.

Experienced management team and efficient management mechanism

The Issuer has a stable management team with in-depth understanding of the Issuer's business and rich experience in the management of state-owned enterprises operating in the same industries as the Issuer. Please see "*Directors, Supervisors and Senior Management of the Issuer*" for further information. The Issuer's senior management team is supported by a stable team of key employees who can implement its business development strategies. In addition, the Issuer has established a cost-effective, high-quality and efficient management mechanism, which helps the Issuer to better manage its operation cost and improve its profitability.

STRATEGIES

The issuer group intends to implement the following strategies to achieve its business objectives:

Construct major engineering construction projects in alignment with Dujiangyan City's development plan

The issuer group aims to continue aligning its engineering construction projects with Dujiangyan City's development plan. This includes the development of commercial complexes and urban infrastructure facilities. The issuer group's current key projects include the CBD Financial Center Project (CBD金融中心), Dujiangyan Mishiba Area Old City Renovation Project (都江堰市米市壩片區舊城改造), One Street Area Municipal Roads Project (一街區市政道路項), Technical School Construction Project (技工學校建設項目), Special Education School Construction Project (特殊教育學校建設項目) and Baisha River Flood Control Project (白沙河防洪治理項目). Leveraging on the national rural complex development layout (國家田園綜合體總體發展佈局), The issuer group intends to carry out the Irrigation Area Image Project (灌區印象), the Tianfu Original Town Project (天府原鄉) and another 22 key projects in Juyuan Town (聚源鎮) and Tianma Town (天馬鎮)

improving the people's wellbeing with respect to high-quality farmland construction, forest planning and development, habitat environment improvement, highway construction, flood control.

Focus on its role as an integrated construction and investment platform in Dujiangyan City and diversify its business operations

The issuer group has established a diversified business model over the years covering areas such as engineering construction, trading, sand and gravel sales, primary land development, and other ancillary businesses. In striving to become an integrated construction and investment platform in Dujiangyan City with the ability to offer a full range of service across the green building materials supply chain, agricultural products supply chain and city-wide primary land development supply chain, The issuer group intends to establish a “3 + 3” business development system, i.e. to invest in the following six business areas: investment and financing, asset operation, urban and rural construction, land consolidation, green building materials and agricultural products supply chain.

Recent Development

Financial performance as at and for the six months ended 30 June 2026

As compared to its financial position as at 31 December 2025, as at 30 June 2026, the Issuer's contractual liabilities increased due to a rise in advance payments received. As compared to its financial position as at 31 December 2025, as at 30 June 2026, the Issuer's long-term borrowings increased due to an increase in finance borrowings. For the six months ended 30 June 2026, as compared to the respective amounts for the same period in the preceding year, the Issuer's cost of sales increased due to growth in the land sales business, and the Issuer's operating profit decreased due to the combined effect of period expenses, operating revenue and costs.

Potential investors should note, in particular, that the issuer group's financial information as at and for the six months ended 30 June 2026 is derived from the Company's management accounts and has not been audited or reviewed by independent auditors. As such, The issuer group's financial information as at and for the six months ended 30 June 2026 has not been set out in detail in this Offering Circular and does not form part of this Offering Circular and potential investors should not rely on such financial information in their evaluation of the financial condition of The issuer group and in making their investment decisions. The aforementioned financial information as at and for the six months ended 30 June 2026 are not necessarily indicative of the results that may be expected for any period thereafter. Consequently, potential investors must exercise caution when using such data to evaluate The issuer group's financial condition and results of operations. See “*Risk Factors — Risks Relating to The issuer group's Business The Issuer may publish periodical financial information in the PRC pursuant to applicable PRC regulatory rules. Investors should be cautious and not place any reliance on any financial information other than that disclosed in this Offering Circular*”. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, advisers, representatives or affiliates or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy of The issuer group's financial information as at and for the six months ended 30 June 2026 or the sufficiency of such financial information for an assessment of The issuer group's financial condition and results of operation.

Indebtedness incurred after 31 December 2025

Since 31 December 2025, The issuer group continued utilising external financing in the ordinary course of business to finance its operation. The issuer 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. For details, please see descriptions under the “*Capitalisation and Indebtedness*”.

BUSINESS OPERATIONS

The issuer group’s business operation consists of five segments: (i) engineering construction, (ii) trading, (iii) sand and gravel sales, (iv) primary land development and (v) other businesses. The following table sets forth a breakdown of the issuer group’s total revenue by business segment for the years indicated:

	For the years ended 31 December					
	2023		2024		2025	
	Percentage		Percentage		Percentage	
Business Segments	Amount	of total	Amount	of total	Amount	of total
	(audited)		(audited)		(audited)	
	(RMB in million, except for percentages)					
Engineering Construction	545.50	39.92	531.40	40.35	592.90	45.30
Trading	91.41	6.69	195.38	14.83	349.91	26.73
Sand and Gravel Sales	225.65	16.51	142.62	10.83	98.45	7.52
Primary Land Development	439.54	32.16	283.02	21.49	—	—
Other Businesses	64.52	4.72	164.70	12.50	267.61	20.45
Total	1,366.63	100.00	1,317.11	100.00	1,308.88	100.00

Engineering Construction

Overview

The issuer group is a leading player in engineering construction in Dujiangyan City. The issuer group operates its engineering construction business primarily through its wholly-owned subsidiary New City Construction. The issuer group’s engineering construction business mainly includes construction of infrastructure facilities and resettlement housing in Dujiangyan City. For the years ended 31 December 2023, 2024 and 2025, the revenue of The issuer group generated from its engineering construction business segment was approximately RMB545.50 million, RMB531.40 million and RMB592.90 million, representing approximately 39.92 per cent., 40.35 per cent. and 45.30 per cent. of the total revenue of The issuer group for the same years, respectively.

Business Model

The issuer group conducts its engineering construction business primarily through (i) the agency construction mode (委託代建模式) and (ii) self-construction and self-operating mode (自建自營模式).

Agency Construction Mode

Under the agency construction mode, New City Construction, as an agent, enters into agency construction agreements with government authorities including Dujiangyan Municipal People's Government (都江堰人民政府), Dujiangyan Municipal Housing and Urban-Rural Development Bureau (都江堰市住房和城鄉建設局) (“**Dujiangyan MHURDB**”), Dujiangyan Municipal Bureau of Transportation (都江堰市交通局) (“**Dujiangyan MBT**”), as principals. Under the agency construction agreements, New City Construction is responsible for financing, project construction and project management for the construction projects. New City Construction finances such projects through its own funds, bank loans and government financial budget funds. After a project is completed and handed over to the relevant principal, the relevant principal would pay New City Construction the project construction cost incurred and a certain amount of profit as its service fee.

For example, (1) according to the agency construction agreement entered into between New City Construction and Dujiangyan MBT in 2020 with respect to the reform and upgrade of the tourism traffic management system in Dujiangyan City, Dujiangyan MBT would pay New City Construction the invested amount of the project plus a reasonable profit, which equals to 18.00 per cent. of the project construction cost; and (2) according to the agency construction agreement entered into between New City Construction and Dujiangyan MHURDB in December 2020 with respect to municipal infrastructure projects including municipal roads, pipeline networks, parks, urban reforestation, sports centres, exhibition halls, administrative and office facilities, transport infrastructures and resettlement housing, after the relevant project is completed and handed over to Dujiangyan MHURDB within the specified time period, Dujiangyan MHURDB would pay New City Construction the investment amount of the project plus a reasonable profit, which equals approximately 18.58 per cent. of the project construction cost.

The issuer group's major engineering construction projects under agency construction mode include the Extension of Outer North Street (外北街延伸段), the Post-disaster Reconstruction of Dujiangyan Section of the S106 Western Sichuan Tourism Loop (S106線川西旅遊環線都江堰段災後改建工程), North Neighborhood Project (北街坊項目), the Dujiangyan Old Cheng-A Highway Lingyan Mountain Tunnel Construction Project (都江堰市老成阿公路靈岩山隧道建設工程項目) and the Dujiangyan City Upstream Area (One Street Area) Infrastructure Construction Project (都江堰市上游片區(一街區)基礎設施建設工程項目). As at the date of this Offering Circular, the construction of the Extension of Outer North Street (外北街延伸段), the Post-disaster Reconstruction of Dujiangyan Section of the S106 Western Sichuan Tourism Loop (S106線川西旅遊環線都江堰段災後改建工程) and North Neighborhood Project (北街坊項目) has been completed and the construction of the Dujiangyan Old Cheng-A Highway Lingyan Mountain Tunnel Construction Project (都江堰市老成阿公路靈岩山隧道建設工程項目) and the Dujiangyan City Upstream Area (One Street Area) Infrastructure Construction Project (都江堰市上游片區(一街區)基礎設施建設工程項目) is still ongoing.

Self-construction and Self-operation Mode

Under the self-construction and self-operation mode, The issuer group finances the projects through its own funds and external financing activities, operates the projects on its own after completion and realises profit from such projects.

The issuer group's major engineering construction projects under self-construction and self-operating mode include the Dujiangyan City Rural Habitat Comprehensive Improvement Project (都江堰市鄉村人居環境綜合整治項目), the Comprehensive Improvement Project for Rivers including Baisha River and Longxi Gully in Dujiangyan City (都江堰市白沙河、龍溪溝等河道綜合整治工程項目) and the Green Industry Standardized Plant and New Building Materials Research and Development Center Project (綠色產業標準化廠房及新型建材研發中心項目). As at the date of this Offering Circular, the Dujiangyan City Rural Habitat Comprehensive Improvement Project (都江堰市鄉村人居環境綜合整治項目), the Comprehensive Improvement Project for Rivers including Baisha River and Longxi Gully in Dujiangyan City (都江堰市白沙河、龍溪溝等河道綜合整治工程項目) and the Green Industry Standardized Plant and New Building Materials Research and Development Center Project (綠色產業標準化廠房及新型建材研發中心項目) are under construction.

Project Description

Completed Projects

The table below sets forth the particulars of the major completed engineering construction projects of The issuer group as at 31 December 2025:

Project Name	Invested Amount	Confirmed Revenue	Payment Received
		(RMB in million)	
First Block Project (壹街區項目)	2,501.00	2,901.00	908.00
Outer North Street Extension (外北街延伸段)	1,016.00	1,179.00	453.00
2018 Projects and Land Redevelopment Projects, 2019–2021 Projects (2018項目及土地整理項目、 2019–2021項目)	1,483.00	1,720.00	528.00
Dujiangyan Scenic Area (都江堰景區)	730.00	847.00	288.00
Yangtian Square Tourism and Commercial Complex (仰天廣場旅遊商業綜合體)	782.00	907.00	154.00
Qingcheng Mountain Construction (青城山建設)	377.00	437.00	236.00
Central Business District (CBD) Construction Project Phase I (中心商務區 (CBD) 建設項目一期工程)	569.00	660.00	425.00
Kuiguang Pagoda (奎光塔)	688.00	798.00	78.00
Total Amount	8,146.00	9,449.00	3,070.00

Project Under Construction

The table below sets forth the particulars of the major engineering construction projects under construction of The issuer group as at 31 December 2025:

Project Name	Total Investment	Invested Amount	Confirmed Revenue	Payment Received	Amount to be Invested
			(RMB in million)		
Dujiangyan City Rural Residential Environment Comprehensive Improvement Project (都江堰市 鄉村人居環境綜合整治項目)	1,204.00	712.00	Self-operated projects		492.00
Waibei Street Plot 102 Talent Apartment Project (外北街102地塊人才公寓項目)	200.00	20.00	Self-operated projects		180.00
Dujiangyan City Characteristic Composite Agricultural Industrial Base Construction Project (都江堰市特色複合農業產業基地建設 項目)	1,026.00	656.00	Self-operated projects		370.00

Project Name	Total Investment	Invested Amount	Confirmed Revenue	Payment Received	Amount to be Invested
(RMB in million)					
Dujiangyan City Baisha River, Longxi River, and Bayigou River Dredging Project (都江堰市白沙河、龍溪河、八一溝河道疏浚工程項目)	716.00	455.00	Self-operated projects		261.00
Green Industry Standardised Factory and New Building Materials R&D Center Project (綠色產業標準化廠房及新型建材研發中心項目)	216.00	50.00	Self-operated projects		166.00
Lingyan Tunnel Project (靈巖隧道工程)	160.00	110.00	32.00	32.00	50.00
Dujiangyan City Wanda Property Power Supply Cable Equipment Installation Project (都江堰市萬達持有物業電力配套電纜設備安裝項目)	195.00	90.00	15.00	—	105.00
Central Business District Area A Bank Area Air Conditioning Project (中心商務區A區銀行區域空調工程)	85.00	40.00	10.00	10.00	45.00
Mangcheng Area Power Relocation Project (芒城片區地塊電力遷改工程)	300.00	25.00	—	—	275.00
S106 West Sichuan Tourism Loop Dujiangyan Section Post-Disaster Reconstruction Project (S106線川西旅遊環線都江堰段災後改建工程)	200.00	103.00	—	—	97.00
Dujiangyan City Land Reclamation Project (都江堰市全域土地整治項目)	1,678.00	796.00	342.00	102.00	882.00
Total Amount	5,980.00	3,057.00	399.00	144.00	2,923.00

Project Under Planning

The table below sets forth the particulars of the major engineering construction projects under planning of The issuer group as at 31 December 2025:

Project Name	Total Planned Investment Amount
(RMB in million)	
Dujiangyan National Reserve Forest Construction Project (都江堰市國家儲備林建設項目)	1,007.00
Dutou Lahao New Building Materials Industrial Park Project (都投拉豪新型建築材料產業園項目)	150.00
Dujiangyan Financial Center CBD Renovation Project (Archives Center Project) (都江堰市金融中心CBD改造項目 (檔案中心項目))	40.00
Dujiangyan Qingchengshan Town Hemei Village Residential Environment Improvement Project (都江堰市青城山鎮和美鄉村人居環境改善提升項目)	713.00
Dujiangyan High-Yield Agricultural Planting Demonstration Base Construction Project (都江堰市高產農業種植示範基地建設項目)	576.00
Dujiangyan “Tianfu Granary” Agricultural Comprehensive Industrial Park Construction Project (都江堰「天府糧倉」農業綜合產業園建設項目)	480.00
Total Amount	2,966.00

Trading

Overview

The issuer group's trading operations primarily involve (i) ferrous metal smelting and rolling products business and (ii) the grain, oil, meat and eggs sales. The issuer group engages in these trading businesses through the Issuer and its subsidiaries, including Dujiangyan Runmao Industrial Co., Ltd. (都江堰市潤茂實業有限公司) and Sichuan Runxi Supply Chain Management Co., Ltd. (四川潤熹供應鏈管理有限公司), respectively. For the years ended 31 December 2023, 2024 and 2025, the operating income generated from the issuer group's trading business was approximately RMB91.41 million, RMB195.38 million, and RMB349.91 million, respectively, representing approximately 6.69 per cent., 14.83 per cent. and 26.73 per cent. of the issuer group's total operating income for the same periods, respectively.

Ferrous metal smelting and rolling products

The issuer group has expanded into its ferrous metal smelting and rolling products business in 2024 primarily through the Issuer and its subsidiary, Dujiangyan Runmao Industrial Co., Ltd. (都江堰市潤茂實業有限公司). The issuer group focuses on rebar and coiled rebar, wire rod, tubular products, flat products and sections within the ferrous metal smelting and rolling product category. For the years ended 31 December 2024 and 2025, the operating income generated from the issuer group's ferrous metal smelting and rolling products business was approximately RMB93.99 million, and RMB221.92 million, respectively, representing approximately 7.14 per cent. and 16.95 per cent. of the issuer group's total operating income for the same periods, respectively.

Business Model

The issuer group's ferrous metal smelting and rolling products business operates under two distinct contractual frameworks: the upstream procurement side and the warehousing and logistics side. The issuer group enters into a "Steel Purchase and Sale Agreement" (《鋼材購銷協議》) with upstream suppliers, which sets out key commercial terms such as the provisional transaction value and product categories (deformed steel bar, coiled rebar), thereby establishing the procurement partnership. Concurrently, a "Warehousing and Logistics Service Contract" (《倉儲物流服務合同》) is signed with warehousing and logistics companies to specify the storage locations and billing rules.

Under this business model, goods are stored at third-party warehousing facilities, the issuer group is not responsible for the transport of goods, and downstream customers collect the goods from the warehousing locations themselves. With respect to payment and invoice, advance payment is made to upstream suppliers to acquire title to the goods, and the issuer group obtains input VAT invoices from upstream suppliers for purchases and issues output VAT invoices to downstream customers for sales. The transfer of title to the goods and the transfer of stored weight serve as the core basis for settlement, billing and the movement of goods.

Major Customers

The table below shows the issuer group's five major customers of the ferrous metal smelting and rolling products business segment as at 31 December 2025, and their corresponding contribution to the revenue generated by the ferrous metal smelting and rolling products business:

For the year ended 31 December 2025				
No.	Customers	Product	Purchase amount (RMB in millions)	Per cent. of total
1	Guangzhou Luhui Trading Co., Ltd. (廣州路湖貿易有限公司)	Rebar, coiled rebar, etc.	124.04	55.89%
2	Zhejiang Jinjiu Metal Materials Co., Ltd. (浙江金固金屬材料有限公司)	Rebar, coiled rebar, etc.	71.09	32.03%
3	Mianyang Anzhou District Wood Supply Chain Management Co., Ltd. (綿陽安州區聚木供應鏈管理有限公司)	Rebar, coiled rebar, etc.	13.36	6.02%
4	Wenzhou Beituo Trading Co., Ltd. (溫州北拓商貿有限公司)	Rebar, coiled rebar, etc.	8.90	4.01%
5	Zhejiang Chen Yizhong Trading Co., Ltd. (浙江辰亦中貿易有限公司)	Rebar, coiled rebar, etc.	4.53	2.04%

Grain, Oil, Meat and Eggs

Overview

The issuer group started its grain, oil, meat and eggs sales business in 2020 primarily through its subsidiary Runxi Supply Chain. (四川潤熹供應鏈管理有限公司), which is 60 per cent. owned by the Issuer. Ruxi Supply Chain mainly supplies food products such as grain, oil, meat and eggs to public schools and certain enterprises and institutions in Dujiangyan City. For the years ended 31 December 2023, 2024 and 2025, the operating income generated from the issuer group's grain, oil, meat and eggs sales business was approximately RMB91.41 million, RMB101.39 million, and RMB127.99 million, respectively, representing approximately 6.69 per cent., 7.70 per cent. and 9.78 per cent. of the issuer group's total operating income for the same periods, respectively.

Business Model

The issuer group focuses on both upstream procurement and downstream sales operations. Building on an operational model of 'supply chain enterprise + production base + cooperative + farmers' ("供應鏈企業 + 基地 + 合作社 + 農戶"), it organises the procurement of a wide range of local agricultural products, broadens sales channels for these products, increases their market share, and achieves production driven by sales. The issuer group adopts a business model involving the placement of orders in advance, door-to-door delivery by suppliers, on-site inspection and signing of delivery notes, payment before delivery, and invoicing in the following month. The documentation systems for upstream and downstream operations are standardised, ensuring that the flow of goods aligns with the flow of documentation through the use of goods receipt notes and returns notes.

Since its establishment, Runxi Supply Chain has been purchasing locally grown and reared agricultural products from towns, villages and communities across Dujiangyan, covering a wide variety of categories including fresh vegetables, meat and poultry, eggs and dairy products, fruit and seafood.

Major Customers

The table below shows the issuer group's five major customers of the grain, oil, meat and eggs sales as at 31 December 2023, 2024 and 2025, and their corresponding contribution to the revenue generated by grain, oil, meat and eggs sales:

For the year ended 31 December 2025				
No.	Customers	Product	Purchase amount (RMB in millions)	Per cent. of total
1	Dujiangyan Foreign Language Experimental School (Shude Middle School — Dujiangyan Foreign Language Experimental School) (都江堰外國語實驗學校(樹德中學都江堰外國語實驗學校))	Ingredients: grains, oils, meat, eggs, etc.	8.58	6.70%
2	Dujiangyan No.1 Middle School of Sichuan Province (四川省都江堰中學)	Ingredients: grains, oils, meat, eggs, etc.	7.99	6.24%
3	Dujiangyan Li Bing Middle School (都江堰市李冰中學)	Ingredients: grains, oils, meat, eggs, etc.	7.93	6.19%
4	Dujiangyan Zaitubao Middle School (都江堰市塔子壩中學)	Ingredients: grains, oils, meat, eggs, etc.	7.15	5.59%
5	Dujiangyan Qingcheng Mountain Senior High School (都江堰市青城山高級中學)	Ingredients: grains, oils, meat, eggs, etc.	5.98	4.67%
For the year ended 31 December 2024				
No.	Customers	Product	Purchase amount (RMB in millions)	Per cent. of total
1	Sichuan Dujiangyan Secondary School (四川省都江堰中學)	Ingredients: grains, oils, meat, eggs, etc.	7.83	7.73%
2	Dujiangyan Foreign Language Experimental School (Shude Secondary School Dujiangyan Foreign Language Experimental School) (都江堰外國語實驗學校(樹德中學都江堰外國語實驗學校))	Ingredients: grains, oils, meat, eggs, etc.	7.40	7.3%
3	Dujiangyan Taziba Secondary School (都江堰市塔子壩中學)	Ingredients: grains, oils, meat, eggs, etc.	6.85	6.75%
4	Dujiangyan Li Bing Secondary School (都江堰市李冰中學)	Ingredients: grains, oils, meat, eggs, etc.	6.34	6.25%
5	Dujiangyan Qingchengshan Senior Secondary School (都江堰市青城山高級中學)	Ingredients: grains, oils, meat, eggs, etc.	5.77	5.69%

For the year ended 31 December 2023

No.	Customers	Product	Purchase amount (RMB in millions)	Per cent. of total
1	Dujiangyan Municipal Education Bureau (都江堰市教育局)	Ingredients: grains, oils, meat, eggs, etc.	75.79	82.91%
2	Sichuan Provincial Sports School (四川省體育運動學校)	Ingredients: grains, oils, meat, eggs, etc.	3.49	3.81%
3	Chengdu Haoze Jixuan Technology Co., Ltd. (成都浩澤集選科技有限公司)	Ingredients: grains, oils, meat, eggs, etc.	0.21	0.23%
4	Aba Prefecture Lvrn Yuan Agricultural Development Co., Ltd. (阿壩州綠然源農業發展有限公司)	Ingredients: grains, oils, meat, eggs, etc.	0.12	0.13%
5	Sichuan Xinhua Haiyi Cultural Development Co., Ltd. (四川新華海頤文化發展有限公司)	Ingredients: grains, oils, meat, eggs, etc.	0.04	0.05%

Sand and Gravel Sales

The issuer group started its sand and gravel sales business in 2020 primarily through its wholly-owned subsidiary, Runmao Industry. Runmao Industry extracts underground sand and gravel in river bed desilting and primary land development process. It adopts an integrated operation of extraction, transportation and sales and has an annual production capacity of approximately 2 million cubic meters. For the years ended 31 December 2023, 2024 and 2025, the revenue of The issuer group generated from its sale of sand and gravel business segment was approximately RMB225.65 million, RMB142.62 million and RMB98.45 million, respectively, representing 16.51 per cent., 10.83 per cent. and 7.52 per cent. of the total revenue of The issuer group for the same years, respectively.

The issuer group's major products in the sand and gravel sales business are mechanised sand (機制砂), natural sand (天然砂), rice stones (米石) and crushed stones with dimensions ranging from 16 millimeter to 31.5 millimeter (13石). Such products are primarily sold to customers in Dujiangyan City and its surrounding areas. The issuer group's major customers in the sand and gravel sales business include China Railway High-tech Industry Co., Ltd. (中鐵高新工業股份有限公司), Dujiangyan Hengjun Yihao Building Materials Co., Ltd. (都江堰市恒俊逸皓建材公司), Chengdu Zhengyang Hongtai Building Materials Co., Ltd. (成都正洋宏泰建材有限公司), Sichuan Lvjing Trading Company Limited (四川綠景商貿有限公司) and Wenchuan Haihui Sand and Stone Co., Ltd. (汶川海輝砂石有限公司).

In September 2022, Dujiangyan Municipal People's Government transferred the operation rights of the sand and sandstone resources on certain planned construction land plots in Dagan Town (大觀鎮), Longchi Town (龍池鎮) and Shiyang Town (石羊鎮) in Dujiangyan City (the "Sand and Sandstone Resources Operation Rights") to The issuer group at nil consideration. Such Sand and Sandstone Resources Operation Rights are valid for ten years and have an estimated value of RMB513 million. According to the survey report issued by an independent third party, the recoverable reserves of sand resources and sandstone resources on the planned construction land plots amounted to approximately 7.01 million cubic meters and 3.47 million cubic meters, respectively.

Major Customers

The table below shows the issuer group's five major customers of the sand and gravel business segment as at 31 December 2025, and their corresponding contribution to the revenue generated by the sand and gravel sales business:

No.	Name of Customer	Revenue (RMB in million)	Contribution to the Sand and Gravel Sales Revenue (per cent.)
1	Sichuan Non-Ferrous Jinqiao International Trade Co., Ltd. (四川有色金橋國際貿易有限公司)	82.49	83.78%
2	Xinjiang Jintai Materials Trading Co., Ltd. Sichuan Branch (新疆金泰物資貿易有限公司四川分公司)	14.79	15.02%
3	Sichuan Development Longmang Co., Ltd. (四川發展龍蟒股份有限公司)	0.16	0.17%
4	Sichuan Huichao Building Materials Co., Ltd. (四川會超建材有限公司)	0.19	0.19%
5	Sichuan Yuanfeng Yunmao Construction and Development Group Co., Ltd. (四川媛豐運茂建設發展集團有限公司)	0.03	0.04%
Total Amount		97.66	99.20%

The table below shows the issuer group's five major customers of the sand and gravel business segment as at 31 December 2024, and their corresponding contribution to the revenue generated by the sand and gravel sales business:

No.	Name of Customer	Revenue (RMB in million)	Contribution to the Sand and Gravel Sales Revenue (per cent.)
1	Sichuan Nonferrous Jinqiao International Trade Co., Ltd. (四川有色金橋國際貿易有限公司)	39.21	27.50
2	Sichuan Zipingpu Reservoir Environmental Management Co., Ltd. (四川省紫坪鋪水庫環境治理有限公司)	17.50	12.27
3	Sichuan Development Longmang Co., Ltd. (四川發展龍蟒股份有限公司)	13.42	9.41
4	Sichuan Yuanfeng Yunmao Construction Development Group Co., Ltd. (四川媛豐運茂建設發展集團有限公司)	10.40	7.29
5	Chengdu Dujiangyan Investment Development Group Co., Ltd. (成都都江堰投資發展集團有限公司)	9.18	6.44
Total Amount		89.71	62.90

The table below shows the issuer group’s five major customers of the sand and gravel business segment as at 31 December 2023, and their corresponding contribution to the revenue generated by the sand and gravel sales business:

No.	Name of Customer	Revenue (RMB in million)	Contribution to the Sand and Gravel Sales Revenue (per cent.)
1	Sichuan Yuanfeng Supply Chain Management Co., Ltd. (四川媛豐供應鏈管理有限公司)	93.13	41.27
2	Sichuan Huichao Building Materials Co., Ltd. (四川會超建材有限公司)	28.62	12.68
3	Sichuan Dujiangyan Chengyun Trading Co., Ltd. (四川都江堰城運貿易股份有限公司)	10.35	4.59
4	Dujiangyan Tianfuyuan Building Materials Co., Ltd. (都江堰市天府源建築材料有限公司)	9.09	4.03
5	Chengdu Wanshengji Trading Co., Ltd. (成都萬盛基貿易有限公司)	6.07	2.69
Total Amount		147.26	65.26

Primary Land Development

Overview

The issuer group operates its primary land development business through New City Construction and its subsidiaries including Dujiangyan Construction, Chengheng Rural Revitalisation. The issuer group’s primary land development projects are mainly located in Qingchengshan Town (青城山鎮), Riverside New District (濱江新區), Xujia Town (胥家鎮) and Puyang Town (蒲陽鎮). For the years ended 31 December 2023 and 2024, the revenue of The issuer group generated from its primary land development business segment was RMB439.54 million and RMB283.02 million, representing 32.16 per cent. and 21.49 per cent. of the total revenue of the issuer group for the same years, respectively. The revenue from primary land development business segment for the year ended 31 December 2025 was nil due to the fact that the issuer group had completed the redevelopment of its existing land portfolio in 2025; due to policy and market factors, the issuer group did not undertake any new land redevelopment projects.

Business Model

The issuer group is mainly retained by Dujiangyan Land Reserve Center (都江堰市土地儲備中心) (“**Dujiangyan LRC**”) to carry out primary land development in Dujiangyan City. In accordance with the Land Consolidation and Pre-development Service Purchase Agreement (《土地整理及前期開發服務購買協定》) entered into between New City Construction and Dujiangyan LRC in October 2016, the New City Construction is responsible for the primary land development within in Riverside New District and Mangcheng Village (芒城村) and Yanjiang Villages (沿江村) of Qingchengshan Town, which includes land acquisition, land requisition, demolition of attachments on the lands, relocation and resettlement of residents of the lands and primary development of the lands (the “**Riverside New District and Qingchengshan Town Land Development Project**”). Dujiangyan LRC would pay New City Construction its expenses incurred in this project plus a certain amount of service fee, which is paid on a quarterly basis. In accordance with the Government Purchase Service

Agreement (《政府購買服務協定》) entered into between Dujiangyan Construction and Dujiangyan LRC and in August 2017, Dujiangyan Construction is responsible for the Xujia Town and Puyang Town Land Project (胥家鎮、蒲陽鎮土地項目), which has a total investment amount of RMB800 million. Under the Government Purchase Service Agreement, Dujiangyan LRC would pay Dujiangyan Construction its investment amount in the Xujia Town and Puyang Town Land Project and a service fee of 7.22 per cent. of the total investment amount per annum on a quarterly basis. As at 31 December 2020, the Riverside New District and Qingchengshan Town Land Development Project and the Xujia Town and Puyang Town Land Project had been substantially completed. As at the date of this Offering Circular, The issuer group does not have any primary land development projects under construction or proposed to be constructed.

Project Description

Land Reserves

The table below sets forth the particulars of the land reserves for primary land development of The issuer group as at 31 December 2025:

Project Name	Total Planned Investment Amount	Invested Amount	Revenue Recognised	Payment Received
	(RMB in million)			
Chingchengshanzhen and Binjiang Xinqu, Dujiangyan Land Consolidation Project (青城山鎮、濱江新區土地整理項目) . .	4,360.00	3,658.38	1,534.68	658.38
Xujiazhen and Puyangzhen, Dujiangyan Land Consolidation Project (胥家鎮、 浦陽鎮土地整理項目)	800.00	983.29	1,070.70	235.29
Total Amount	5,160.00	4,641.67	2,605.38	893.67

Other Businesses

The issuer group is also engaged in other businesses, including rental services, property sales, building materials sales, asset transfers, material processing, land comprehensive improvement and consulting services. For the years ended 31 December 2023, 2024 and 2025, the revenue of The issuer group generated from the other businesses segment was RMB64.52 million, RMB164.70 million and RMB267.61 million, respectively, representing 4.72 per cent., 12.50 per cent. and 20.45 per cent. of the total revenue of The issuer group for the same years, respectively.

INSURANCE

The issuer group maintains insurance coverage in amounts that it believes are consistent with its risks of losses and with the customary practice in the relevant industry. The issuer group's insurance coverage in the PRC primarily consists of employee related insurance. The employee-related insurance mainly consists of pension insurance, unemployment insurance, medical insurance, work-related injury insurance and maternity insurance in accordance with the relevant PRC laws and regulations. Consistent with customary practice in the PRC, The issuer group does not carry any third-party liability insurance to cover claims in respect of personal injury arising from accidents on its property or relating to its operations, nor does it carry any business interruption insurance or key-man life insurance

on its key employees. Such insurances are not mandatory under the laws and regulations of the PRC and would impose material additional costs on The issuer group's operations, which would reduce its ability to compete in the PRC. The issuer group believes that it has sufficient insurance coverage in place and that the terms of its insurance policies are in line with industry practice in the PRC. However, no assurance can be given that The issuer group has sufficient insurance coverage for losses, damages and liabilities that may arise from its business operations.

ENVIRONMENTAL, HEALTH AND SAFETY MATTERS

The issuer 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 governmental authorities in the PRC. The issuer group believes that it is in compliance with all material aspects of applicable environmental laws and regulations. As at the date of this Offering Circular, the Issuer is not aware of any material environmental proceedings or investigations to which The issuer group is, or might become, a party. As at the date of this Offering Circular, The issuer group has not experienced any major pollution accident that has had a material adverse impact on The issuer group's production and operations.

The issuer group also regards occupational health and safety as one of its important social responsibilities. The issuer group's operations involve significant risks and hazards that are inherent in its activities. These risks and hazards could result in damage to, or destruction of, properties or production facilities, personal injury, environmental damage, business interruption and possible legal liability. As at the date of this Offering Circular, the Issuer is not aware of any material proceedings in relation to health and safety matters to which The issuer group is, or might become, a party. As at the date of this Offering Circular, The issuer group has not experienced any major health and safety accident that has had a material adverse impact on The issuer group's business operations.

EMPLOYEES

As at 31 December 2025, the issuer group had 102 employees. The issuer group has not previously experienced any work stoppages or strikes. In accordance with regulations applicable to enterprises and the relevant requirements of various local governments in areas in which The issuer group operates, The issuer group makes contributions to the pension contribution plan, employees' medical insurance, unemployment insurance, maternity insurance and workers' compensation injury insurance for such employees.

LITIGATION

From time to time, The issuer group 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 Issuer is not aware of any material legal proceedings, investigations, claims, disputes, penalties or liabilities currently existing or pending against it that may have a material adverse impact on The issuer group's business, financial condition or results of operations.

DESCRIPTION OF THE GUARANTOR GROUP

The information included below is for information purposes only and is based on, or derived or extracted from, among other sources, publicly available information. The Issuer and the Guarantor taken reasonable care in the compilation and reproduction of the information. None of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them has independently verified such information. No representation or warranty, express or implied, is made or given by the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective affiliates, directors, employees, agents, representatives, officers or advisers or any person who controls any of them as to the accuracy, completeness or sufficiency of such information. Accordingly, such information should not be unduly relied upon.

OVERVIEW

The Guarantor is a state-owned enterprise and under the control of the Sichuan Provincial Department of Finance (四川省財政廳). In August 2017, the Guarantor was established with a registered capital of RMB4.00 billion. On 24 August 2020, the Guarantor changed its name from “Tianfu (Sichuan) Credit Enhancement Co., Ltd.” (天府(四川)信用增進股份有限公司) to “Tianfu Bond Insurance Co., Ltd.” (天府信用增進股份有限公司). As of 31 December 2025, Sichuan Financial Holding Group Co., Ltd. (四川金融控股集團有限公司) (“**Sichuan Financial Holding**”), Shudao Capital Holding Group Co., Ltd. (蜀道資本控股集團有限公司), Shudao (Sichuan) Equity Investment Fund Co., Ltd. (蜀道(四川)股權投資基金有限公司) and other shareholders held 40 per cent., 15 per cent., 15 per cent. and 30 per cent. shareholding of the Guarantor respectively.

In recent years, the economy of Chengdu city has developed rapidly and significantly. As a provincial state-owned financing and guarantee platform in Sichuan Province, the Guarantor possesses strong capital strength and occupies a leading position in the guarantee industry in Sichuan Province. The Guarantor Group receives various financial and policy support from the Sichuan Provincial Government including capital injections, subsidies and benefits from the close working relationship with the Sichuan SASAC, the governmental entity responsible for providing financial support to state-owned entities and managing the value and operation of state-owned assets in Sichuan Province, which has provided the Guarantor Group with clear competitive advantage in developing and operating its business in the regional market.

The Guarantor has been assigned a credit rating of “AAA” by CSCI Pengyuan Credit Rating Co., Ltd. (中證鵬元資信評估股份有限公司) on 18 June 2026.

For the years ended 31 December 2023, 2024 and 2025, the Guarantor’s total assets amounted to approximately RMB9,653.95 million, RMB10,502.64 million and RMB10,934.2 million. For the year ended 31 December 2025, the Guarantor achieved total operating income of RMB1,208.0 million, among which the net profit was approximately RMB590.1 million; the net cash flow from operating activities was approximately RMB756.1 million and the balance in cash and cash equivalents at the end of the period was approximately RMB1,100.7 million.

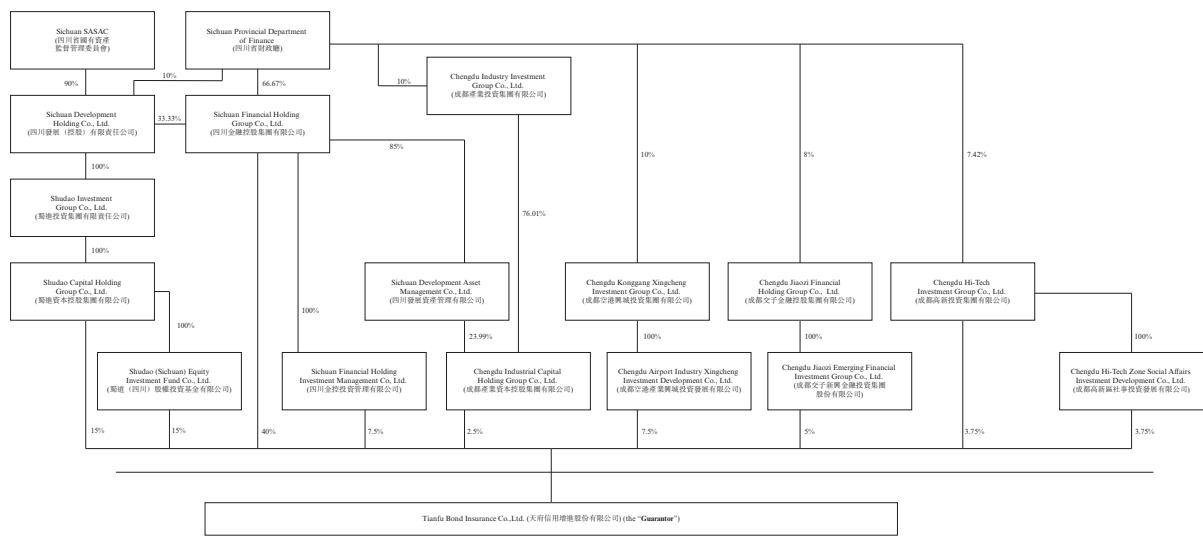
HISTORY AND DEVELOPMENT

Year	Milestone Event
2017	On 28 August 2017, the Guarantor was incorporated with an initial registered capital of RMB4.00 billion. The initial shareholders of the Guarantor included Sichuan Development, Sichuan Railway Industry Investment Group Co., Ltd. (四川省鐵路產業投資集團有限責任公司) (“ Sichuan Railway Industry ”), Sichuan Communication Investment Production Finance Holding Co., Ltd. (四川交投產融控股有限公司) (renamed as Shudao Capital Holding Group Co., Ltd. (蜀道資本控股集團有限公司) in October 2021) and Sichuan Financial Holding.
2020	On 24 August 2020, the Guarantor changed its name from “Tianfu (Sichuan) Credit Enhancement Co., Ltd. (天府(四川)信用增進股份有限公司)” to “Tianfu Bond Insurance Co.,Ltd. (天府信用增進股份有限公司)”.
2021	In April 2021, Sichuan Railway Industry transferred all of its equity interest in the Guarantor, i.e. fifteen per cent. shareholding, to its fully-owned subsidiary, Sichuan Railway Investment Capital Holding Co., Ltd. (四川鐵投資本控股有限公司) (renamed as Shudao (Sichuan) Equity Investment Fund Co., Ltd. (蜀道(四川)股權投資基金有限公司) in January 2022).
2024	In January 2024, Sichuan Development transferred twenty-five per cent. shareholding of the Guarantor to Sichuan Provincial Department of Finance without consideration. Sichuan Provincial Department of Finance thereafter transferred those shares to Sichuan Financial Holdings.
	Upon the completion of the said equity transfer, Sichuan Financial Holdings held a total of 40 per cent. of the Guarantor’s equity and became the controlling shareholder of the Guarantor.

Year	Milestone Event
2026	According to the Equity Transfer Agreement of Tianfu Credit Enhancement Co., Ltd. (天府信用增進股份有限公司股權劃轉協議) between Chengdu Hi-Tech Investment Group Co., Ltd. (成都高新投資集團有限公司) (“ Chengdu Hi-tech Group ”) and Chengdu Hi-tech Social Investment and Development Co., Ltd. (成都高新區社事投資發展有限公司) (“ Chengdu Hi-tech Social ”), Chengdu Hi-tech Group will transfer 3.75 per cent. of its equity interest in the Guarantor and its right to nominate directors of the Guarantor to its wholly-owned subsidiary, Chengdu Hi-tech Social. The share transfer and the transfer of director nomination right was approved by the shareholders of the Guarantor in July 2026. Upon the completion of the share transfer, Sichuan Financial Holdings remains as the controlling shareholder of the Guarantor, and the Guarantor remains ultimately controlled by the Department of Finance of Sichuan Province.

CORPORATE STRUCTURE

The following chart sets forth the corporate structure of the Guarantor as at the date of this Offering Circular.



COMPETITIVE STRENGTHS

The Guarantor believes that it has the following competitive strengths:

The Guarantor has strong regional advantage in Sichuan Province.

Sichuan Province is located in, and a gateway to, Western China, being a geographical region that covers eight provinces, three autonomous regions and one municipality located in the western area of China, including Shaanxi Province, Sichuan Province, Yunnan Province, Guizhou Province, Guangxi Province, Gansu Province, Qinghai Province, Ningxia Province, Tibet, Xinjiang, Inner Mongolia and Chongqing Municipality. Sichuan Province is also seated at the nexus of Beijing-Tianjin-Hebei, the Yangtze River Delta and

the Pearl River Delta Economic Zones and is a key spot of “One Belt One Road” international transportation corridor. Sichuan Province has a significant strategic position in the national railway network and is the western hub of the network. With abundant hydropower and mineral resources, high-technology industries and talents, a vast rural hinterland and mountainous terrain occupied by ethnic minorities, Sichuan Province is a strategic region for implementing the Western Development Programme and developing the economy in Western China.

The Guarantor has a strong relationship with the local government and has a strong governmental support.

The Guarantor is indirectly controlled by the Sichuan SASAC. As a state-owned enterprise and also a designated platform for bond insurance in Chengdu, Sichuan Province, the Guarantor Group has extensive relationships with the Sichuan government and other agencies and entities controlled by it.

Notwithstanding the connections with, and the support from, the Sichuan government and its agencies and related entities and various social and community functions performed by the Guarantor Group, the Guarantor Group is operationally and financially independent from the Sichuan government. Its functions and departments are largely separate from those of the government and do not share any premises with the Sichuan government. The Guarantor Group has its own budget and financial reporting system and its assets and liabilities separate from those of the Sichuan government.

The Guarantor benefits from balanced and optimised financing policies with prudent and excellent debt management.

The Guarantor Group has access to various sources of capital to secure sufficient liquidity and to achieve optimal capital structure. The Guarantor Group has constantly optimised its debt structure. The Guarantor Group has cultivated a long term and close relationship with a number of reputable domestic and international banks, such as Bank of China, Agricultural Development Bank of China, Industrial and Commercial Bank of China, China Construction Bank, Agricultural Bank of China, China CITIC Bank, China Minsheng Bank, China Guangfa Bank, China Everbright Bank and Industrial Bank.

The Guarantor has strong and experienced management team with extensive industry and management expertise.

The Guarantor has an experienced senior management team, with an abundance of collective experience in the management of state-owned enterprises that operate in the same sectors as the Guarantor Group. Many have joined the Guarantor Group since the incorporation of the Guarantor. Many of the Guarantor’s directors have also previously served as directors of various state-owned entities and are familiar with governmental policies, regulations and procedures. Under the sound leadership of its management team and leveraging their past experience, the Guarantor Group has successfully secured the permission from the Sichuan government to conduct capital operation, which was a milestone event in the corporate development of the Guarantor Group. Furthermore, the Guarantor Group has been established as a provincial-level state-owned capital operation company in Sichuan Province through successful execution of the strategic vision of the management team.

DEVELOPMENT STRATEGIES

The Guarantor takes its responsibility to serve the development of real economy, focuses on direct financing guarantee business and non-financing guarantee business, regards investment business as an important source of profit, strives to promote coordinated linkage with financial institutions within the Sichuan Financial Holding Group and commits to developing into a domestic first-class provincial financing guarantee institution.

To achieve the above development goals, the Guarantor pursues the following development strategies:

To build a domestic first-class professional financing guarantee platform.

Continue to improve the level of specialisation and risk control, innovate the business models, regulate the business processes and provide high-quality, efficient, professional and convenient financing services to real entities.

To build an important credit-enhancing service platform for direct financing business in Sichuan Province.

Continue to rely on the advantage of the high credit level, cooperates with credit enhancement companies to jointly develop direct financing guarantee services such as bond credit enhancement, diversify business risks and improve the level of direct financing of Sichuan Province.

To become an important financing service platform for the transformation and upgrading of Sichuan Province's manufacturing industry.

Seize the major development opportunities of vigorously promoting the transformation and upgrading of manufacturing industry in Sichuan Province, support the transformation and upgrading of manufacturing industry through various methods such as guarantees and investments, and assist the construction of key projects in Sichuan Province and the "Made in China 2025 Sichuan Action Plan".

DESCRIPTION OF BUSINESS

The Guarantor is a state-owned enterprise located in Chengdu, Sichuan Province, PRC. The Guarantor focuses on (1) bond insurance; (2) credit enhancement and (3) investment business in Chengdu, Sichuan Province. Since its establishment in August 2017, the Guarantor has significantly contributed to the commercial development of Chengdu. The Guarantor Group primarily engages in bond insurance.

Bond Insurance

The Guarantor engages in bond insurance, by participating in interbank market transactions and investing in activities involving the issuance and listing of debt securities, predominantly in Chengdu but also expanding into other cities in Sichuan Province, such as Luzhou, Mianyang, Guang'an, Meishan, Neijiang, and others. The Guarantor is dedicated to enhancing the credit of public and private corporate bonds, medium-term notes, commercial papers, and other mature and standardised debt instruments. Rather than actually injecting liquidity into businesses, the Guarantor supports them with credits in such a way as to enhance the credit of their debt

instruments, by providing insurance in favour of investors against default risks in such forms as serving as guarantors. Albeit less likely, the Guarantor also issues tradable warrants, particularly credit risk mitigation warrants, or CRMWs, to protect investors from the default risks of the subsisting debt instruments. These credit risk mitigation warrants serve akin to credit default swaps.

To develop its business, the Guarantor as integrated bond market service provider proactively reaches out to and liaises with provincial and local governments in the PRC to connect with suitable issuers. The Guarantor Group adopts a competitive and flexible pricing model that is a function of market conditions, every issuer's personal and tailored needs, the need for issuers to be financially efficient, the cost of issuance of debt securities, and other factors. The Guarantor also utilises its working capital and retaining earnings in investing in wealth investment products offered by banks, entrust loans and bonds, rate securities, credit bonds the reverse repurchases of national, risk mitigation instruments, low-risk asset management products. Most of these investments tend to be short-term and mature in fewer than three years.

Credit Enhancement Business

The Guarantor has been carrying out credit enhancement business since 2018, strengthening cooperation with the Sichuan Provincial Government and Chengdu City and its subordinate districts and counties, and has now basically achieved full coverage of cities and states in Sichuan Province. The Guarantor has conducted business docking with multiple districts and counties in Chengdu and signed strategic cooperation agreements, while promoting the development and upgrading of "bond comprehensive service providers", relying on the advantages in the bond credit enhancement industry chain, integrating "issuance, credit enhancement, investment" resources, and providing credit enhancement business customers with complete professional bond issuance solutions. The goal is to gradually expand the business area, with Sichuan Province being the primary target and the proportion of business within the province exceeding 90 per cent. Since 2020, the Guarantor has leveraged the use of funds by setting up the Sichuan Province Bond Stability Fund, promoting the construction of the "credit enhancement, funds, investment" three major platforms, and promoting the rapid development of credit enhancement business.

Investment Business

The Guarantor vigorously develops investment businesses, particularly focusing on credit enhancement while expanding into investment sectors such as bond investments and entrusted loans. Investment returns primarily derive from investments in bonds and entrusted loans, with a small portion coming from fund dividends and wealth management products. Benefiting from retained earnings and successful perpetual bond issuances, the Guarantor's investment asset scale continues to grow.

INTERNAL MANAGEMENT SYSTEM

The internal management system of the Guarantor mainly includes corporate governance system, internal control and management system, direct financing business management system and financial management system.

Corporate Governance System

The Guarantor has established a governance structure based on relevant laws and regulations, as well as the Guarantor's articles of association, with the board of shareholders, board of directors and senior management as the main components. According to the Guarantor's articles of association, the shareholders' meeting, composed of all shareholders, is the highest authority of the Guarantor. It determines the Guarantor's business policies, major investment plans, and exercises other functions as stipulated in the articles of association.

Business Management System

The Guarantor has established the "Related Party Transactions Committee Rules", which outline the responsibilities of the Related Party Transactions Committee in reviewing, controlling, and managing related party transactions on a day-to-day basis. The Guarantor's related party transactions primarily involve perpetual bond investments in related parties. The scale of the Guarantor's related party transactions is relatively small, and the associated risks are manageable.

ORGANISATION STRUCTURE

The Guarantor has established an organisational structure tailored to its business development. As of 31 December 2025, the Guarantor has set up a total of 14 departments, including the Credit Enhancement Business Department, Investment Business Department, Financial Management Department, and Risk Control Department. With the development of its business, the Guarantor has formulated and gradually improved various management systems, covering aspects such as credit enhancement business systems, risk control systems, decision-making systems, and more.

EMPLOYEES

As at the date of this Offering Circular, the Guarantor has maintained good working relationships with its employees. The Guarantor's full-time employees participate in various employee benefit plans such as pension insurance and medical insurance plans. The employment contracts generally specify the employees' responsibilities, remuneration and grounds for termination. As at the date of this Offering Circular, there was no interruption to operation and management as a result of labour disputes. In addition, the Guarantor has not experienced any strike, work stoppage or significant labour dispute which has materially affected its operation and management.

INSURANCE

The Guarantor Group maintains insurance policies, including pension insurance, unemployment insurance and medical insurance, which the Guarantor Group believes to be consistent with the industry practice in the PRC. The Guarantor Group maintains insurance coverage in the types which it believes are commensurate with its risk of loss and industry practice. Consistent with what the Guarantor 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.

ENVIRONMENT

The operations of the Guarantor Group are subject to various national and local PRC environmental laws and regulations, including those relating to air pollution, noise, hazardous materials and waste discharge. The Guarantor Group requires all of its members to comply with applicable environmental regulations in the relevant jurisdictions in which it operates. As at the date of this Offering Circular, the Guarantor Group believes that it is in compliance in all material respects with all applicable national or local environmental laws and regulations in the PRC and has obtained or is in the process of obtaining all material permits, approvals and certifications required under the PRC law in relation to its facilities. The Guarantor Group is not aware of any environmental proceedings or investigations to which it is or might become a party to that could have a material adverse effect on its business, financial condition and results of operations.

GOVERNMENTAL REGULATIONS AND LICENSES

The Guarantor's operations are subject to a variety of laws and regulations promulgated by the PRC governmental bodies in each region in which it operates. The Guarantor 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 Guarantor 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 Guarantor maintains regular dialogue with local governments and regulatory authorities through its management teams or representatives, ensuring compliance with the requirements and conditions for obtaining and maintaining the aforementioned licenses, concessions, permits, or certificates.

LEGAL PROCEEDINGS

As at the date of this Offering Circular, the Guarantor is not aware of any material legal proceedings, investigations, claims, disputes, penalties or liabilities currently existing or pending or threatened litigation, arbitration or significant claims against it that may have a material adverse impact on its business, financial condition or results of operations. None of the Guarantor is involved in any litigation or arbitration proceedings that are material in the context of the Bonds or the giving of the Guarantee nor is the Guarantor aware that any such proceedings are pending or threatened as at the date of this Offering Circular.

GENERAL INFORMATION

The Guarantor's registered office is located at Unit 911, 9th Floor, Building 1, No. 177, Jiaozi Avenue, Chengdu High-tech Zone, Sichuan Free Trade Zone, China. The Guarantor's website address is <http://www.tianfuxy.com/>. Information contained on the Guarantor's website is subject to change from time to time. The financial statements of the Guarantor are not included in and do not form part of this Offering Circular. No representation is made by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents and none of the Issuer, the Guarantor, the Managers, the Trustee or the Agents takes any responsibility for any information contained on websites of the Guarantor.

DIRECTORS AND SENIOR MANAGEMENT OF THE ISSUER

BOARD OF DIRECTORS

The board of directors comprises three members (each a “**Director**”). As at the date of this Offering Circular, the Directors are as follows:

Name	Age	Position
Kang Na (康娜)	44	Chairman of the Board of Directors and General Manager
Feng Xianyong (馮現勇)	42	Director
Xiao Qiang (肖強).	56	Director

Ms. Kang Na (康娜), aged 44, is the Chairman, General Manager, Party Branch Secretary and a member of the Party Committee of the Issuer. She currently also serves as the Chairman of New City Construction. She previously worked at Dujiangyan Labor and Social Security Bureau (都江堰市勞動和社會保障局), Dujiangyan Human Resources and Social Security Bureau (都江堰市人力資源和社會保障局) and Chengdu Dujiangyan Culture and Tourism Group Co., Ltd. (成都市都江堰文旅集團有限責任公司). Ms. Kang Na has obtained a college degree.

Mr. Feng Xianyong (馮現勇), aged 42, is a Director of the Issuer. He is the Issuer’s Party Branch Secretary and a member of the Issuer’s Party Committee. He currently also serves as a director of New City Construction. He previously worked at Chuansu Dujiangyan Science and Technology Industrial Park (川蘇都江堰科技產業園), Dujiangyan Economic Development Zone Enterprise Service Centre (都江堰經濟開發區企業服務中心), the Statistics Division of the Comprehensive Office of the Administrative Committee of Dujiangyan Economic Development Zone (都江堰市經濟開發區管委會綜合處統計科), Dujiangyan Riverside Entertainment Investment Co., Ltd. (都江堰市濱江文娛投資有限責任公司). Mr. Feng graduated from Sichuan Agricultural University Department of Engineering Technology (四川農業大學工程技術系) and has obtained a bachelor’s degree.

Mr. Xiao Qiang (肖強), aged 56, is a Director and the chief financial officer of the Issuer. He currently also serves as a director and the chief financial officer of New City Construction. He previously worked at Ruorgai Meat Factory (若爾蓋肉聯廠), China Construction Bank Ngawa Tibetan and Qiang Autonomous Prefecture Nanping Branch (中國建設銀行阿壩州南坪支行), Dujiangyan Office of Chengdu Trust and Investment Company (成都市信託投資公司都江堰辦事處) and Dujiangyan Xingshi Investment Co., Ltd. (都江堰興市投資有限公司). Mr. Xiao has obtained a bachelor’s degree.

BOARD OF SUPERVISORS

The board of supervisors of the Issuer comprises 3 members (each a “Supervisor”). As at the date of this Offering Circular, the Supervisors are as follows:

Name	Age	Position
Zhang Qi (張奇)	52	Chairman of the board of supervisors
Yue Yangfan (岳洋帆)	39	Supervisor
Xiao Lei (肖蕾)	50	Supervisor

Mr. Zhang Qi (張奇), aged 52, is a Supervisor of the Issuer. He previously worked in the People’s Government of Xingfu Town, Dujiangyan City (都江堰市幸福鎮人民政府), the Youth League Committee (都江堰市幸福鎮團委), the Urban Planning and Construction Management Office (都江堰市幸福鎮城鎮規劃建設管理辦公室) and the Democratic Community Party Branch (民主社區黨支部) of Xingfu Town, Dujiangyan City. Mr. Zhang also used to work at the Urban and Rural Environment and Planning Comprehensive Management Office (都江堰市永豐街道城鄉環境和規劃綜合管理辦公室) and Urban Transformation Service Section (都江堰市永豐街道城市轉型服務科) of Yongfeng Street, Dujiangyan City, as well as Dujiangyan Xingshi Group Co., Ltd. (都江堰興市集團有限責任公司), Dujiangyan Minjiang Investment and Operation Co., Ltd. (都江堰岷江投資經營有限責任公司) and Dujiangyan New City Group Co., Ltd. (都江堰新城集團有限責任公司) (renamed (都江堰智慧城市運營建設發展集團有限公司)).

Ms. Yue Yangfan (岳洋帆), aged 39, is a Supervisor of the Issuer. She currently also serves as the head of the party and mass general affairs department of New City Construction. She previously worked at Dujiangyan Xingshi Water Industry Co., Ltd. (都江堰興市水業有限公司), Dujiangyan Xingshi Investment Co., Ltd. (都江堰興市投資有限公司), Dujiangyan Xingshi Group Co., Ltd. (都江堰興市集團有限責任公司) and Dujiangyan Investment. Ms. Yue has obtained a bachelor’s degree.

Ms. Xiao Lei (肖蕾), aged 50, is a Supervisor of the Issuer. She previously worked as the chief accountant of Chengdu Dujiangyan Investment Development Group Co., Ltd. (成都都江堰投資發展集團有限公司). Ms. Xiao has obtained a bachelor’s degree.

SENIOR MANAGEMENT

As at the date of this Offering Circular, the sole member of the senior management of the Issuer is as follows:

Name	Age	Position
Kang Na (康娜)	44	Director and General Manager

See “— *Board of Directors*” above for more details of the Issuer’s General Manager, Ms. Kang Na.

DIRECTORS AND SENIOR MANAGEMENT OF THE GUARANTOR

As at the date of this Offering Circular, the Guarantor has a board of directors comprising ten members, including one external director, one employee director and eight directors. The Guarantor has one general manager, as well as one deputy general manager and one chief financial officer.

As at the date of this Offering Circular, the directors and senior management of the Guarantor are set forth as in the table below:

Name	Position
<i>Directors</i>	
Mr. Tan Yang (譚揚)	Chairman of the Board of Directors
Ms. Li Jing (李靜)	Director and General Manager
Mr. Fu Hao (付浩)	Director and Deputy General Manager
Mr. Huang Xuelin (黃學林) . .	Director
Mr. Xu Yifeng (徐意豐)	Director
Mr. Wang Zhihao (王致浩) . .	Director
Mr. Lu Wei (盧威)	Director
Mr. Li Junkun (李俊鯤)	Director
Ms. Chen Jie (陳潔)	External Director
Mr. Qin Weiyan (秦維遠) . . .	Employee Director
<i>Senior Management</i>	
Mr. Li Jing (李靜)	Director and General Manager
Mr. Fu Hao (付浩)	Director and Deputy General Manager
Ms. Zhan Yun (詹芸)	Chief Financial Officer

PRC LAWS AND REGULATIONS

This section summarises the principal PRC laws and regulations which are relevant to the issue of the Bonds. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant, nor does it intend to be an exhaustive list of all the principal laws and regulations affecting the Issuer, the Issuer Group, the Guarantor and the Guarantor Group.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution and is made up of written laws, regulations, directives and local laws 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 are empowered by the PRC Constitution to exercise the legislative power of the State. The NPC has the power to amend the PRC Constitution and enact and amend basic laws governing State agencies and civil, criminal and other matters. The Standing Committee of the NPC is empowered to enact and amend all laws except for the laws that are required to be enacted and amended by the NPC.

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

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

THE PRC JUDICIAL SYSTEM

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

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

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

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

A foreign individual or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC. If any party to a civil action refuses to comply with a judgment or order made by a court or an award granted by an arbitration panel in the PRC, the aggrieved party may apply to the

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 three years. If a person fails to satisfy a judgment made by the court within the timeframe stipulated in the judgment, the court will, upon application by either party, mandatorily enforce the judgment.

Where a party applies for enforcement of an effective judgment or ruling of a court, if the party against whom enforcement is sought or the property thereof is not within the territory of the PRC, the applicant may apply directly to the foreign court having jurisdiction for recognition and enforcement, or apply to a PRC court for such court to request recognition and enforcement by the foreign court in accordance with the provisions of an international treaty concluded or acceded to by the PRC or under the principle of reciprocity. Where a valid and effective judgment or ruling of a foreign court requires recognition and enforcement by a court of the PRC, a party may apply directly to the intermediate court of the PRC having jurisdiction for recognition and enforcement, or apply to the foreign court for the foreign court to request recognition and enforcement by the PRC court in accordance with the provisions of an international treaty concluded or acceded to by the PRC or under the principle of reciprocity. After examining an application or request for recognition and enforcement of a valid and effective judgment or ruling of a foreign court in accordance with an international treaty concluded or acceded to by the PRC or under the principle of reciprocity, a PRC court shall issue a ruling to recognise the legal force of the judgment or ruling and issue an order for enforcement as needed to enforce the judgment or ruling according to the relevant provisions of the Civil Procedure Law of the PRC if the PRC court deems that the judgment or ruling does not violate the basic principles of the laws of the PRC and the sovereignty, security and public interest of the PRC. If the judgment or ruling violates the basic principles of the laws of the PRC or the sovereignty, security or public interest of the PRC, the PRC court shall not grant recognition and enforcement.

NDRC REGISTRATION IN RELATION TO FOREIGN DEBTS MANAGEMENT

According to the Circular 56 which terminated and replaced the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) (the “**Circular 2044**”), and was issued by the NDRC on 5 January 2023 and came into effect on 10 February 2023, if a PRC enterprise or an offshore enterprise controlled by a PRC enterprise wishes to issue bonds outside of the PRC with a maturity of more than one year, such enterprise must in advance of issuing such bonds, file certain prescribed documents with the NDRC and procure a registration certificate from the NDRC in respect of such issue.

The Circular 56 relates to the matters as listed below:

- continues to adopt and implement the registration system which has been established under the Circular 2044. Realise the supervision and administration of the size of foreign debts borrowed on a macro level with the registration and information reporting of the issuance of foreign debts by enterprises;
- before the issuance of foreign debts, enterprises shall first apply to the NDRC for the handling of the examination and registration procedures and shall (i) report the information on the issuance to NDRC within 10 PRC business days of completion of each issuance, (ii) report the information on the borrowing of foreign debt to NDRC

within 10 PRC business days upon the expiration of the NDRC certificates, and (iii) submit the information on interest, plans and arrangements, and key business indicators to NDRC within 5 PRC business days before the end of January and the end of July respectively each year;

- registration materials to be submitted by an enterprise for the issuance of foreign debts shall include: basic information of the enterprise and existing foreign debts, analysis of the necessity, feasibility, economy and financial sustainability of the borrowing of foreign debt, application report for the issuance of foreign debts and issuance plan, including the currency, size, interest rate, and maturity of foreign debts, the purpose of the funds raised, back flow of funds, etc., plan for repayment of the principal and interest of foreign debts and risk prevention measures, and letter of commitment for the authenticity of the borrowing of foreign debts. The applicant shall be responsible for the authenticity, legality, and completeness of the application materials and information;
- the NDRC shall decide whether to accept the application for registration within five business days of receiving it and shall issue a NDRC certificates of the Issuance of Foreign Debts by Enterprises within three months of accepting the application;
- the issuer of foreign debts shall, on the strength of the NDRC certificates, complete the relevant formalities for foreign exchange registration, account opening, receipt/payment and exchange of funds, use of funds etc. as required;
- upon completion of examination and registration of foreign debts, the enterprise shall submit an application for change to the examination and registration authorities prior to occurrence of any of the following circumstances and where adjustment is required:
- changes in the currency of foreign debts to be borrowed or the type of debt instruments; (ii) major changes in the use of raised funds; and (iii) other circumstances under which major adjustments shall be made to the relevant contents of the NDRC certificates. The NDRC shall make a written decision on approval of the application or issue a written notice on non-approval of the change if the reasons stated in the application is not sufficiently justified; and
- where there is any concealment, false record, misleading statement or material omission in the application materials and information disclosed by an enterprise, the NDRC shall give warnings to the enterprise and its principal responsible persons. The NDRC shall revoke the NDRC certificates if the certificate is obtained by concealment, deception, bribery or other improper means.

FOREIGN EXCHANGE ADMINISTRATION

According to Regulation of the People's Republic of China on Foreign Exchange Administration (中華人民共和國外匯管理條例) and Provisions on the Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (境內機構境外直接投資外匯管理規定), 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 (外債登記管理辦法) and its operating guidelines, effective as at 13 May 2013 and as amended 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 12 January 2017, the PBOC issued the Notice of the People's Bank of China on matters concerning the Macro-Prudential Management of Full-Covered Cross-Border Financing (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知) (the “**Cross-Border Financing Notice**”), which came into effect on the same day. The Cross Border Financing Notice 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. The Cross-Border Financing Notice applies to non-financial enterprises, excluding financing platforms of the government and real estate corporations.

REGULATION ON FISCAL DEBTS OF LOCAL GOVERNMENTS

In accordance with the currently effective Budget Law which took effect in 1995 (the “**Old Budget Law**”), local governments shall not issue bonds directly. On 31 August 2014, the Standing Committee of the NPC amended Budget Law of the PRC and on 29 December 2018, the Standing Committee of the NPC adopted the newly amended Budget Law of the PRC, which became effective on the same day (the “**New Budget Law**”). The New Budget Law grants local governments the right to issue government bonds. On 21 September 2014, the State Council released the Circular 43. The Circular 43 aims at regulating the financing system of local governments. In accordance with the Circular 43, financing platforms shall no longer function as financing vehicles of the local governments nor incur new government debts. Public interest projects may be funded by the government through issuing government bonds, and public interest projects with income generated may be operated independently by private investors or jointly by the government and private investors through the establishment of special purpose companies. Private investors or such special purpose companies shall invest in accordance with market-oriented principles and may be funded by, among other market-oriented approaches, bank loans, enterprise bonds, project revenue bonds and asset-backed securitisation. Private investors or the special purpose

companies shall bear the obligation to pay off such debts and the government shall not be liable for any of the private investors' or special purpose companies' debts. The Circular 43 also sets forth the general principles of dealing with existing debts of financing platforms.

Based on the auditing results of such debts run by the local governments, the existing debts that should be repaid by the local governments shall be identified, reported to the State Council for approval, and then included in the budget plan of local governments.

In addition to the Circular 43, the MOF, the NDRC, the Ministry of Justice, the PBOC, CBRC and CSRC jointly issued the Circular 50 on 26 April 2017, which reaffirmed that local government debts shall only be incurred through the issuance of local government bonds within the quota approved by the State Council, and the local governments and their departments are not permitted to use any other means for debt financing. The local governments and their departments are prohibited from requesting or ordering enterprises to issue debts for or on behalf of the local governments. According to the Circular 50, (i) local governments should not inject public assets and land reserves into their financing vehicles, and should not undertake to use the expected income from transfer of land reserves as sources of debt servicing for their financing vehicles; (ii) when providing financing to enterprises such as financing vehicles, the financial institutions shall not request or accept any form of guarantee of such financing from the local governments and their departments by way of letter of guarantee, letter of undertaking, letter of comfort or otherwise; (iii) a financing vehicle shall make a written representation to the relevant creditor that it does not perform any financing function on behalf of local governments, and any debts incurred by it after 1 January 2015 shall not be regarded as local government debts pursuant to applicable laws.

On 23 October 2014, the MOF promulgated the Methods to Clear up and Clarify the Existing Fiscal Debt of Local Governments and Integrate it into Budgetary Management (地方政府存量債務納入預算管理清理甄別辦法) (the “**Circular 351**”) based on the Circular 43. The Circular 351 further requires the local governments to clear up the existing debts of their respective financing platforms of the local governments and classify such existing fiscal debts of the local governments into government debts and non-government debts. Pursuant to the Circular of the General Office of the State Council on Forwarding the Opinions of MOF, PBOC and CBRC on Properly Solving the Problem of Follow-up Financing for Projects under Construction of Local Government Financing Platform Companies (國務院辦公廳轉發財政部、人民銀行、銀監會關於妥善解決地方政府融資平台公司在建項目後續融資問題意見的通知) (the “**Circular 40**”) which was promulgated by the General Office of the State Council and became effective on 11 May 2015, local governments at all levels and banking financial institutions shall properly deal with follow-up financing issues for projects under construction of financing platform companies. Projects under construction refer to projects that have started construction upon the completion of examination, approval or filing procedures in accordance with relevant regulations by competent investment authorities before the date when the Circular 43 was promulgated. The key tasks of local governments and banking financial institutions are as follows: (i) supporting stock financing needs for projects under construction; (ii) regulating increment financing for projects under construction; (iii) administering in an effective and proper manner follow-up financing for projects under construction; and (iv) improving supporting measures. On 13 September 2018, the General Office of the CPC and the State Council jointly issued 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), which establishes targets for the reduction of the average

debt-to-asset ratio of state-owned enterprises by 2020 and (consistent with the Circular 43 and the Circular 50) bans local governments from engaging in “disguised” borrowing by using state-owned enterprises to issue corporate debt on their behalf.

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

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 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 and MOF 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 The Ministry of Housing and Urban-Rural Development (the “MOHURD” (formerly Ministry of Construction of the PRC, the “MOC”)) 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), 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

Code of the People's Republic of China on the Ecological Environment (中華人民共和國生態環境法典) issued by The National People's Congress of the People's Republic of China on 12 March 2026 and became effective on 15 August 2026, establishes the legal framework for environmental protection in the PRC, applies to activities related to ecological environment protection, such as pollution prevention and control, ecological protection, and green and low-carbon development within the territory of the People's Republic of China and other sea areas under its jurisdiction. The competent department of ecological environment under the State Council shall, within its scope of responsibilities, implement unified supervision and management of the national ecological environment protection work, formulate unified policy planning standards, conduct unified monitoring and evaluation, supervise and enforce laws, and conduct unified inspection and accountability. The ecological environment department of the local people's government shall implement unified supervision and management of the ecological environment protection work within its scope of responsibilities.

Air Pollution

Code of the People's Republic of China on the Ecological Environment (中華人民共和國生態環境法典) issued by The National People's Congress of the People's Republic of China on 12 March 2026 and became effective on 15 August 2026, The competent department of ecological environment under the State Council shall implement unified supervision and management of the national air pollution prevention and control work. The ecological environment department of the local people's government shall implement unified supervision and management of the prevention and control of air pollution in its administrative region. Other relevant departments of the people's governments at or above the county level shall supervise and manage the prevention and control of air pollution within their respective responsibilities.

Water Pollution

Code of the People's Republic of China on the Ecological Environment (中華人民共和國生態環境法典) issued by The National People's Congress of the People's Republic of China on 12 March 2026 and became effective on 15 August 2026. The country shall establish and improve the monitoring system for water ecological environment quality and water pollutant discharge. The competent department of ecological environment under the State Council, together with relevant departments such as water administration under the State Council, shall organize a monitoring network, unify the planning of the establishment of national water ecological environment quality monitoring stations, establish and improve a monitoring data sharing mechanism, and strengthen the management of water ecological environment monitoring.

Noise Pollution

Code of the People's Republic of China on the Ecological Environment (中華人民共和國生態環境法典) issued by The National People's Congress of the People's Republic of China on 12 March 2026 and became effective on 15 August 2026. The competent department of ecological environment under the State Council shall implement unified supervision and management of noise pollution prevention and control work nationwide. The ecological environment department of the local people's government shall implement unified supervision and management of the prevention and control of noise pollution in its administrative area. The relevant departments of housing and urban-rural development, public security, transportation, railway supervision and management, civil aviation, maritime affairs, etc. of the people's governments at or above the county level shall supervise and manage the prevention and control of noise pollution in construction, transportation, and social life within their respective responsibilities.

Construction Projects

The Administration Regulations on Environmental Protection of Construction Projects (建設項目環境保護管理條例) require enterprises planning construction projects to engage qualified professionals to provide assessment reports on the environmental impact of such projects. The assessment report shall be filed with and approved by the relevant environmental protection bureau, prior to the commencement of any construction work. The construction project shall not commence operation, unless inspected and approved by the relevant environmental protection bureau.

TAXATION

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

PRC

The following summary accurately describes the principal PRC tax consequences of ownership of the Bonds by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as (a) non-resident Bondholders, or (b) beneficial owners who are entities or individuals located outside of the PRC in this “Taxation-PRC” section. In considering whether to invest in the Bonds, investors should consult their individual tax advisers with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction. Reference is made to PRC taxes from the taxable year beginning on or after 1 January 2008.

Income Tax and VAT

Pursuant to the EIT Law, the IIT Law and the implementation rules in relation to both the EIT Law and the IIT Law, PRC income tax at a rate of 10 per cent. or 20 per cent. is normally applicable to PRC-source income derived by non-resident enterprises or individuals, respectively, subject to adjustment by applicable treaty. As the Issuer is a PRC-resident enterprise for tax purposes, interest paid to non-resident Bondholders may be regarded as PRC-sourced, and therefore subject to PRC income tax at a rate of 10 per cent. for non-resident enterprise Bondholders and at a rate of 20 per cent. for non-resident individual Bondholders (or a lower treaty rate, if any).

Such income tax shall be withheld by the Issuer acting as the obligatory withholder, and the Issuer shall withhold the tax amount from each payment. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified non-resident enterprise or individual Bondholders.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as income derived from sources within the PRC. Under the EIT Law, a “non-resident enterprise” means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in

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

On 23 March 2016, the MOF and the State Administration of Taxation issued the Circular 36, which introduced a new VAT from 1 May 2016, and on 25 December 2024, the Standing Committee of the National People's Congress issued the Value-added Tax Law of the People's Republic of China (《中華人民共和國增值稅法》) ("**Value-added Tax Law**"), which became effective on 1 January 2026. Under the Circular 36 and the Value-added Tax Law, VAT is applicable where the entities or individuals provide services within the PRC. The operating revenues generated from the provision of taxable sale of services by entities and individuals, such as financial services, shall be subject to VAT if the seller or purchaser of the services is within the PRC. In the event that foreign entities or individuals do not have a business establishment in the PRC, the purchaser of services shall act as the withholding agent. According to the Explanatory Notes to Sale of Services, Intangible Assets and Real Property attached to the Circular 36, financial services refer to the business activities of financial and insurance operation, including loan processing services, financial services of direct charges, insurance services and the transfer of financial instruments, and the VAT rate is 6 per cent. Accordingly, the interest and other interest-like earnings received by a non-PRC resident Bondholder from the Issuer will be subject to PRC VAT at the rate of 6 per cent. The Issuer will be obliged to withhold VAT of 6 per cent. and certain surcharges on 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 the PRC between non-PRC resident Bondholders will be subject to PRC VAT. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. The Circular 36 and the Value-added Tax Law together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

The Issuer (or as the case may be, the Guarantor) has agreed to pay additional amounts to holders of the Bonds so that holders of the Bonds would receive the full amount of the scheduled payment, as further set out in “*Terms and Conditions of the Bonds — Taxation*”.

Stamp Duty

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

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal, premium (if any) or interest 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:

- interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business;
- interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- interest on the Bonds is received by or accrued to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal 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

IRO) 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 sums have a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

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

Stamp Duty

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

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 24 September 2026 (the “**Subscription Agreement**”), pursuant to which and subject to certain conditions contained in the Subscription Agreement, 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 the Bonds to be Subscribed (CNY)
Hung Sing Securities Limited	33,000,000
China International Capital Corporation Hong Kong Securities Limited	33,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch .	33,000,000
CLSA Limited	33,000,000
China Galaxy International Securities (Hong Kong) Co., Limited . . .	33,000,000
Shenwan Hongyuan Securities (H.K.) Limited	33,000,000
Guodu Securities (Hong Kong) Limited	33,000,000
Far East Horizon International Securities Limited	0
SDIC Securities (Hong Kong) Limited	33,000,000
Central International Securities Limited	33,000,000
Target Securities International Limited	33,000,000
Soochow Securities International Brokerage Limited	33,000,000
Orient Securities (Hong Kong) Limited	33,000,000
CMB International Capital Limited	33,000,000
Hong Kong Main Fund Securities Limited	33,000,000
Donghai International Securities (Hong Kong) Limited	33,000,000
CNI Securities Group Limited	33,000,000
Sinolink Securities (Hong Kong) Company Limited	33,000,000
CCB International Capital Limited	33,000,000
Southwest Securities (HK) Brokerage Limited	0
Dongxing Securities (Hong Kong) Company Limited	33,000,000
Haitong International Securities Company Limited	33,000,000
Total	<u>660,000,000</u>

The Subscription Agreement provides that the Joint Lead Managers and their respective subsidiaries, affiliates or any person who controls any of them or any of their respective directors, officers, employees or agents 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 appointed and acting as a Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot the Bonds or effect transactions with a view to supporting the

market price of the Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the 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 Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) 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 and the Guarantor 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 or the Guarantor, 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 or the Guarantor 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 the offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. 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, unless otherwise notified, the marketing and investor targeting strategy for the offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

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 Manager(s) (if any) to categorise it as a proprietary order and to 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: project.tianfusource2026@hungsinggroup.com and ib_projecttianfu2026@cicc.com.cn.

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

SELLING RESTRICTIONS

General

None of the Issuer, the Guarantor or the Joint Lead Managers makes any representation that any action has been or will be taken in any jurisdiction by the Joint Lead Managers or the Issuer or the Guarantor that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular or any other offering or publicity material relating

to the Bonds, in any country or jurisdiction where action for that purpose is required. Each Manager will severally and not jointly comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Offering Circular or any such other material.

United States

The Bonds and the Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States 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 of the Joint Lead Managers has represented, warranted and agreed that:

- (a) it and its affiliates has not offered or sold, and agrees that it and its affiliates will not offer or sell, any Bonds and the Guarantee constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S; and
- (b) none of it, its affiliates, or any persons acting on its or their behalf have engaged or will engage in any “directed selling efforts” (as defined in Regulation S) with respect to the Bonds and/or the Guarantee.

United Kingdom

Each of the Joint Lead Managers has represented, warranted and agreed that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated an 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 the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Hong Kong

Each of the Joint Lead Managers has represented, warranted and undertaken that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

PRC

Each of the Joint Lead Managers has represented, warranted and agreed 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 and Macau Special Administrative Regions of the People’s Republic of China or Taiwan), except as permitted by the securities laws or any other applicable laws or regulations of the PRC.

Singapore

Each of the Joint Lead Managers 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 Manager has represented, warranted and agreed that it has not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase, and will not offer or sell any Bonds or cause any 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 such 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 or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Joint Lead Managers has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

SUMMARY OF CERTAIN MATERIAL DIFFERENCES BETWEEN PRC GAAP AND IFRS

The Audited Financial Statements included in this Offering Circular have been prepared and presented in accordance with PRC GAAP. Certain material differences exist between PRC GAAP and IFRS which might be relevant to the Issuer Group's financial information. The following is a general summary of certain material differences between PRC GAAP and IFRS as applicable to the Issuer Group. Since the summary is not meant to be exhaustive, there is no assurance regarding the completeness of this summary. The Issuer has not prepared a complete reconciliation of the consolidated financial information and related disclosure between PRC GAAP and IFRS and have not quantified such differences. Had any such quantification or reconciliation been undertaken by the Issuer Group, other potentially significant accounting and disclosure differences may have 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. Furthermore, no attempt has been made to identify future differences between PRC GAAP and IFRS that may affect the financial information as a result of transactions or events that may occur in the future. As a result, no assurance is provided that the following summary of differences between PRC GAAP and IFRS is complete. In making an investment decision, each investor must rely upon its own examination of the Issuer Group, the terms of the offering and other disclosure contained herein. Each investor should consult its own professional advisers for an understanding 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.

GOVERNMENT GRANT

Prior to 1 January 2017, under PRC GAAP, an assets-related government grant was only required to be recognised as deferred income, and evenly amortised to profit or loss over the useful life of the related asset. However, under IFRS, such assets-related government grants are allowed to be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. From 1 January 2017, the treatment of an assets-related government grant under the PRC GAAP has changed and is the same as that under IFRS.

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 are 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 the cost model, long-term equity investments, fixed assets, intangible assets and goodwill, etc.), it shall not be reversed in any subsequent period.

Under IFRS, an impairment loss recognised in prior periods for an asset other than goodwill may 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.

CLASSIFICATION OF EXPENSES IN THE INCOME STATEMENT/STATEMENT OF COMPREHENSIVE INCOME

Under the PRC GAAP, expenses must be classified based on their function in the income statement.

Under IFRS, enterprises may classify expenses either based on the nature of the expenses or their function in the statement of comprehensive income, depending on which format is considered reliable and more relevant.

RELATED PARTY DISCLOSURES

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

FIXED ASSETS AND INTANGIBLE ASSETS

Under PRC GAAP, only the cost model is allowed.

Under IFRS, an entity can either choose the cost model or measure fixed assets and intangible assets at fair value.

GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream. The ISIN of the Bonds is XS3521287915. The Common Code of the Bonds is 352128791. The Legal Entity Identifier code of the Issuer is 8368000N9H1MEVNKM283.
2. **Authorisations:** Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in connection with the issue, execution, delivery and performance of their respective obligations under the Bonds, the Trust Deed, the Agency Agreement and the Deed of Guarantee (in the case of the Guarantor only). The issue of the Bonds was authorised by a resolution of the board of directors of the Issuer dated 6 February 2026 and a decision of the shareholder of the Issuer dated 26 February 2026. The giving of the Guarantee was authorised by the project approval resolution resolved by the Chairman of the Guarantor dated 15 September 2026.
3. **No Material and Adverse Change:** There has been no material adverse change, or any development or event involving a prospective material adverse change, in the condition (financial or other), prospects (financial or otherwise), results of operations or general affairs of the Issuer, the Issuer Group, the Guarantor or the Guarantor Group since 31 December 2025.
4. **Litigation:** None of the Issuer or any other member of the Issuer Group is involved in any litigation or arbitration proceedings which could have a material and adverse effect on their businesses, results of operations and financial condition, nor is the Issuer aware that any such proceedings are pending or threatened. None of the Guarantor or any member of the Guarantor Group is involved in any litigation or arbitration proceedings which could have a material and adverse effect on their businesses, results of operations and financial condition, nor is the Guarantor aware that any such proceedings are pending or threatened.
5. **Available Documents:** Copies of the Trust Deed, the Agency Agreement and the Deed of Guarantee will be available for inspection by Bondholders from the Issue Date upon prior written request and proof of holding and identity satisfactory to the Trustee at the principal place of business for the time being of the Trustee, being at the date of this Offering Circular at 13/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong at all reasonable times during normal business hours (being between 9:00 a.m. (Hong Kong time) and 3:00 p.m. (Hong Kong time) excluding Saturdays, Sundays and public holidays), so long as any Bond is outstanding.
6. **Financial Statements of the Issuer:** The Audited Financial Statements prepared in accordance with the PRC GAAP, which are included elsewhere in this Offering Circular, have been audited by Beijing Zhongming Guocheng Certified Public Accountants (Special General Partnership), as stated in its reports appearing herein.

7. **Financial Statements of the Guarantor:** Copies of the Guarantor's published consolidated financial statements, as well as its public filings, can be downloaded free of charge from the website of the CFETS at <http://www.chinamoney.com.cn>. Such financial statements and public filings are available in the Chinese language only and are not included in and do not form part of this Offering Circular. The information contained on the website of the CFETS is subject to change from time to time. No representation or warranty, express or implied, is made by the Issuer, the Joint Lead Managers, the Trustee or the Agents or any person who controls any of them or any of their respective affiliates, directors, employees, agents, representatives, officers and advisers, and none of the Issuer, the Joint Lead Managers, the Trustee or the Agents or any person who controls any of them or any of their respective affiliates, directors, employees, agents, representatives, officers and advisers, takes any responsibility for any information contained on the website of the CFETS.
8. **Listing of Bonds:** Application will be made to the MOX for the listing of, and permission to deal in, the Bonds by way of debt issues to the MOX Professional Investors only.

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ISSUER

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