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四川能投發展股份有限公司
Sichuan Energy Investment Development Co., Ltd.*

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 01713)

CONNECTED TRANSACTION
DISPOSAL OF APPROXIMATELY 49.0% EQUITY INTERESTS IN
PINGSHAN JINPING

THE EQUITY INTEREST TRANSFER AGREEMENT

The Board is pleased to announce that, on 27 February 2025, Pingshan Electricity (a wholly-owned subsidiary of the Company) and Jinjiao Real Estate Development entered into the Equity Interest Transfer Agreement, pursuant to which Pingshan Electricity agrees to sell and Jinjiao Real Estate Development agrees to purchase approximately 49.0% of the equity interests in Pingshan Jinping at the consideration of RMB12,020,572.63. Prior to the completion of the Equity Interest Transfer, Pingshan Electricity holds approximately 49.0% of the equity interests in Pingshan Jinping. After the completion of the Equity Interest Transfer, the Group will no longer hold any equity interest in Pingshan Jinping.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Jinjiao Real Estate Development is indirectly held as to more than 30% by Hydropower Group and Energy Investment Group, who are the Controlling Shareholders. Accordingly, Jinjiao Real Estate Development is an associate of Hydropower Group and Energy Investment Group, respectively, and therefore a connected person of the Company under Rule 14A.07, and the Equity Interest Transfer constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio with respect to the Equity Interest Transfer exceeds 0.1% but less than 5% and the consideration exceeds HK\$3 million, the Equity Interest Transfer is subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

I. INTRODUCTION

The Board is pleased to announce that, on 27 February 2025, Pingshan Electricity (a wholly-owned subsidiary of the Company) and Jinjiao Real Estate Development entered into the Equity Interest Transfer Agreement, pursuant to which Pingshan Electricity agrees to sell and Jinjiao Real Estate Development agrees to purchase approximately 49.0% of the equity interests in Pingshan Jinping at the consideration of RMB12,020,572.63. Prior to the completion of the Equity Interest Transfer, Pingshan Electricity holds approximately 49.0% of the equity interests in Pingshan Jinping. After the completion of the Equity Interest Transfer, the Group will no longer hold any equity interest in Pingshan Jinping.

II. EQUITY INTEREST TRANSFER AGREEMENT

The principal terms of the Equity Interest Transfer Agreement are set out below.

Date

27 February 2025

Parties

- (1) Pingshan Electricity; and
- (2) Jinjiao Real Estate Development

The Equity Interest Transfer

Pursuant to the Equity Interest Transfer Agreement, Pingshan Electricity agrees to sell and Jinjiao Real Estate Development agrees to purchase approximately 49.0% of the equity interests in Pingshan Jinping, representing the entire shareholding of Pingshan Electricity in Pingshan Jinping.

Consideration and Basis for Determination of the Consideration

According to the valuation report prepared by Sichuan Zhongtian Huacheng Real Estate Land Asset Appraisal Co., Ltd.* (四川中天華成房地產土地資產評估有限公司) (an independent valuation institution) as issued on 15 August 2024 (the “**Valuation Report**”), adopting the asset-based approach, the appraised value of the total shareholders’ equity of Pingshan Jinping as at the valuation base date (30 June 2024) is approximately RMB53.6 million (the “**Appraised Value**”).

The Consideration payable by Jinjiao Real Estate Development to Pingshan Electricity for the Subject Equity Interest shall be RMB12,020,572.63, which was determined after arm's length negotiations following the calculation below:

$$\text{Consideration} = \frac{(\text{Appraised Value} - \text{Distributed Profit} - \text{Reserved Risk Deposit} - \text{Selling Price of Pingshan Commercial Property}) \times 49\%}{1}$$

Notes:

- (a) The Distributed Profit refers to the undistributed profit of Pingshan Jinping of RMB24,197,363.91 as at 30 June 2024 pursuant to the audit report of Pingshan Jinping for the six months ended 30 June 2024, which shall be distributed between Pingshan Electricity and Jinjiao Real Estate Development in proportion to their equity interests in Pingshan Jinping prior to the execution of the Equity Interest Transfer Agreement.
- (b) As a result of a real estate project developed by Pingshan Jinping (the "**Real Estate Project**"), Pingshan Jinping has provided transitional guarantees to financial institutions as security for the relevant mortgage loans provided by such financial institutions to the property owners from the Real Estate Project. For the purpose of covering the obligations of Pingshan Jinping that may arise from providing such transitional guarantees, a sum of RMB3,000,000 (the "**Reserved Risk Deposit**") is being reserved out of the Appraised Value as reserved risk deposit and excluded from distribution. Upon the fulfilment in full of the obligations of Pingshan Jinping to the financial institutions under the transitional guarantees, the Reserved Risk Deposit shall be distributed between Pingshan Electricity and Jinjiao Real Estate Development in proportion to their equity interests in Pingshan Jinping prior to the execution of the Equity Interest Transfer Agreement.
- (c) The selling price of the Pingshan Commercial Property refers to the sum of RMB1,878,660 payable by the Pingshan County government for purchasing the property (the "**Selling Price of Pingshan Commercial Property**"), which has remained outstanding as at the date of the Equity Interest Transfer Agreement. Such sum shall be distributed between Pingshan Electricity and Jinjiao Real Estate Development in proportion to their equity interests in Pingshan Jinping upon receipt from the Pingshan County government prior to the execution of the Equity Interest Transfer Agreement.

Payment Terms

The Consideration shall be paid in two instalments:

- (1) the first instalment of the Consideration, being 50% of the Consideration (i.e. RMB6,010,286.31) shall be paid by Jinjiao Real Estate Development to Pingshan Electricity within 10 business days after the execution of the Equity Interest Transfer Agreement (the "**First Instalment of Consideration**").
- (2) The second instalment of the Consideration shall be paid by Jinjiao Real Estate Development to Pingshan Electricity within 30 business days after the completion of the Equity Interest Transfer and the completion of the audit of profit or loss during the Transitional Period (the "**Second Instalment of Consideration**"), and the amount of which shall be calculated as follows:

$$\begin{aligned} \text{Second Instalment} &= \text{Consideration} - \text{First Instalment of Consideration} + \\ \text{of Consideration} &= (\text{the profit or loss during the Transitional Period} \times 49\%) \end{aligned}$$

Note: In the event the loss recorded during the Transitional Period is caused by the fault of one party to the Equity Interest Transfer Agreement, such party shall bear the entire loss.

Arrangements during the Transitional Period

The Transitional Period shall be the period between the date of the Equity Interest Transfer Agreement and the date of completion of the Equity Interest Transfer (both days exclusive).

During the Transitional period, unless with the written agreements of Pingshan Electricity and Jinjiao Real Estate Development, (i) the registered capital of Pingshan Jinping shall not be changed; (ii) the articles of Pingshan Jinping shall not be amended except for the purpose of the transactions contemplated under the Equity Interest Transfer Agreement; and (iii) Pingshan Jinping shall diligently and responsibly conduct ordinary business operation with the goal of conserving or increasing its value.

Any profit or loss recorded during the Transitional Period shall be borne by Pingshan Electricity and Jinjiao Real Estate Development in proportion to their equity interests in Pingshan Jinping, and shall be settled together with the Second Instalment of Consideration as detailed in the paragraph headed "Payment Terms" above.

Completion

Within 30 days after the execution of the Equity Interest Transfer Agreement, Jinjiao Real Estate Development shall coordinate with Pingshan Electricity to complete the following matters:

- (i) To conduct the relevant registration procedure with respect to the Equity Interest Transfer with the industrial and commercial registration authority, to register the transfer of the Subject Equity Interest to Jinjiao Real Estate Development;
- (ii) To amend the articles of Pingshan Jinping and to make the relevant filings to the industrial and commercial registration authority in accordance with the relevant laws and regulations; and
- (iii) To record Jinjiao Real Estate Development and the Subject Equity Interest acquired by it in the register of members of Pingshan Jinping.

Completion shall take place upon the completion of the above matters.

Contingent liabilities

In the event the circumstances in relation to penalties from government authorities or other contingent liabilities as set out in the Equity Interest Transfer Agreement arise, the parties shall actively coordinate to respond accordingly. If in the end payment, claim or fine is still necessary, Pingshan Electricity and Jinjiao Real Estate Development shall bear the payment obligation in accordance with their respective shareholding interests in Pingshan Jinping prior to the execution of the Equity Interest Transfer Agreement.

III. INFORMATION ON PINGSHAN JINPING

Pingshan Jinping is a limited liability company established in the PRC with a registered capital of RMB28,320,000. It principally engaged in investment in real estate projects, real estate development and operation, real estate agency and property management.

As at the date of this announcement, Pingshan Jinping is held as to approximately 51% by Jinjiao Real Estate Development and 49% by Pingshan Electricity.

According to the audited financial statements of Pingshan Jinping, the financial information of Pingshan Jinping for the two years ended 31 December 2022 and 2023 and the six months ended 30 June 2024 prepared in accordance with the PRC Accounting Standards for Business Enterprises is set out below:

	For the financial year ended		For the
	31 December		six months ended
	2022	2023	30 June
	RMB'000 (audited)	RMB'000 (audited)	2024
			RMB'000 (audited)
Net profit (loss) before tax	21,773.6	13,911.7	(1,508.0)
Net profit (loss) after tax	19,012.3	11,626.5	(1,961.2)

The consolidated net asset value of Pingshan Jinping as at 31 December 2022, 31 December 2023 and 30 June 2024 was approximately RMB44.5 million, RMB56.1 million and RMB54.1 million. Pursuant to the Valuation Report, the Appraised Value of Pingshan Jinping as of 30 June 2024 was approximately RMB53.6 million.

Please refer to the Appendix to this announcement for further details in relation to the valuation of Pingshan Jinping.

IV. FINANCIAL EFFECT OF THE EQUITY INTEREST TRANSFER AND USE OF PROCEEDS

Upon completion of the Equity Interest Transfer, it is expected that the Group will record a book loss of approximately RMB2.39 million, which is calculated by deducting the book value of the Subject Equity Interest from the actual Consideration. The aforementioned financial implications are for illustrative purposes only and the exact amount of losses to be recorded in the consolidated financial statements of the Group for the year ending 31 December 2025 is subject to audit.

The Consideration will be applied towards the general working capital and business development of the Group.

V. REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY INTEREST TRANSFER AGREEMENT

In 2024, Energy Investment Group approved several work plans, including but not limited to the classification and governance of loss-making corporate entities, reduction of management levels and number of corporate entities, and divestment of non-core businesses, pursuant to the above, it was approved that Pingshan Jinping shall complete deregistration before 30 June 2025. To push forward and expedite the implementation of the above work plans, Pingshan Electricity and Jinjiao Real Estate Development agreed that the Jinjiao Real Estate Development shall acquire the equity interests of Pingshan Electricity in Pingshan Jinping first, before proceeding with the deregistration. Over the years, Pingshan Jinping had been generating profits from its real estate projects, and had distributed profits to Pingshan Electricity and Jinjiao Real Estate Development in proportion to their shareholding interests in the company. The Directors considered that the Equity Interest Transfer would enable the Company to recover its investment in Pingshan Jinping, which had completed its real estate projects, and better allocate its financial resources. The estimated book loss (subject to final audit) resulting from the Equity Interest Transfer is mainly attributable to the deduction from the Consideration of the amounts of the Reserved Risk Deposit and the Selling Price of Pingshan Commercial Property entitled by Pingshan Electricity, which if being fully recovered, would cover the entire aforesaid current estimated book loss. The Consideration will be applied towards the general working capital and business development of the Group.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that (i) although not entered into in the ordinary and usual course of business of the Group, the transactions contemplated under the Equity Interest Transfer Agreement are on normal commercial terms or better; and (ii) the terms and conditions contained under the Equity Interest Transfer Agreement are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

As Mr. He Jing, Mr. Wang Yuanchun and Ms. Xie Peixi are the Directors nominated by Hydropower Group, they have abstained from voting on the Board resolutions to approve the Equity Interest Transfer Agreement voluntarily. Save as disclosed above, none of the Directors have material interest in the Equity Interest Transfer Agreement and hence no other Director was required to abstain from voting on the relevant resolutions approving the same.

VI. INFORMATION ON THE PARTIES TO THE EQUITY INTEREST TRANSFER AGREEMENT

The Company is a vertically integrated power supplier and service provider in Yibin City, Sichuan Province, with a full power supply value chain covering power generation and electricity distribution and sales.

Pingshan Electricity, is a limited liability company established in the PRC and a wholly owned subsidiary of the Company. It is primarily engaged in power generation and supply in Pingshan County, Yibin City, Sichuan Province.

Jinjiao Real Estate Development is a limited liability company established in the PRC, which is directly wholly owned by SCEI Xincheng Investment Co., Ltd.* (四川能投新城投資有限公司). SCEI Xincheng Investment Co., Ltd.* is a limited liability company established in the PRC, and was held as to approximately 60.9% by Energy Investment Group, 35.6% by Hydropower Group, and 3.5% by Shenzhen Senda Investment Co., Ltd.* (深圳市森大投資有限公司). Jinjiao Real Estate Development primarily engages in real estate development and management.

Hydropower Group is a limited liability company established in the PRC, and was owned as to approximately 77.74% by Energy Investment Group, 9.16% by China Construction Bank Corporation* (中國建設銀行股份有限公司) (a bank with state-owned background in the PRC dually listed on the Stock Exchange (stock code: 00939) and the Shanghai Stock Exchange (stock code: 601939)), approximately 6.55% by Agricultural Bank of China Limited* (中國農業銀行股份有限公司) (a bank with state-owned background in the PRC dually listed on the Stock Exchange (stock code: 01288) and the Shanghai Stock Exchange (stock code: 601288)), and approximately 6.55% by Bank of China Limited* (中國銀行股份有限公司) (a bank with state-owned background in the PRC dually listed on the Stock Exchange (stock code: 03988) and the Shanghai Stock Exchange (stock code: 601988)). As at the date of the announcement, Energy Investment Group was owned as to 84.16% by Sichuan Development Co. and as to 15.84% by the State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government* (四川省政府國有資產監督管理委員會). Sichuan Development Co. was in turn owned as to 90% by the State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government* (四川省政府國有資產監督管理委員會) and as to 10% by the Sichuan Provincial Department of Finance* (四川省財政廳), respectively.

VII. LISTING RULES IMPLICATIONS

As at the date of this announcement, Jinjiao Real Estate Development is indirectly held as to more than 30% by Hydropower Group and Energy Investment Group, who are the Controlling Shareholders. Accordingly, Jinjiao Real Estate Development is an associate of Hydropower Group and Energy Investment Group, respectively, and therefore a connected person of the Company under Rule 14A.07, and the Equity Interest Transfer constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio with respect to the Equity Interest Transfer exceeds 0.1% but less than 5% and the consideration exceeds HK\$3 million, the Equity Interest Transfer is subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

VIII. DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Appraised Value”	has the meaning ascribed thereto under the paragraph headed “II. Equity Interest Transfer Agreement – Consideration and basis for determination of the Consideration” in this announcement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the Board of Directors
“Company”	Sichuan Energy Investment Development Co., Ltd.* (四川能投發展股份有限公司) (stock code: 01713), a company established in the PRC as a joint stock company with limited liability on 29 September 2011
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB12,020,572.63, being the consideration payable by Jinjiao Real Estate Development to Pingshan Electricity for the Equity Interest Transfer
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in RMB by PRC nationals and/or PRC corporate entities
“Energy Investment Group”	Sichuan Province Energy Investment Group Co., Ltd.* (四川省能源投資集團有限責任公司), a limited liability company established in the PRC and one of the controlling shareholders of the Company
“Equity Interest Transfer”	the transfer of the 49.0% of the equity interests in Pingshan Jinping by Pingshan Electricity to Jinjiao Real Estate Development pursuant to the Equity Interest Transfer Agreement
“Equity Interest Transfer Agreement”	the equity interest transfer agreement dated 27 February 2025 entered into between Pingshan Electricity and Jinjiao Real Estate Development in relation to the Equity Interest Transfer
“Group”	the Company and its subsidiaries

“H Share(s)”	overseas listed foreign invested ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK\$ and listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hydropower Group”	Sichuan Province Hydropower Investment and Management Group Co., Ltd.* (四川省水電投資經營集團有限公司), a limited liability company established in the PRC and one of the controlling shareholders of the Company
“Jinjiao Real Estate Development”	Sichuan Jinjiao Real Estate Development Co., Ltd.* (四川金嬌房地產開發有限公司), a limited liability established in the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Pingshan Electricity”	Sichuan Energy Power Investment Pingshan Electricity Co., Ltd.* (四川能投屏山電力有限公司), a limited liability company established in the PRC which is an wholly-owned subsidiary of the Company
“Pingshan Jinping”	Pingshan Jinping Real Estate Development Co., Ltd.* (屏山金屏房地產開發有限公司), a limited liability company established in the PRC
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Reserved Risk Deposit”	has the meaning ascribed thereto under the paragraph headed “II. Equity Interest Transfer Agreement – Consideration and basis for determination of the Consideration” in this announcement
“RMB”	Renminbi yuan, the lawful currency of the PRC
“Selling Price of Pingshan Commercial Property”	has the meaning ascribed thereto under the paragraph headed “II. Equity Interest Transfer Agreement – Consideration and basis for determination of the Consideration” in this announcement
“Share(s)”	the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of the Shares of the Company

“Sichuan Development Co.”	Sichuan Development (Holding) Co., Ltd.* (四川發展(控股)有限責任公司), a wholly state-owned enterprise with limited liability established in the PRC and one of the controlling shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subject Equity Interest”	Approximately 49% of the equity interests in Pingshan Electricity
“%”	per cent

By order of the Board
Sichuan Energy Investment Development Co., Ltd.*
He Jing
Chairman

Chengdu, Sichuan Province, the PRC
27 February 2025

As at the date of this announcement, the executive directors of the Company are Mr. He Jing, Mr. Wang Yuanchun and Ms. Xie Peixi; the non-executive directors of the Company are Ms. Han Chunhong, Mr. Tao Xueqing, Mr. Gao Bin, Mr. Kong Ce and Mr. Zhao Gen; and the independent non-executive directors of the Company are Mr. Siu Chi Hung, Mr. Chen Chuan, Mr. Mou Yingshi, Prof. Li Jian and Ms. He Yin.

* For identification purposes only

APPENDIX – FURTHER DETAILS ON THE VALUATION OF PINGSHAN JINPING

Valuation Approach

(I) Selection of Valuation Approach

Asset-based approach is adopted to arrive at the equity value of Pingshan Jinping on the basis of continuing as a going concern.

Income approach is not adopted for the valuation given that currently Pingshan Jinping has neither land available nor a definite future development plan, and the valuer is unable to reasonably quantify future income of Pingshan Jinping. Therefore, income approach is not suitable for the valuation herein.

Market approach is not adopted for the valuation given that there are not sufficient comparable companies or equity transaction cases same or similar to the target company in the capital market, or albeit with such transaction cases, the market, financial and other related information on such transaction cases is not available.

(II) Application of the Asset-based Approach

Asset-based approach is a valuation method to determine the equity value based on the subject entity's balance sheet as of the valuation base date by assessing the value of assets and liabilities that are stated on and are identifiable off the balance sheet. The basic formula is as below:

Equity value = Σ Value of assets stated on and identifiable off the balance sheet – Σ Value of liabilities stated on and identifiable off the balance sheet

1. Cash at bank and on hand

For bank deposits, the verified book value is taken as the assessed value.

2. Receivables

Accounts receivable and other receivables: The difference between the carrying amount and the assessed risk loss is taken as the assessed value, and the provision for bad debts made in the accounting book is assessed at nil value.

3. *Inventories*

- (1) Development products: Mainly include the completed but unsold commodity housing units and underground parking spaces in Fenghuang Qi'an Community (鳳凰棲岸小區). For the development products that are being sold normally, the assessed value is determined based on their market selling price minus sales expenses, all taxes, and an appropriate amount of net profit after tax.
- (2) Turnover materials: Mainly include the recently purchased alcohols and beverages, which are assessed using the cost approach.

4. *Other current assets*

Other current assets mainly including prepaid value-added tax: The verified book value is taken as the assessed value.

5. *Fixed assets – electronic equipment*

Electronic equipment for the valuation herein is assessed mainly using the cost approach, considering the suitability of three basic valuation approaches namely cost approach, market approach and income approach based on relevant conditions including characteristics of the valuation target, type of value and the information collected. The electronic equipment with a long history since production and no similar model available is assessed by market approach. For the obsolete, retired or idle equipment, the assessed value is determined based on its net realizable value.

Cost approach, on the premise that an asset continues to serve, reflects its value from the perspective of reacquisition of the same, namely, by deducting various depreciations from its replacement cost to reflect its value. The basic formula is as below:

$$\text{Assessed value} = \text{Replacement cost} \times \text{Newness rate}$$

(1) Determination of replacement cost

For electronic equipment, the replacement cost is determined by deducting the deductible input items of value-added tax from the current market purchase price. For equipment that has been in service beyond its service life and is no longer available in the market, the replacement cost is determined by comparing it with similar equipment.

$$\text{Replacement cost} = \text{Current market price} - \text{Deductible input items of value-added tax}$$

(2) Determination of newness rate

For equipment in normal service, the newness rate is determined using the useful life method for the valuation herein.

$$\text{Newness rate} = \text{Remaining useful life} / (\text{Serviced life} + \text{Remaining useful life}) \times 100\%$$

Remaining service life is determined by appraisal professionals based on their observation and analysis of the equipment's operational state, utilization level, quality of manufactured products, maintenance status, appearance and integrity.

For those showing a newness rate lower than 15% as calculated based on the formula above, the newness rate is determined at 15%.

Valuation Assumptions

In accordance with the valuation standards, the asset valuer considers the following assumptions to be valid as of the valuation base date, and shall accept no responsibility due to a different valuation conclusion derived from any change in assumptions when there arises any significant change in future economic environment.

(I) Prerequisite Assumptions

1. The valuer assumes that Pingshan Jinping will maintain its existing product mix, business scale and business model to operate as a going concern, considering:
 - (1) after the valuation purpose is fulfilled, there will be neither a change in the controlling interest in it nor a material change in its key business direction or business strategy;
 - (2) there will be no material change in its existing financial policies, pricing policies or market share due to the fulfillment of the valuation purpose;
 - (3) after the valuation purpose is fulfilled, there will be neither a change in its product line nor a fundamental change in its business direction.

(II) General Assumptions

2. Current industrial policies will not change significantly and no new laws and regulations (whether favorable or not) will be promulgated.
3. There will be no material change in the relevant prevailing laws, regulations or policies, or macroeconomic situation of the country; there will be no material change in political, economic or social environment of the regions where the parties to the proposed transaction operate; and there will be no material adverse impact arising from any other unforeseeable factor or force majeure.
4. The valuer fully understands the current macroeconomic situation including the fluctuating RMB interest rate and exchange rate but, due to its limited expertise and ability, is unable to predict their future movements, and therefore assumes that the RMB interest rate and exchange rate will not change significantly from their current levels.
5. The valuer assumes that the information and materials provided by the client and other parties upon which the valuation conclusion is based are reliable and have conducted necessary verification according to the valuation procedures, provided that no assurances are provided by the valuer with regard to authenticity, legality or completeness of such information and materials.
6. All licenses, use permits, letters of consent or other legal or administrative authorization documents issued by relevant local or national government agencies, private organizations or groups as required by the asset use manner for the valuation herein have been or may be renewed at any time.