



Jiangsu Expressway Company Limited

(Hong Kong Stock Exchange Stock Code: 00177)

2019

Annual Report



IMPORTANT NOTICE

1. **The board of directors, the supervisory committee and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of this annual report, guarantee that there are no false representations, misleading statements contained in, or material omissions from this report.**

2. **Absence of directors**

Position held by absent director	Name of absent director	Reasons for absence of directors	Name of proxy
Director	Mr. Wu Xinhua	Due to business engagement	Mr. Yao Yongjia
Director	Madam Hu Yu	Due to business engagement	Mr. Yao Yongjia
Director	Mr. Ma Chung Lai, Lawrence	Due to business engagement	Mr. Yao Yongjia
Independent Director	Mr. Zhang Zhuting	Due to business engagement	Mr. Lin Hui

3. **The Company's annual financial report is prepared in accordance with the Chinese Accounting Standards for Business Enterprises and complies with the disclosure requirements of the Hong Kong Companies Ordinance and the Hong Kong Listing Rules. Deloitte Touche Tohmatsu Certified Public Accountants LLP has issued a standard unqualified audit report for the company.**

4. **Sun Xibin, Person in Charge of the Company, Cheng Xiaoguang, Accounting Chief of the Company, and Ren Zhuohua, Person in Charge of the Accounting Department (Head of the Accounting Department), hereby warrant the truthfulness, accuracy and completeness of the financial statements contained in this annual report.**

5. **Profit distribution plan or plan for the capitalization of capital reserve during the Reporting Period considered by the board of directors**

During the Reporting Period, the Company realized a net profit attributable to the shareholders of the Company of RMB4,199,704,000 and earnings per share was approximately RMB0.8336. The board of directors of the Company proposed to distribute cash dividends of RMB0.46 per share (tax inclusive) in favour of all shareholders based on the total share capital of the Company of 5,037,747,500 shares. The proposed dividends are expected to be paid by 31 August 2020.

6. **Risk Warning for Forward-looking Statements:**

Applicable N/A

Forward-looking statements in this annual report which involve development strategies and plans do not constitute actual commitments of the Company to investors. There may be differences between the future actual results of the Company and these forward-looking statements. Investors and related parties are advised to keep sufficient risk awareness in this regard, and understand the difference among plans, predictions and commitments.

7. **Is there misuse of funds of the Company by the Controlling Shareholder and other related/connected parties for nonoperational purposes**

NO

8. **Did the Company provide external guarantee in violation of the decision-making procedures**

NO

9. **Major Risk Alerts**

The risk factors that the Group may face in the operation and development of business in the future have been analyzed and described in this annual report. Investors are advised to refer to the sub-section headed "Possible Risks" under Section IV "Discussion and Analysis of Operations" in this annual report.

10. **Others**

Applicable N/A

Unless otherwise specified, the financial figures involved in this annual report are expressed in RMB.

In this report, there may be a tail difference between the sum of individual data and the number of related data, which is caused by rounding when calculating data.

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DEFINITIONS

I. Definitions

Unless the context otherwise requires, the following expressions contained in this annual report shall have the meanings as follows:

Company	Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司)
Group	the Company and its subsidiaries
Controlling Shareholder or Communications Holding	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)
China Merchants Expressway Network	China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司)
Ningchang Zhenli Company	Jiangsu Ningchang Zhenli Expressway Company Limited (江蘇寧常鎮溧高速公路有限公司)
Ninghu International Company	Jiangsu Expressway International (Hong Kong) Company Limited
Yangtze River Management Company	Jiangsu Yangtze River Expressway Management Co., Ltd. (江蘇揚子江高速通道管理有限公司)
Ninghu Investment Company	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)
Ninghu Properties Company	Jiangsu Ninghu Properties Co., Ltd. (江蘇寧滬置業有限責任公司)
Hanwei Company	Nanjing Hanwei Property Development Company Limited (南京瀚威房地產開發有限公司)
Guangjing Xicheng Company	Jiangsu Guangjing Xicheng Expressway Company Limited (江蘇廣靖錫澄高速公路有限責任公司)
Zhendan Company	Jiangsu Zhendan Expressway Company Limited (江蘇鎮丹高速公路有限公司)
Wufengshan Toll Bridge Company	Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司)
Longtan Bridge Company	Jiangsu Longtan Bridge Co., Ltd. (江蘇龍潭大橋有限公司)
Xiexin Company or Xiexin Ninghu Company	Jiangsu Xiexin Ninghu Gas Co., Ltd. (江蘇協鑫寧滬天然氣有限公司)
Kuailu Company	Jiangsu Kuailu Motor Transport Co., Ltd. (江蘇快鹿汽車運輸股份有限公司)
Suzhou Expressway Company or Suzhou Expressway Management	Suzhou Expressway Management Company Limited (蘇州市高速公路管理有限公司)
Yangtze Bridge Company	Jiangsu Yangtze Bridge Co., Ltd. (江蘇揚子大橋股份有限公司)
Finance Company or Group Finance Company	Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)
Media Company	Jiangsu Communications & Culture Media Company Limited (江蘇交通文化傳媒有限公司)
Sundian or Xiandai R&B Company	Jiangsu Sundian Engineering Co., Ltd. (江蘇現代路橋有限責任公司)
Network Operation Company	Jiangsu Expressway Network Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)
Bank of Jiangsu	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)
Factoring Company	Ninghu Commercial Factoring (Guangzhou) Co., Ltd. (寧滬商業保理(廣州)有限公司)

DEFINITIONS

Luode Fund Company	Jiangsu Luode Equity Investment Fund Management Company Limited (江蘇洛德股權投資基金管理有限公司)
Yichang Company	Jiangsu Yichang Expressway Co., Ltd. (江蘇宜長高速公路有限公司)
Changyi Company	Jiangsu Changyi Expressway Co., Ltd. (江蘇常宜高速公路有限公司)
Nanlin Hotel	Suzhou Nanlin Hotel Co., Ltd. (蘇州南林飯店有限責任公司)
Yanjiang Company	Jiangsu Yanjiang Expressway Co., Ltd. (江蘇沿江高速公路有限公司)
Jiangsu Leasing or Jiangsu Financial Leasing Company	Jiangsu Financial Leasing Co., Ltd. (江蘇金融租賃股份有限公司)
Tongxingbao Company	Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (江蘇通行寶智慧交通科技股份有限公司)
Railway Group Company	Jiangsu Railway Group Limited (江蘇省鐵路集團有限公司)
Jinghu Company	Jiangsu Jinghu Expressway Company Limited (江蘇京滬高速公路有限公司)
Runyang Bridge Company	Jiangsu Runyang Bridge Development Co., Ltd. (江蘇潤揚大橋發展有限責任公司)
Suihuaiyan Company	Jiangsu Suihuaiyan Expressway Management Co., Ltd. (江蘇宿淮鹽高速公路管理有限公司)
Expressway Petroleum Company or Jiangsu Petroleum Company	Jiangsu Expressway Petroleum Development Co., Ltd. (江蘇高速公路石油發展有限公司)
Far East Shipping Company	Jiangsu Far East Shipping Co., Ltd. (江蘇遠東海運有限公司)
Information Company	Jiangsu Expressway Information Engineering Co., Ltd. (江蘇高速公路信息工程有限公司)
Maintenance Technology Company	Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. (江蘇高速公路工程養護技術有限公司)
Taixing Oil Products Company	Taixing Hechang Oil Products Trading Co., Ltd. (泰興市和暢油品銷售有限公司)
Orient Operation Company	Jiangsu Orient Expressway Operation and Management Company Limited (江蘇東方高速公路經營管理有限公司)
East Road & Bridge Company	Jiangsu East Road & Bridge Construction Maintenance Co., Ltd. (江蘇東方路橋建設養護有限公司)
Hutong Bridge Company	Jiangsu Hutong Bridge Co., Ltd. (江蘇滬通大橋有限責任公司)
Sujiahang Company	Suzhou Sujiahang Expressway Co., Ltd. (蘇州蘇嘉杭高速公路有限公司)
Real Estate Parent Fund Phase II	Phase II of Real Estate Investment Parent Fund (房地產投資母基金二期)
Longtan Bridge	Jiangsu Longtan Bridge (江蘇龍潭大橋)
Luode Dening	Nanjing Luode Dening Real Estate Investment Partnership (Limited Partnership) (南京洛德德寧房地產投資合夥企業(有限合夥))
Zhongbei Zhiyuan	Nanjing Luode Zhongbei Zhiyuan Equity Investment Partnership (Limited Partnership) (南京洛德中北致遠股權投資合夥企業(有限合夥))
Highway Center	Highway Development Center of Transportation Department of Jiangsu Province (江蘇省交通運輸廳公路事業發展中心)
Expressway Management Center	Expressway Operation and Management Center Department of Jiangsu Province (江蘇省高速公路經營管理中心)

DEFINITIONS

Ninghang Company	Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司)
Husuzhe Company	Jiangsu Husuzhe Expressway Co., Ltd. (江蘇滬蘇浙高速公路有限公司)
Huatong Company	Jiangsu Huatong Engineering Testing Co., Ltd. (江蘇華通工程檢測有限公司)
Sutong Bridge Company	Jiangsu Sutong Bridge Co., Ltd. (江蘇蘇通大橋有限公司)
Xinhua Media	Jiangsu Xinhua Newspaper Media Group Co., Ltd. (江蘇新華報業傳媒集團有限公司)
Fuanda Fund	Fuanda Fund Management Co., Ltd. (富安達基金管理有限公司)
Engineering Testing Company	Sundian Engineering Testing Co., Ltd. (現代工程檢測有限公司)
Micro Video Company	Nanjing Micro Video Technology Company Limited (南京感動科技有限公司)
CDB Kai Yuan Phase II Fund	Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership) (蘇州工業園區國創開元二期投資中心(有限合伙))
Hanrui Center	Plot No. 2 Complex Project located in the central business district of new city in the south of Nanjing
Shanghai-Nanjing Expressway	Jiangsu Section of Shanghai-Nanjing Expressway
Guangjing Expressway	Northern connection of Guangling-Jingjiang Section, Jiangyin Yangtze Bridge
Xicheng Expressway	Southern connection of Jiangyin-Wuxi Section, Jiangyin Yangtze Bridge
Jiangyin Bridge	Jiangyin Yangtze Bridge
Sujiahang Expressway	Jiangsu Section of Suzhou-Jiaxing-Hangzhou Expressway
Yanjiang Expressway	Changzhou-Taicang Expressway
Changjia Expressway	Kunshan-Wujiang Section of Changshu-Jiaxing Expressway
Zhendan Expressway	Zhenjiang-Danyang Expressway
Ningchang Expressway	Lishui Guizhuang Hub-Changzhou South Interchange Expressway
Zhenli Expressway	Dantu Hub-Liyang Qianma Hub Expressway
Xiyi Expressway	Wuxi North Hub-Yixing Xiwu Hub Expressway
Wuxi Huantaihu Expressway	Wuxi Shuofang Hub-Wuxi Nanquan Interchange Expressway
Sujiayong Expressway	Suzhou-Jiaxing-Ningbo Expressway
Wufengshan Toll Bridge	Wufengshan Toll Bridge and North-South Connection Project
Changyi Expressway	Changzhou-Yixing Expressway
Yichang Expressway	Jiangsu Section of Yixing-Changxing Expressway
ICA Company	ICA İC İÇTAŞ ASTALDI Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş.
Consortium	the special purpose company to be jointly set up in Hong Kong by the respective wholly-owned subsidiaries of the consortium comprising of China Merchants Expressway Network, China Merchants Union, Zhejiang Expressway, the Company and Sichuan Expressway
China Merchants Union or CMU	China Merchants Union (BVI) Limited

DEFINITIONS

Zhejiang Expressway	Zhejiang Expressway Co., Ltd. (浙江滬杭甬高速公路股份有限公司)
Sichuan Expressway	Sichuan Expressway Company Limited (四川成渝高速公路股份有限公司)
Anhui Expressway	Anhui Expressway Company Limited (安徽皖通高速公路股份有限公司)
Reporting Period	the one year period from 1 January 2019 to 31 December 2019
year-on-year	as compared with the same period of 2018
CSRC	China Securities Regulatory Commission
SFC	The Securities and Futures Commission of Hong Kong
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
A Shares	RMB-denominated ordinary shares issued by the Company and listed on the SSE
H Shares	overseas-listed foreign shares issued by the Company and listed on the Stock Exchange
ADR	Level-1 depositary receipts of the Company listed and traded in the over-the-counter market of the United States
Listing Rules	Listing Rules of the SSE and/or Hong Kong Listing Rules
Listing Rules of SSE	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
PRC Accounting Standards	Accounting Standards for Business Enterprises and Relevant Provisions promulgated by the Ministry of Finance of the People's Republic of China
Deloitte or Auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Corporate Governance Code	The Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules



Sun Xibin
Chairman

COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

1. Company Information

Name of the Company in Chinese	江蘇寧滬高速公路股份有限公司
Abbreviated Chinese Name	寧滬高速
Name of the Company in English	Jiangsu Expressway Company Limited
Abbreviated English Name	Jiangsu Expressway
Legal Representative of the Company	Sun Xibin

2. Contact Persons and Contact Methods

	Secretary to the board of directors	Representatives of securities affairs
Name	Yao Yong Jia	Tu Jun and Lou Qing
Address	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Telephone	8625-84469332	8625- 84362700-301838, 301835
Fax	8625-84207788	8625-84466643
Email	jsnh@jsexpwy.com	

3. BASIC INFORMATION

Registered address of the Company	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Postal code of the Company's registered address	210049
Business address of the Company	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Postal code of the Company's business address	210049
Website of the Company	http://www.jsexpressway.com
Email	jsnh@jsexpwy.com

4. PLACES FOR DISCLOSURE AND INSPECTION OF INFORMATION

Designated Media for Information Disclosure	China Securities Journal and Securities Times
Websites Designated by CSRC for Publication of Annual Reports	www.sse.com.cn www.hkexnews.hk www.jsexpressway.com
Annual Reports Available at	Shanghai Stock Exchange, 528 Pudong Road South, Shanghai, the PRC; Hong Kong Registrars Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; Hong Kong registered address of the Company, 17/F, One Island East, Taikoo Place, No.18 Westlands Road, Quarry Bay, Hong Kong; Headquarters of the Company, 6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC

5. INFORMATION ON THE COMPANY'S SHARES

INFORMATION ON THE COMPANY'S SHARES				
Class of shares	Listing stock exchange	Stock abbreviation	Stock code	Previous stock abbreviation
A Shares	Shanghai Stock Exchange	寧滬高速	600377	-
H Shares	The Stock Exchange of Hong Kong Limited	Jiangsu Express	0177	-
ADR	United States	JEXYY	477373104	-

COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

6. OTHER RELEVANT INFORMATION

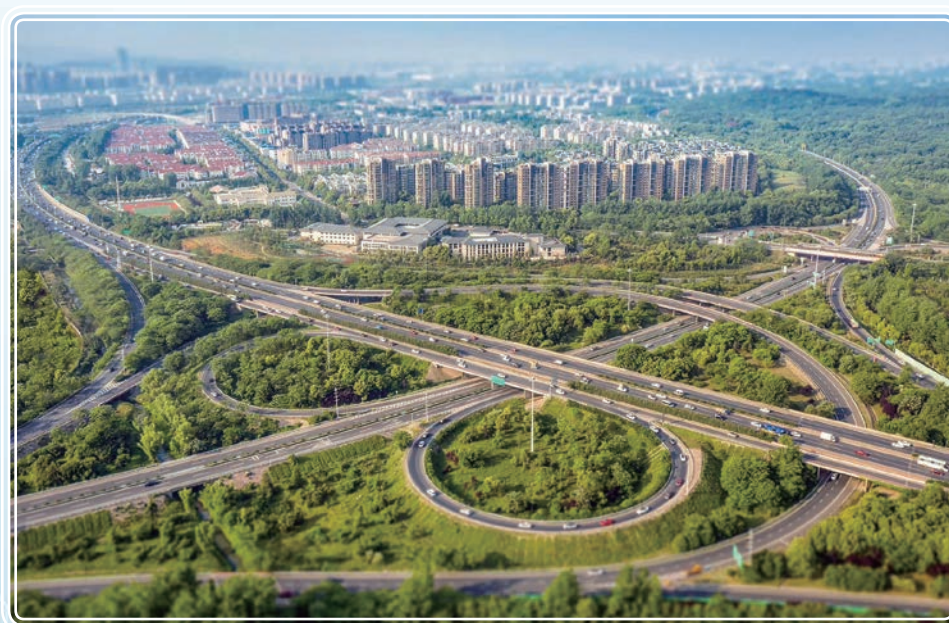
Accounting firm engaged by the company (Domestic)	Name Address Signing accountants	Deloitte Touche Tohmatsu Certified Public Accountants LLP 30th Floor, Bund Center 222 Yan An Road East Shanghai, the PRC Yang Bei, Chen Shi
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7. KEY ACCOUNTING DATA AND PRINCIPAL FINANCIAL INDICATORS FOR LAST FIVE YEARS

(I) Key accounting data

Unit: Yuan Currency: RMB

Key accounting data	Increase/decrease in the Period as compared to the corresponding period of the previous year (%)					
	2019	2018		2017	2016	2015
Operating revenue	10,078,181,219	9,969,011,165	1.10	9,455,680,365	9,201,297,066	8,761,321,186
Net profit attributable to the shareholders of the Company	4,199,704,372	4,376,603,925	-4.04	3,587,861,857	3,346,063,867	2,506,629,408
Net profit attributable to the shareholders of the Company net of non-recurring profit or loss	4,186,308,063	3,853,866,529	8.63	3,565,591,487	3,316,405,373	2,692,979,266
Net cash flow from operating activities	5,763,283,624	5,715,489,507	0.84	5,232,104,978	5,463,748,504	4,475,893,125



COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

	As at the end of 2019	As at the end of 2018	Increase/decrease at the end of the Reporting Period as compared to the end of the previous year(%)	As at the end of 2017	As at the end of 2016	As at the end of 2015
Net assets attributable to the shareholders of the Company	28,546,983,607	26,137,197,732	9.22	23,520,283,963	22,209,756,185	20,476,159,276
Total liabilities	22,942,211,489	18,808,871,891	21.98	16,637,560,626	13,340,716,540	15,289,867,555
Total assets	55,625,048,625	48,162,728,832	15.49	42,532,491,238	36,282,573,529	36,476,039,663

(II) Principal financial indicators

Principal financial indicators	2019	2018	Increase/decrease in the Period as compared to the corresponding period of the previous year (%)	2017	2016	2015
Basic earnings per share (RMB/share)	0.8336	0.8688	-4.05	0.7122	0.6642	0.4976
Diluted earnings per share (RMB/share)	N/A	N/A	N/A	N/A	N/A	N/A
Basic earnings per share net of non-recurring profit or loss (RMB/share)	0.8310	0.7650	8.63	0.7078	0.6583	0.5346
Weighted average return on net assets (%)	15.89	17.71	Decreased by 1.82 percentage	16.06	16.06	12.45
Weighted average return on net assets net of nonrecurring profit or loss (%)	15.84	16.14	Decreased by 0.3 percentage	15.96	15.92	13.38

Explanations on the key accounting data and financial indicators of the Company for the last five years as at the end of the Reporting Period

Applicable N/A

8. DIFFERENCES IN ACCOUNTING DATA UNDER DOMESTIC AND FOREIGN ACCOUNTING STANDARDS

(1) Differences in net profit and net assets attributable to the shareholders of the Company as shown in the financial reports disclosed in accordance with the International Accounting Standards and the PRC Accounting Standards

Applicable N/A

(2) Differences in net profit and net assets attributable to the shareholders of the Company as shown in the financial reports disclosed in accordance with foreign accounting standards and the PRC Accounting Standards

Applicable N/A

(3) Explanation on the differences between domestic and foreign accounting standards:

Applicable N/A

COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

9. Principal Financial Data for 2019 by Quarters

Unit: Yuan Currency: RMB

	Q1 (January–March)	Q2 (April–June)	Q3 (July–September)	Q4 (October–December)
Operating revenue	2,362,097,802	2,473,360,067	2,660,949,953	2,581,773,397
Net profit attributable to the shareholders of the Company	1,034,435,704	1,247,173,324	1,277,366,744	640,728,600
Net profit attributable to the shareholders of the Company net of non-recurring profit or loss	1,033,902,573	1,232,229,900	1,243,859,876	676,315,714
Net cash flow from operating activities	1,426,162,773	1,501,333,618	1,449,363,963	1,386,423,270

Reason for the difference between quarterly data and regularly reported data disclosed

Applicable N/A

10. ITEMS AND AMOUNTS OF NON-RECURRING PROFIT/LOSS

Applicable N/A

Unit: Yuan Currency: RMB

Items of non-recurring profit or loss	Amount of 2019	Note (if applicable)	Amount of 2018	Amount of 2017
Gain or loss from disposal of non-current assets	-70,252,066.32		-7,661,280	-5,659,248
Government grants accounted in profit or loss of the period excluding those that are closely related to the ordinary operations of the Company and grants in compliance with national policies and regulations or subject to fixed amounts or fixed quantity under certain standards	7,264,195.27	Compensation recognized in the Reporting Period and the additional part of VAT deduction for construction of Ningchang Expressway	3,623,552	4,494,581
The enterprise shall enjoy the income generated from the fair value of the identifiable net assets of the invested entity when the investment cost of acquiring subsidiaries, joint ventures and joint ventures is less than that of acquiring the investment	18,200,215.23	the negative goodwill arising from the equity in the financial company		
Profits or losses from changes in fair values of financial assets held for trading, financial liabilities held for trading, and investment gains from disposal of financial liabilities held for trading, available-for-sale financial assets, excluding effective hedging activities related to ordinary business operations of the Company			164,981,703	12,183,544
Gain or loss from external entrusted loans	0.00		2,598,900	31,623,260
Custody fee income from entrusted operations	0.00			
Other non-operating income and expenses other than the aforesaid items	-38,402,863.75		-17,854,554	-13,211,084
Other profit and loss items that meet the definition of non-recurring profit and loss	0.00		416,149,065	0.00
Profits or losses from changes in fair values of financial assets held for trading, and investment gains from disposal of financial liabilities held for trading and available-for-sale financial assets	102,581,022.36		-	-
Effects attributable to minority interests	-1,146,567.86		-281,367	197,081
Effects of income tax	-4,847,625.70		-38,818,623	-7,357,764
Total	13,396,309.23		522,737,396	22,270,370

COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

11. Items Measured at Fair Value

Applicable N/A

Unit: Yuan Currency: RMB

Item	Opening balance	Closing balance	Changes during the Period	Effect on profit for the Period
Fund investments	15,081,095.08	22,890,626.48	7,809,531.40	7,809,531.40
Wealth management products	651,238,808.33	640,350,000.00	(10,888,808.33)	18,186,684.88
Gold investments	17,006,958.14	13,694,558.14	(3,312,400.00)	2,294,539.40
Other non-current financial assets (CDB Kai Yuan Phase II)	933,328,469.65	1,107,666,005.47	174,337,535.82	51,138,679.29
Other non-current financial assets (Luode Dening)	178,086,952.37	38,413,503.57	(139,673,448.80)	23,055,351.20
Other non-current financial assets (Zhongbei Zhiyuan)	0.00	300,096,236.17	300,096,236.17	96,236.17
Other equity Instruments (Bank of Jiangsu)	1,134,000,000.00	2,425,400,000.00	1,291,400,000.00	68,000,000.00
Other equity instruments (Jiangsu Leasing)	1,102,140,000.00	1,099,800,000.00	(2,340,000.00)	46,800,000.00
Other equity instruments (Fuanda Asset Management Scheme)	799,153,679.55	2,130,268,613.24	1,331,114,933.69	91,177,968.64
Total	4,830,035,963.12	7,778,579,543.07	2,948,543,579.95	308,558,990.98

12. OTHERS

Applicable N/A





Cheng Xiaoguang

Executive Director
and General Manager



SUMMARY OF THE COMPANY'S BUSINESS

I. Principal Businesses and Business Model of the Company and Industry Overview during the Reporting Period

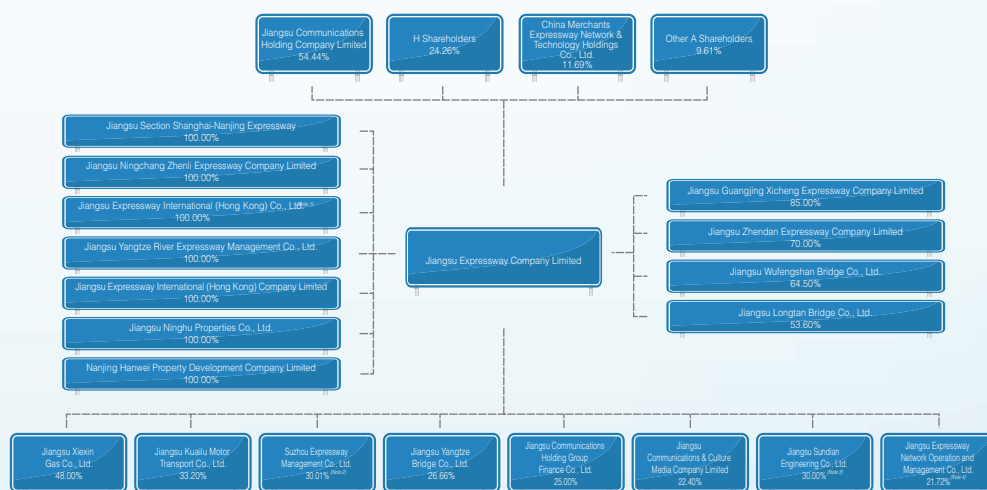
Established on 1 August 1992 in the Jiangsu Province of the People's Republic of China, the Group is the only listed company in the transportation and infrastructure industry of the Jiangsu Province. On 27 June 1997, the Company issued 1,222,000,000 H Shares which were listed on the Stock Exchange. On 16 January 2001, the Company issued 150,000,000 A Shares which were listed on the SSE. The Group established the Level I American Depositary Receipt (ADR) Program which became effective on 23 December 2002, trading in the over-the-counter market in the United States of America. As at 31 December 2019, the total share capital of the Company comprised 5,037,747,500 shares with a par value of RMB1 each.

The Company is principally engaged in the investment, construction, operation and management of toll roads and bridges in the Jiangsu Province and the development and operation of ancillary service areas along such expressways. Apart from the Jiangsu section of Shanghai-Nanjing Expressway, the Company also owns the entire or partial interests of other toll roads and bridges located in the Jiangsu Province, including Ningchang Expressway, Zhenli Expressway, Guangjing Expressway, Xicheng Expressway, Xiyi Expressway, Zhendan Expressway, Jianguyin Bridge and Sujiahang Expressway, etc. As at 31 December 2019, 17 road and bridge projects were directly operated and invested by the Company, and over 840 kilometers of the roads and bridges open to traffic were owned or invested by the Company.

The Group's operating areas are located in the Yangtze River Delta, which is the most economically vibrant region in the PRC. The road and bridge projects owned or invested by the Company involve the roads and bridges serving as the major transport corridors linking roads stretching east-to-west and south-to-north across the Jiangsu Province. The vibrant economy in the region leads to hectic traffic. The Jiangsu Section of Shanghai-Nanjing Expressway, being the Group's core assets, links six large and medium cities namely Shanghai, Suzhou, Wuxi, Changzhou, Zhenjiang and Nanjing, and is one of the busiest expressways in the PRC.

In addition, the Group is also actively exploring and venturing into other new business fields, including finance, quasi-finance, real estate development and industrial investments, aiming to further enhance profitability and achieve sustainable development of the Group. As at 31 December 2019, the Company owned five wholly-owned subsidiaries (Note 1), four non-wholly-owned subsidiaries and participated in eleven joint ventures by shares, with total assets of approximately RMB55,625 million and net assets of approximately RMB32,683 million.

Major assets structure of the Group is as follows:



Note 1: The board resolution dated 23 December 2019 approved the establishment of a wholly-owned subsidiary in Hong Kong Special Administrative Region. In January 2020, the Group completed the registration procedures for the wholly-owned subsidiary in Hong Kong and obtained the Certificate of Incorporation and the Business Registration Certificate issued by the Companies Registry and the Business Registration Office of the Island Revenue Department, respectively in Hong Kong.

Note 2: In 2019, Suzhou Sujiahang Expressway Co., Ltd. consolidated Suzhou Sujiayong Expressway Co., Ltd. by merger and changed its name into Suzhou Expressway Management Co., Ltd.

Note 3: The Company holds 7.50% equity of Sundian Road & Bridge Company, Ningchang Zhenli Company and Guangjing Xicheng Company, wholly owned and controlled subsidiaries of the Company, hold 7.50% and 7.50% equity of Sundian Road & Bridge Company, and Yangtze Bridge Company, an investee company of the Company, holds 7.50% equity of Sundian Road & Bridge Company.

Note 4: The Company holds 3.62% equity of Network Operation Company, Ningchang Zhenli Company and Guangjing Xicheng Company, wholly owned and controlled subsidiaries of the Company, hold 3.62% and 7.24% equity of Network Operation Company, respectively and Suzhou Expressway Company and Yangtze Bridge Company, investee companies of the Company, holds 3.62% and 3.62% equity of Network Operation Company, respectively.

SUMMARY OF THE COMPANY'S BUSINESS

II. Significant Changes in the Major Assets of the Company during the Reporting Period

Applicable N/A

III. Analysis of Core Competitiveness during the Reporting Period

Applicable N/A

The Group has been focusing on the transport infrastructure industry for years. The roads operated by the Company play a dominant role in the expressway networks in southern Jiangsu. It has accumulated rich experiences in large infrastructure investment, construction, operation and management and built a progressive and innovative management and staff team. Through the complete investment decision-making and operation management system and leveraging on excellent financing platforms, the Group vigorously expanded into infrastructure, financial investment and other industries, gradually achieved industrial upgrading and transformation and the coordinated development of ancillary businesses, building its distinct competitive edges in operation and development in the future.

Unique geographical advantages. The Group's operating areas are located in the Yangtze River Delta, the most economically vibrant region in the PRC. The road and bridge projects owned or invested by the Company are core components of the road transport corridors linking the two important industrial belts along the Yangtze River, Shanghai and Nanjing in the southern part of Jiangsu. The prosperous economy in the region created a favorable environment for the long-term development of the Group and promoted the sustainable and steady improvement on the Group's economic efficiency.

High-quality road and bridge assets. 17 road and bridge projects are controlled or invested by the Group. Core road and bridge assets are main lines in the expressway network in Jiangsu Province and an integral part in the national expressway network. With outstanding quality and complete network, road assets enjoy huge profitability prospects and gradually achieved coordinated benefits. The quality road network resources lay a solid foundation for the stable growth in the operating results of the Group and provided guarantees to the sustainable and healthy development of the Company.

Leading operation concepts. The Group is engaged in road operation and has accumulated rich operation experience. The growth in the operating results from the Jiangsu Section of Shanghai-Nanjing Expressway is mainly attributable to the increase in the daily average traffic volume and the improved utilization of expressways, which demonstrated the competitive edge of the Group in roads operation and management. Meanwhile, the Group strengthened the development results with systems and built a modern corporate operation management and control pattern. It focuses on building digitalized expressways and intelligent traffic and owns a relatively complete management mechanism on road smoothness and rescue. The Group meets the relevant road quality indicators and possesses strong capability in maintaining smooth traffic flow, which takes a leading position in the industry.

Professional management team. The Group has built a professional and experienced operation management team after years of accumulation and development. The efficient management capacity not only guarantees the quality and efficiency of the Group's quality and efficiency in expressway operation but also effectively reduced the management cost and operational risks in routine operation, promoting the leading profitability of the Group in the industry. The Group gradually cultivated a capital operation team with international horizon leveraging on the capital market and boosted the strategic research and investment development capability of the Group. It actively uses capital operation to optimize the asset portfolio and acquire overseas projects and achieved excellent results and operating benefits. The brand image of the Group was further enhanced driven by assets and capital operation as two wheels.

Outstanding financing platforms. The Group maintains the listing status in three cities (Shanghai, Hong Kong and New York) of two countries (China and the U.S.) and achieves sound operation and sustainable performance growth with high credit rating, low gearing ratio and strong solvency. The Group achieved outstanding results in investor relations management and owns a stable investors base and an excellent market image in the domestic and overseas capital markets thanks to its long-term policies with high proportion of cash bonus. The smooth financing channels will facilitate the Group to consistently improve the financing structure, reduce financing costs and expand development potentials in the future development through leveraging on the capital market.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

I. DISCUSSION AND ANALYSIS OF THE OPERATION

In 2019, under the coordination and deployment of the Board, the Group actively seized such opportunities as the integrated development of the Yangtze River Delta, firmly focused on strategic targets in three major industries, namely “transport infrastructure, financial investment and transport +”, maintained stable industrial upgrading with progress, overcame difficulties in management and operation, achieved progress in the transformation of service areas and advanced with the times in corporate governance, which consolidated the foundation for operation and development and facilitated the high-quality development of the Group.

As of the end of 2019, total assets of the Company amounted to RMB55,625 million and net assets attributable to shareholders of the Company amounted to RMB28,547 million. During the Reporting Period, the Company realized operating profit of RMB10,078 million, total profits of RMB5,522 million, net profit attributable to shareholders of the Company of RMB4,200 million and earnings per share of RMB0.8336. The operating net cash flow amounted to RMB5,763 million and the weighted average return on net assets was 15.89%.

Road and bridge operations were consolidated and assets efficiency was improved. **Firstly**, for the planning on the principal business. It invested in Longtan Bridge, another cross-river channel project led by the Group after Wufengshan Channel and it will further enhance the advantage of the Group in the cross-river channel sector after being put into operation. It established Yangtze River Management Company, completed the functional integration of five road and bridge companies, including Yangtze Bridge Company, and implemented integrated management, which reduced the operation and management costs and expanded the advantages in regional size. It implemented the development concepts with “international horizon and domestic leadership”, established Jiangsu Expressway International (Hong Kong), a subsidiary, to participate in the acquisition of overseas toll road and bridge assets through the establishment of a consortium and accumulate experiences for the “Going Global” strategy of the Group. **Secondly**, for the construction of projects. The construction of Wufengshan Bridge, Yichang Expressway and Changyi Express were under smooth progress. As of the end of 2019, they had completed 73.26%, 76.21% and 50.11% of the total investments for the projects, respectively, and will become new growth points in the profit of the Group in the following one to two years. **Thirdly**, for the operation of service areas. As of the end of 2019, the “3+3” plan for upgrading and transformation of service areas along Shanghai-Nanjing Expressway has been fully completed. The daily visits to service areas along Shanghai-Nanjing Expressway increased 26.09% year on year after they were put into operation. The stable flow can bring potential economic benefits and lay a solid foundation for further boosting commercial development by the Group. It effectively improved the bidding on procurement of petroleum products and strengthened the market competition mechanism, thus effectively improving the gross profit margin of sales of petroleum products by 2.13 percentage points.

Investment in ancillary businesses was optimized and capital efficiency was boosted. **Firstly**, the factoring business recorded a steady start. During the Reporting Period, it conducted offline factoring business in an orderly manner with the scale increasingly expanded. Meanwhile, it actively prepared the online operation of factoring business to achieve the linkage of offline and online businesses, effectively expand the service area and offerings of commercial factoring and develop new profit growth points for the Group. **Secondly**, fund investment recorded steady growth. During the Reporting Period, the Group has contributed RMB300 million to Luode Real Estate Investment FOF Second Issue and nearly RMB123 million to CDB Kai Yuan Phase II Fund and subscribed RMB1,140 million for Fuanda Asset Management Scheme, achieving stable increase in investment size, investment risks under control and obvious investment benefits. **Thirdly**, financial investment achieved steady expansion. It increased investment in the Finance Company to guarantee long-term stable capitals with low costs to the principal business and create new profit growth points. **Fourthly**, it actively advanced the real estate sales. During the Reporting Period, the Group deeply explored the potential of the real estate business and achieved remarkable results in de-stocking. The sales of projects were under smooth progress and the operating results remained stable with progress, achieving rapid withdrawal of funds. Through effective and multi-dimensional investment in ancillary businesses, the proportion of income from ancillary businesses in the operating profit has been increasingly expanding.

Compliance operation was maintained and compliance benefits enhanced. **Firstly**, it revised and improved the rules of procedures of the “three meetings”, standardized the performing of decision-making procedures and intensified the investor relations management to consistently improve the quality of information disclosure. The Company was awarded the “Golden Quality” prize on social responsibilities by Shanghai Securities News and the “Prize for Best Corporate Governance” by China Financial Market. **Secondly**, for the decision-making on operation matters, the Company further improved the “Three Major and One Significant (三重一大)” decision-making systems and perfected the decision-making systems and procedures to standardize the decision-making on significant matters, prevent decision-making risks and guarantee the steady and sustainable development of the Group. **Thirdly**, for risk control, the Company fully revised and improved the internal control appraisal system and optimized systems and procedures to ensure the effective implementation of systems. It consistently enhanced the internal audit supervision and steadily advanced project audit, management audit and economic responsibilities audit to guarantee the compliance operation of the Company. It further deepened risk management and established the control and alarming system on key risks to effectively prevent various operation risks of the Group. **Fourthly**, the Company consistently improved the standard compliance management system, emphasized the pertinence and integration of internal and external audit to ensure the systematic, processed and long-term routine management. It fully consolidate contracts management work to effectively improve the contracts management of the Group; and strengthened the control of financial cost, optimized the financing structure and expanded financing channels to provide capital guarantees to the sustainable development of the Group.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

Reform and innovation was deepened and brand effect was boosted. **Firstly**, it developed the highlight brand of service areas. During the Reporting Period, the “dual improvement” of service areas along Shanghai-Nanjing Expressway has been fully completed and the operation of these service areas is known as Jiangsu model. Yangchenghu Service Area is awarded the “Most Beautiful Service Area with the Garden Culture” by China Highway & Transportation Society, which built an excellent brand image and social image for the Group, won the deep trust of consumers and enhanced the drivers for sustainable development. **Secondly**, it developed the safety brand of Shanghai-Nanjing Expressway. The Company successfully passed the annual review on work safety conducted by the Ministry of Transport and has met Level-I standard work safety for three consecutive years. It accepted the special tour inspection on safety by the provincial authorities with outstanding safety performance and was highly recognized. **Thirdly**, it developed the intelligent brand of Shanghai-Nanjing Expressway. Following the pace of the “Internet +” times, the Company actively studied the scenario-based application of 5G technology in expressways and implemented panoramic AR, intelligent parking guidance and intelligent comprehensive monitoring programs, completing the 5G network coverage over the Yangchenghu and Huanglishu service areas. In the construction of Wufengshan Toll Bridge, it conducted overall planning and design to build an expressway in the future.

Toll road and bridge operations

1. Analysis of business and operational environment

(1) Impact of the macroeconomic environment

In 2019, under the background with complicated and severe international environment, the global economic growth slowed down and the competition in various industries was further intensified. In face with the complicated international and domestic environment, China strengthened counter-cyclic adjustments in macro policies and the economic operation maintained an overall development trend of stable operation with progress. In 2019, the gross domestic product reached RMB99,086.5 billion, representing an increase of 6.1% over the previous year calculated at comparable price, achieving the expected growth target of 6% to 6.5%. China’s economic growth was remarkably higher than the global economic growth and ranked the first among economies with an economy of over USD1 trillion. It contributed about 30% of the world economic growth, and still was the largest contributor to the world economic growth. During the Reporting Period, the gross regional product in the Jiangsu Province reached RMB9,963.15 billion, representing an increase of 6.1% over the previous year calculated at comparable price. Its comprehensive strength was consistently enhanced with the total economy reaching a new high. It achieved stable improvement in development quality and made solid steps in high-quality development. *Data source: governmental statistics information website)*

The macroeconomic environment is an essential factor affecting the demands for transportation. Most of the toll road projects of the Group maintained a relatively stable and natural growth with the comprehensive effect of the multiple factors in the macroeconomic and regional economic environment during the Reporting Period.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

(2) *Development of demands for transportation*

During the Reporting Period, the full-year cargo volume in Jiangsu Province increased by 4.6% and the passenger volume decreased by 0.9% compared to that last year. The turnover of goods increased by 4.3% and turnover of passengers increased by 2.6% as compared with the previous year. The cargo throughput at ports above the designated size was 2,630 million tons, representing an increase of 12.8% compared to that last year, of which 520 million tons were foreign trade cargo throughput, representing an increase of 7.0%. The container throughput was 18.726 million standard containers, representing an increase of 4.1%.

At the end of the Reporting Period, a total of 19,192,000 vehicles for civilian use were owned in the Jiangsu Province, representing an increase of 7.6% and a net increase of 1,360,000 vehicles. 16,462,000 private vehicles were owned, representing an increase of 7.1% and a net increase of 1,085,000 vehicles. 11,313,000 private sedans were owned, representing an increase of 6.0% and a net increase of 645,000 vehicles. *(Data source: governmental statistics information website)*

The stable growth of car ownership would be the most direct drive to the growth of road traffic flow, and meanwhile a higher car ownership in the region would give more free play to the competitive advantage of highways in the short and medium distance transportation and thus improve the ability to resist diversion impact of other modes of transportation.

(3) *Changes in competition pattern*

At the end of the Reporting Period, the total operating expressway mileage in the Jiangsu Province was 4,865.0 kilometers, with additional mileage of 155 kilometers. The railway operation mileage was 3,539.0 kilometers, with additional mileage of 525 kilometers and main lines of railways extended 6,252.9 kilometers, with additional mileage of 994.3 kilometers. *(Data source: governmental statistics information website)*

During the Reporting Period, newly constructed and completed projects of expressways and railways did not have obvious diversion impact on toll road and bridge projects of the Group.

(4) *Policy's impact on toll roads*

During the Reporting Period, the policies on toll-free travel for small passenger vehicles in major festivals and holidays, toll-free "green passage" for vehicles carrying fresh and live agricultural products, preferential tolls for ETC freight vehicles with Unitoll card passing and the inspection on "Hong Kong vehicles with priorities" were continuously implemented. ETC vehicles can enjoy the toll discount at 95% of the original price from 1 July 2019, which effectively boosted the traffic volume.

2. Operation and management measures

The Group actively facilitated the implementation of the strategy of "building Jiangsu into a province with strong transportation network" and kept abreast of the new situation with new changes and new requirements on the removal of provincial boundary toll station and safety operation with smooth traffic. It stably improved the expressway operation and management level and the road operation capability, and strengthened road maintenance management, hindrance clearance and maintaining smooth traffic flow and smart control, thereby provide safer, faster and higher-quality traffic services for drivers and passengers. Specific measures are as follows:

Efficiently promoted the removal of provincial boundary toll stations and highlighted the implementation. The Company actively responded to the decisions and deployments of the Ministry of Transport and completed the removal of provincial boundary toll stations on expressways on time with the required quality. It firstly completed the construction of the overloading weighing platform at expressway entrances in the province and accepted the examination and inspection by the Ministry of Transport as a pilot company in Jiangsu Province. The removal of Huaqiao Toll Station, the biggest station on the provincial main line between Jiangsu and Shanghai, was completed, which was highly recognized by the Ministry of Transport. The Company firstly completed the installment and debugging of equipment in the whole network and completed the renovation of network and machine rooms, achieving the connectivity of the whole network. All staff participated in the ETC issuing and promotion. As at 28 December 2019, a total of 117,000 ETC cards have been issued. After the pilot operation on the national network, all roads and bridges under the Group were under smooth operation and all facilities, equipment and systems were relatively stable, providing strong support to the new tolling model with a network covering the whole country.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

Solidly promoted smoothness for heavy traffic volume with technologies. The Company guaranteed smoothness with technological means. It innovatively implemented accurate control for continuous harbor lane and ramp and other advanced technologies across the country and achieved smooth traffic with a daily traffic volume of 240,000 vehicles on major holidays, which was fully recognized by the Ministry of Transport. It guaranteed smoothness with intelligent control, strengthened judgment on traffic trends and adopted “N+1” and “N-1” dynamic traffic control, traffic information disclosure through various channels and routine use of intelligent cones to balance the traffic flow and improve the traffic efficiency. A three-dimensional rescue system was established to guarantee smoothness. It organized the first emergency rescue drill by helicopter for the main line of expressway in China and established an air-ground integrated rescue system to effectively improve the traffic capacity of roads. During the Reporting Period, the Company performed a total of over 20,000 hindrance clearance tasks on all fronts and the overall rate of arrival within 20 minutes was about 99%, maintaining its domestic leading position in the efficient accessibility level to roads under huge traffic flow condition.

Advanced expressway maintenance in a scientific way and promoted smooth traffic with quality. The Company adhered to the concept of maintenance throughout the life span and preventive maintenance and continued to advance active and intelligent maintenance to improve the road performance. It improved the quality of roads and bridges through accurate maintenance. Despite the pressure of heavy traffic, bridges of Category I and Category II remained to be 100% and the rate of excellent roads and expressways remained to be 100%. MQI and PQI, the two major indexes of maintenance quality, were 97.06 and 95.80, respectively, which were higher as compared to those last year. The Company improved the efficiency through concentrated maintenance. It conducted concentrated mat coat overhauls in the Shuofang-East Bridge section and with the scientific organization and precise control on super-high-traffic sections, the Company completed the maintenance on just 6 working days, which should be completed in 28 working days on average without interrupting traffic for the first time, to benefit the public to the greatest extent. It broke through bottlenecks in resources through “intelligent expansion” and firstly tried reallocation of lane resources in China. It expanded the width of emergency lanes to 3.5m for travelling and changed four lanes into five lanes without increasing land occupation, which broke the restrictions of resources and enhanced the traffic capacity of roads.

3. Business performance and analysis of project operation

During the Reporting Period, the Group recorded toll revenue of approximately RMB7,833,075,000, representing a year-on-year increase of approximately 4.99% and representing approximately 77.72% of the total operating revenue of the Group. Of which, Shanghai-Nanjing Expressway recorded an average daily traffic volume of 101,151 vehicles, representing a year-on-year increase of approximately 6.45%, and an average daily toll revenue of approximately RMB14,330,760, representing a year-on-year increase of approximately 4.52%. Considering the movement trend of the traffic volume of passenger vehicles and trucks throughout the year, traffic volume of passenger vehicles maintained at a stable growth at an average growth rate of approximately 7.31% throughout the year, representing approximately 79.54% of the total traffic volume. Whereas traffic volume of trucks increased by approximately 3.25% throughout the year, representing approximately 20.46% of the total traffic volume.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

The traffic volume of other road and bridge projects including Xicheng Expressway, Jiangyin Bridge and Yanjiang Expressway continued to maintain a relatively good growth momentum. During the Reporting Period, their overall movements in traffic volumes of passenger vehicles and trucks were basically consistent with that of Shanghai-Nanjing Expressway. The data of the operations of each of the road and bridge projects is set out as below:

Comparison of the data of average daily traffic volume and toll revenue

Project		2019		2018		Year-on-year %
Shanghai-Nanjing Expressway	Traffic volume of passenger vehicles (vehicle/day)	80,459	79.54%	74,978.00	78.91%	7.31
	Traffic volume of trucks (vehicle/day)	20,692	20.46%	20,041.00	21.09%	3.25
	Total traffic volume (vehicle/day)	101,151	-	95,019.00	-	6.45
	Average daily toll revenue (RMB'000/day)	14,330.76	-	13,711.26	-	4.52
Ningchang Expressway	Traffic volume of passenger vehicles (vehicle/day)	29,842	73.74%	30,305.00	74.35%	-1.53
	Traffic volume of trucks (vehicle/day)	10,630	26.26%	10,456.00	25.65%	1.66
	Total traffic volume (vehicle/day)	40,472	-	40,761.00	-	-0.71
	Average daily toll revenue (RMB'000/day)	2,522.99	-	2,458.95	-	2.60
Zhenli Expressway	Traffic volume of passenger vehicles (vehicle/day)	10,448	68.79%	8,608.00	64.82%	21.37
	Traffic volume of trucks (vehicle/day)	4,740	31.21%	4,671.00	35.18%	1.49
	Total traffic volume (vehicle/day)	15,188	-	13,279.00	-	14.38
	Average daily toll revenue (RMB'000/day)	748.52	-	702.31	-	6.58
Guangjing Expressway	Traffic volume of passenger vehicles (vehicle/day)	58,659	78.02%	56,756.00	78.89%	3.35
	Traffic volume of trucks (vehicle/day)	16,527	21.98%	15,189.00	21.11%	8.81
	Total traffic volume (vehicle/day)	75,186	-	71,945.00	-	4.50
	Average daily toll revenue (RMB'000/day)	896.27	-	836.85	-	7.10
Xicheng Expressway	Traffic volume of passenger vehicles (vehicle/day)	66,258	78.65%	64,660.00	79.36%	2.47
	Traffic volume of trucks (vehicle/day)	17,985	21.35%	16,817.00	20.64%	6.94
	Total traffic volume (vehicle/day)	84,243	-	81,477.00	-	3.39
	Average daily toll revenue (RMB'000/day)	1,735.41	-	1,685.95	-	2.93
Xiyi Expressway	Traffic volume of passenger vehicles (vehicle/day)	20,308	84.78%	18,529.00	83.63%	9.60
	Traffic volume of trucks (vehicle/day)	3,646	15.22%	3,627.00	16.37%	0.53
	Total traffic volume (vehicle/day)	23,954	-	22,155.00	-	8.12
	Average daily toll revenue (RMB'000/day)	917.22	-	867.04	-	5.79
Wuxi Huantaihu Expressway	Traffic volume of passenger vehicles (vehicle/day)	7,408	84.10%	8,633.00	85.87%	-14.19
	Traffic volume of trucks (vehicle/day)	1,400	15.90%	1,421.00	14.13%	-1.46
	Total traffic volume (vehicle/day)	8,808	-	10,054.00	-	-12.39
	Average daily toll revenue (RMB'000/day)	99.56	-	106.91	-	-6.87
Zhendan Expressway	Traffic volume of passenger vehicles (vehicle/day)	13,842	87.84%	10,088.00	88.35%	37.21
	Traffic volume of trucks (vehicle/day)	1,916	12.16%	1,330.00	11.65%	0.53
	Total traffic volume (vehicle/day)	15,758	-	11,417.00	38.03	
	Average daily toll revenue (RMB'000/day)	209.75	-	149.00	-	40.77

DISCUSSION AND ANALYSIS OF THE OPERATIONS

Project		2019		2018		Year-on-year %
Jiangyin Bridge	Traffic volume of passenger vehicles (vehicle/day)	71,398	74.97%	68,781.00	76.13%	3.81
	Traffic volume of trucks (vehicle/day)	23,840	25.03%	21,565.00	23.87%	10.55
	Total traffic volume (vehicle/day)	95,238	-	90,346.00	-	5.42
	Average daily toll revenue (RMB'000/day)	3,505.18	-	3,269.03	-	7.22
Suijiahang Expressway	Traffic volume of passenger vehicles (vehicle/day)	47,590	67.75%	44,806.00	67.92%	6.21
	Traffic volume of trucks (vehicle/day)	22,651	32.25%	21,162.00	32.08%	7.04
	Total traffic volume (vehicle/day)	70,241	-	65,968.00	-	6.48
	Average daily toll revenue (RMB'000/day)	4,090.11	-	3,378.16	-	21.08
Yanjiang Expressway	Traffic volume of passenger vehicles (vehicle/day)	40,788	74.04%	39,448.00	74.39%	3.40
	Traffic volume of trucks (vehicle/day)	14,300	25.96%	13,581.00	25.61%	5.29
	Total traffic volume (vehicle/day)	55,088	-	53,029.00	-	3.88
	Average daily toll revenue (RMB'000/day)	4,250.10	-	4,092.89	-	3.84
Changjia Expressway	Traffic volume of passenger vehicles (vehicle/day)	12,971	67.38%	10,729.00	64.75%	20.90
	Traffic volume of trucks (vehicle/day)	6,279	32.62%	5,840.00	35.25%	7.52
	Total traffic volume (vehicle/day)	19,250	-	16,569.00	-	16.18
	Average daily toll revenue (RMB'000/day)	413.35	-	409.01	-	1.06

4. Business Development

(1) Actively advancing the construction of projects under construction

During the Reporting Period, the Group continued to efficiently advance the construction of road and bridge projects under construction in an orderly way. In 2019, Wufengshan Bridge Project incurred an investment of RMB2,531 million and had incurred an aggregate investment of approximately RMB9,007 million, representing approximately 73.26% of the total investment of the project, and it is expected to be completed in 2021. Changyi Expressway Project incurred an investment of RMB838 million and had incurred an aggregate investment of approximately RMB2,896 million, representing approximately 76.21% of the total investment of the project; Yichang Expressway Project incurred an investment of RMB574 million and had incurred an aggregate investment of approximately RMB1,994 million, representing approximately 50.11% of the total investment of the project; and Longtan Bridge Project incurred an investment of RMB371 million, representing approximately 5.93% of the total investment of the project.

(2) Acquisition of the toll road and bridge projects of the ICA Company in Turkey

During the Reporting Period, the Group approved the contribution of USD130 million for the establishment of Jiangsu Expressway International (Hong Kong) Co., Ltd., a wholly-owned subsidiary, in the Hong Kong Special Administrative Region of the People's Republic of China to participate in the acquisition of the toll road and bridge projects of the ICA Company in Turkey through a Chinese-funded consortium. In January 2020, the Group completed the registration procedures for the wholly-owned subsidiary in Hong Kong and obtained the Certificate of Incorporation and the Business Registration Certificate issued by the Companies Registry and the Business Registration Office of the Island Revenue Department, respectively in Hong Kong.

(3) Establishment of Yangtze River Management Company

During the Reporting Period, the Group contributed RMB50 million for the establishment of Yangtze River Management Company, which is mainly responsible for the operation and management of certain road and bridge projects in southern Jiangsu, achieving the regional operation of roads and bridges to enhance operational efficiency and realize economies of scale.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(II) Operation of ancillary services

Ancillary services of the Company mainly include lease of service areas, sale of petroleum products and other related operations provided at the six service areas along the Shanghai-Nanjing Expressway. During the Reporting Period, the Company realized revenue of approximately RMB1,347,754,000 from ancillary services, representing a year-on-year decrease of approximately 6.53%. In particular, rental income from service areas amounted to approximately RMB223,257,000, representing a year-on-year increase of 22.28%; sales revenue of petroleum products was approximately RMB1,081,829,000, representing approximately 80.27% of the total revenue from ancillary services, representing a year-on-year decrease of approximately 9.42%; and other income was approximately RMB42,668,000.

During the Reporting Period, the “3+3” plan for upgrading and transforming the business models of service areas along Shanghai-Nanjing Expressway was fully completed with more distinctive theme and service functions. Yangchenghu Service Area was completed. It perfectly practiced the development concepts of “transportation + tourism” and “transportation + culture” and is awarded the “Most Beautiful Service Area with the Garden Culture” by China Highway & Transportation Society. It and Fangmaoshan Service Area were selected as “National Tourism Theme Service Areas along Expressways in 2019”, better meeting the travel demands of the public and further enhancing the social benefits and potential economic benefits.

During the Reporting Period, the reconstruction of double-layer oil tank at gas stations in service areas along Shanghai-Nanjing Expressway was completed. The sales revenue of petroleum products recorded a year-on-year decrease as a result of the reconstruction. The Group actively responded to the fluctuation of the refined oil price and established a forecasting mechanism on inventories of petroleum products to boost the revenue from price differences. Meanwhile, it continued to introduce competition mechanisms and managed to secure more profit margins through actively carrying out negotiations with petroleum suppliers. In 2019, the gross profit and gross profit margin of petroleum products sales of the Group increased 2.44% and 2.13 percentage points as compared with 2018, respectively.

During the Reporting Period, revenue from other businesses including food and beverages, retail of goods, lease and hindrance clearance services was approximately RMB42,668,000, representing a year-on-year decrease of approximately 34.36% due to the outsourcing of service areas.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

(III) Business of property development and sales

In 2019, the property development industry witnessed slower growth. China maintained the principle of “houses are for living in other than speculation” and further deepened and refined various regulatory policies and the policy environment of the property market was relatively tight on the whole. Based on the changes in the market environment during the Reporting Period, the Group adjusted the strategies on the property business in a timely manner with the target of “achieving stable revenue and enhancing efficiency”. It deeply explored potentials and actively conducted de-stocking, achieving stable operation results with progress.

During the Reporting Period, the sales area of commodity housing of Ninghu Properties Company was 33,115 square meters, representing a year-on-year increase of 40.50%. The pre-sale revenue of RMB829,547,000 was realized, a total of 346 units (including 127 parking spaces) were delivered, with sales revenue carried forward amounting to approximately RMB825,217,000. The net profit after tax realized was approximately RMB188,514,000, representing a year-on-year increase of approximately 23.45%.

During the Reporting Period, the sale and leasing of the Hanrui Center developed by Hanwei Company were carried out in an orderly manner. In 2019, 271 units of commodity housing (apartments) were signed contracts with a pre-sale area of 11,547 square meters, achieving pre-sale revenue of RMB260,211,000 million. Approximately 30% of shops have completed negotiations on potential leasing.

Costs of real estate development are as follows:

RMB

Project name	Commencement date	Estimated completion date	Estimated total investment amount	Opening balance	Closing balance
Baohua Hongyan Community A Project	September 2018	October 2024	2,455,800,000.00	316,629,081.32	324,211,226.67
Huaqiao Urban Core Project	December 2012	July 2024	3,089,100,000.00	663,146,331.42	383,548,006.05
Suzhou Nanmen Road G25 Project (Note)	December 2019	June 2021	1,146,300,000.00	78,850,451.14	92,861,564.62
Hanrui Core	October 2016	June 2020	2,202,654,200.00	1,463,806,420.09	1,891,099,865.11
Total			8,893,854,200.00	2,522,432,283.97	2,691,720,662.45

Note : For Suzhou Nanmen Road G25 Project, it is planned to build ten highrise and small-sized high-rise residential buildings, among which eight buildings at Phase I have been completed, accepted and transferred into properties for sale in January 2018. The remaining two buildings at Phase II were still at the construction preparation stage at the end of the reporting period.

Products of real estate development for sale are as follows:

RMB

Project name	Completion date	Opening balance	Increase during this year	Decrease during this year	Closing balance
Suzhou Qingyuan	December 2013	540,219,078.24	-	109,474,541.02	430,744,537.22
Baohua Hongyan Community B1 Tongchengshijia Project	April 2014	107,034,473.42	-	14,365,763.69	92,668,709.73
Baohua Hongyan Community B2 Tongchengshijia Project	November 2016	222,613,820.62	-	65,356,646.18	157,257,174.44
Huaqiao Urban Core C4 Tongcheng Hongqiao Mansion	August 2012	11,573,340.44	-	-	11,573,340.44
Huaqiao Urban Core C7 Pujiang Building	June 2014	252,179,129.48	118,185,530.60	34,699,223.17	335,665,436.91
Huaqiao Urban Core B4 Tongcheng Guangmingjiezuo	June 2015	43,664,783.85	-	4,839,778.47	38,825,005.38
Huaqiao Urban Core B19 Tongcheng Guangmingxinzu	December 2016	18,541,007.35	-	938,188.44	17,602,818.91
Huaqiao Urban Core C3 Langqiao Jiayuan	December 2019	-	263,442,957.70	31,931,817.00	231,511,140.70
Suzhou Nanmen Road G25 Project Phase I	January 2018	314,589,804.88	-	171,668,550.51	142,921,254.37
Total		1,510,415,438.28	381,628,488.30	433,274,508.48	1,458,769,418.10

(IV) Other businesses

Other businesses of the Company mainly comprised of the advertising businesses of certain subsidiaries, management services provided by Yangtze River Management Company and property services provided by Ninghu Properties Company. During the Reporting Period, the Group realized revenue from other businesses of approximately RMB72,135,000, representing a year-on-year increase of approximately 16.13% and which is mainly attributable to the increase in revenue from commission operation and management services of Yangtze River Management Company.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

II. Primary Operating Conditions during the Reporting Period

During the Reporting Period, the Group accumulatively realized a total operating revenue of approximately RMB10,078,181,000 with a year-on-year increase of approximately 1.10%, of which toll revenue amounted to approximately RMB7,833,075,000, representing a year-on-year increase of approximately 4.99%. Revenue from the ancillary business amounted to approximately RMB1,347,754,000, representing a year-on-year decrease of approximately 6.53%. Revenue from property sales amounted to approximately RMB825,217,000, representing a year-on-year decrease of approximately 17.84%. Revenue from other activities amounted to approximately RMB72,135,000, representing a year-on-year increase of approximately 16.13%. Under the PRC Accounting Standards, the Group realized operating profit of approximately RMB5,541,967,000 during the Reporting Period, representing a year-on-year decrease of approximately 2.10%; net profit attributable to shareholders of the Company amounted to approximately RMB4,199,704,000, and earnings per share was approximately RMB0.8336, representing a year-on-year decrease of approximately 4.05%. It was mainly because the Company recognized revaluation gain of approximately RMB430,500,000 upon acquisition of Hanwei Company in accordance with the standards on business combination involving enterprises not under common control during the same period of last year; and during the Reporting Period, net profit after deduction of non-recurring profits or losses attributable to shareholders of the listed company amounted to approximately RMB4,186,308,000, representing an increase of approximately 8.63%.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

(I) Analysis of principal businesses

1. Table of analysis of changes in the relevant items in income statement and cash flow statement

Unit: Yuan Currency: RMB

Item	Amount in the Reporting Period	Amount in the corresponding period last year	Changes (%)
Operating revenue	10,078,181,218.81	9,969,011,165.19	1.10
Operating costs	4,576,009,544.69	4,574,394,775.24	0.04
Tax and surcharge	126,990,737.26	168,977,540.49	-24.85
Selling expenses	35,971,797.28	37,740,440.75	-4.69
Administrative expenses	227,595,890.11	211,774,235.71	7.47
Financial expenses	464,164,014.33	524,560,684.26	-11.51
Other gains	7,257,958.52	1,974,865.99	267.52
Investment income	886,313,895.55	1,056,795,788.01	-16.13
Gain on change in fair value	71,295,344.11	158,299,349.44	-54.96
Credit impairment losses	(96,972.99)	(33,670.02)	188.01
Losses from disposal of assets	(70,252,066.32)	(7,661,280.27)	816.98
Non-operating income	32,336,183.87	21,943,624.11	47.36
Non-operating expenses	52,532,595.64	30,241,722.55	73.71
Net cash flow from operating activities	5,763,283,624.15	5,715,489,506.54	0.84
Net cash flow from investing activities	(7,391,606,310.05)	(4,773,577,638.83)	54.84
Net cash flow from financing activities	1,562,605,899.87	(689,543,646.53)	-326.61

2. Analysis of revenue and costs

Applicable N/A

The Group had an aggregate operating revenue of approximately RMB10,078,181,000 during the Reporting Period, representing an increase of approximately 1.10% as compared to the same period in 2018. Total operating costs were approximately RMB4,576,010,000, maintaining roughly the same year-on-year. The consolidated gross profit margin of the Group increased by approximately 0.48 percentage point as compared to the same period in 2018.

Components of revenue:

Unit: Yuan Currency: RMB

Item of operating revenue	For the Reporting Period	Percentage (%)	For the same period in 2018	Percentage (%)	Year-on-year increase/decrease
Toll road business	7,833,075,472.21	77.72	7,460,485,817.72	74.84	2.88
Ancillary services business	1,347,754,062.96	13.37	1,441,955,572.96	14.46	-1.09
Property sales business	825,216,616.96	8.19	1,004,453,760.97	10.07	-1.88
Advertising and other businesses	72,135,066.68	0.72	62,116,013.54	0.63	0.09
Total	10,078,181,218.81	100.00	9,969,011,165.19	100.00	-

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(1) Principal businesses classified by industries and regions

Unit: Yuan Currency: RMB

By industries	Principal operating activities classified by industries					Change in gross profit margin over the corresponding period of last year (%)
	Operating revenue	Operating costs	Gross profit margin (%)	Change in operating revenue over the corresponding period of last year (%)	Change in operating costs over the corresponding period of last year (%)	
Toll road business	7,833,075,472.21	2,876,262,069.44	63.28	4.99	10.03	Decreased by 1.68 percentage points
Shanghai-Nanjing Expressway	5,230,727,736.60	1,641,739,059.28	68.61	4.52	8.60	Decreased by 1.18 percentage points
Guangjing Expressway and Xicheng Expressway	960,563,083.65	372,000,884.08	61.27	4.32	29.88	Decreased by 7.63 percentage points
Ningchang Expressway and Zhenli Expressway	1,194,100,593.20	586,436,160.81	50.89	3.49	-0.04	Increased by 1.73 percentage points
Xiyi Expressway and Wuxi Huantaihu Expressway	371,123,856.74	223,423,375.58	39.80	4.40	7.50	Decreased by 1.74 percentage points
Zhendan Expressway	76,560,202.02	52,662,589.69	31.21	458.52	172.11	Increased by 72.40 percentage points
Ancillary services business	1,347,754,062.96	1,242,077,560.33	7.84	-6.53	-8.79	Increased by 2.28 percentage points
Property sales business	825,216,616.96	432,465,133.96	47.59	-17.84	-24.54	Increased by 4.64 percentage points
Other businesses	72,135,066.68	25,204,780.96	65.06	16.13	-0.95	Increased by 6.03 percentage points
Total	10,078,181,218.81	4,576,009,544.69	54.59	1.10	0.04	Increased by 0.48 percentage point
By regions	Principal operating activities classified by regions					Change in gross profit margin over the corresponding period of last year (%)
	Operating revenue	Operating costs	Gross profit margin (%)	Change in operating revenue over the corresponding period of last year (%)	Change in operating costs over the corresponding period of last year (%)	
Jiangsu Province	10,078,181,218.81	4,576,009,544.69	54.59	1.10	0.04	Increased by 0.48 percentage point

Note 1: Zhendan Expressway was open for traffic on 30 September 2018.

Note 2: During the Reporting Period, the gross profit margin for toll business of Guangjing Xicheng Expressway decreased by 7.63 percentage points year-on-year as a result of the year-on-year increase in costs on road maintenance from the overhaul of Guangjing Xicheng Expressway.

Note 3: During the Reporting Period, the average delivery price of the property project of Ninghu Properties Company, a subsidiary of the Company, increased as compared to the same period of last year, resulting in a gross profit margin of property sales business increased by 4.64 percentage points year-on-year.

(2) Analysis on production and sales volume

Applicable N/A

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(3) Analysis of costs

Unit: Yuan Currency: RMB

By industries	Components of costs	By Industries				Changes in percentage of the amount for the Reporting Period compared with the same period last year (%)	Explanation of the situation
		Amount for the Reporting Period	Percentage in total costs for the Reporting Period (%)	Amount for the same period last year	Percentage in total costs for the same period last year (%)		
Toll road operations	–	2,876,262,069.44	62.86	2,614,094,988.32	57.14	10.03	–
–	Depreciation and amortization	1,420,364,799.11	31.04	1,327,322,713.24	29.02	7.01	–
–	Costs on maintenance	531,109,367.09	11.61	362,811,697.17	7.93	46.39	Mainly due to centralized maintenance of pavement on some sections of Nanjing-Shanghai Expressway and the overhaul of Guangjing Xicheng Expressway and a year-on-year increase in the costs of road maintenance as a result of a comprehensive renovation of the facilities and greening along the expressways during the Reporting Period.
–	Costs on system maintenance	35,594,808.25	0.78	78,688,580.16	1.72	-54.76	Mainly due to the year-on-year decrease in costs on system maintenance as a result of postponement in some system maintenance projects as affected by the withdrawal of provincial toll stations during the Reporting Period.
–	Costs on toll collection	169,742,752.56	3.71	162,159,921.49	3.54	4.68	Mainly due to the increase in toll revenue during the Reporting Period, the corresponding road network management fees increased year-on-year, resulting in a year-on-year increase in costs on toll collection.
–	Labour costs	719,450,342.43	15.72	683,112,076.26	14.93	5.32	Due to the rigid growth of labor costs and other reasons, the labor costs of toll road business increased year-on-year during the Reporting Period.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

By industries	Components of costs	By Industries				Changes in percentage of the amount for the Reporting Period compared with the same period last year (%)	Explanation of the situation
		Amount for the Reporting Period	Percentage in total costs for the Reporting Period (%)	Amount for the same period last year	Percentage in total costs for the same period last year (%)		
Ancillary service businesses	–	1,242,077,560.33	27.14	1,361,765,776.44	29.77	-8.79	–
–	Raw materials	890,135,140.61	19.45	1,027,318,343.10	22.46	-13.35	Mainly due to the year-on-year decrease in procurement cost of raw materials as a result of the decrease in the sales volume of petroleum products and the completion of renting out all service areas during the Reporting Period.
–	Depreciation and amortization	53,963,009.67	1.18	49,992,320.21	1.09	7.94	–
–	Labour costs	202,248,843.80	4.42	208,866,531.43	4.57	-3.17	Mainly due to the year-on-year decrease in labour costs for ancillary service businesses as a result of the renting out of all service areas and arrangement of personnel during the Reporting Period.
–	Other costs	95,730,566.25	2.09	75,588,581.70	1.65	26.65	Mainly due to the year-on-year increase in the cost of maintenance and property management for upgrading and renovation of the service areas during the Reporting Period.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

By industries	Components of costs	By Industries				Changes in percentage of the amount for the Reporting Period compared with the same period last year (%)	Explanation of the situation
		Amount for the Reporting Period	Percentage in total costs for the Reporting Period (%)	Amount for the same period last year	Percentage in total costs for the same period last year (%)		
Property sales businesses	-	432,465,133.96	9.45	573,087,119.86	12.53	-24.54	During the Reporting Period, the scale of delivery and transfer of real estate projects decreased year-on-year, resulting in a year-on-year decrease in the cost of property sales business.
Other businesses	-	25,204,780.96	0.55	25,446,890.62	0.56	-0.95	-

During the Reporting Period, the depreciation and amortisation accounted for 49.38% of the Group's toll road costs. With the completion of construction of Wufengshan Bridge, Changyi Expressway and Yichang Expressway in the future, the depreciation expenses will increase significantly.

(4) Major Sales Customers and Major Suppliers

Applicable N/A

As major customers of the Group's toll road business, service area operation and real estate sales business are individual consumers in the society, the top five customers together accounted for less than 30% of the Company's turnover. In addition, the Group has no bulk purchases related to daily operations, the top five suppliers together accounted for less than 30% of the Company's purchases. Thus, no further disclosure of information of the Group relating to major customers and suppliers is needed.

3. Expenses

Applicable N/A

(1) Administrative expenses

During the Reporting Period, administrative expenses incurred by the Group were approximately RMB227,596,000 in aggregate, representing an increase by approximately 7.47% over the same period last year. The budgetary control of administrative expenses of the Company was in good condition in 2019 due to the strengthening of budget management and strict expenses control. The year-on-year increase in administrative expenses during the Reporting Period was mainly due to the continuous increase in labour costs and the higher fees charged by agencies, such as the audit and consultancy firms.

(2) Financial expenses

During the Reporting Period, the comprehensive loan interest rate of the Group's capitalization of interest-bearing debts decreased year-on-year and financial expenses decreased accordingly was mainly due to the decrease in market financing costs as a result of the insistence on implementation of a prudent monetary policy by the State, reasonably adequate liquidity, and reasonably stable market interest rate. The financial expenses of the Group were approximately RMB464,164,000 in aggregate, representing a year-on-year decrease of approximately 11.51%.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(3) *Selling expenses*

During the Reporting Period, the Group's aggregate selling expenses were approximately RMB35,972,000, representing a year-on-year decrease of approximately 4.69%. The year-on-year decrease in selling expenses was mainly due to the year-on-year decrease in sales expenses as a result of the decrease in commission fee for the agent of real estate sales of South Nanjing New City project during the Reporting Period.

(4) *Taxes and surcharges*

During the Reporting Period, the taxes and surcharges incurred by the Group were approximately RMB126,991,000 in aggregate, representing a year-on-year decrease of approximately 24.85%. It was mainly due to the year-on-year decrease in taxes and surcharges as a result of the year-on-year decrease in the delivery scale of the property projects of Ninghu Properties Company, a subsidiary of the Company, and the income from delivery was mostly generated after replacement of business tax with value-added tax during the Reporting Period.

(5) *Income tax*

The statutory income tax rate for companies of the Group was 20% or 25%. During the Reporting Period, the income tax expense of the Group was approximately RMB1,221,286,000 in aggregate, representing a year-on-year increase of approximately 3.77%.

4. R&D input

(1) *Table of R&D input*

Applicable N/A

(2) *Explanation*

Applicable N/A

5. Cash flow

Applicable N/A

The revenue from the principal business of toll roads of the Group is received in cash, contributing to a stable operating cash flow. During the Reporting Period, the Group's net cash flow generated from operating activities was approximately RMB5,763,284,000, representing a year-on-year increase of approximately 0.84%, mainly due to the year-on-year increase in the net cash flow from operation activities as a result of an increase in toll revenue and revenue from pre-sales of property projects during the Reporting Period. The net cash outflow generated from investment activities was approximately RMB7,391,606,000, representing a year-on-year increase of approximately 54.84%, mainly due to a significant increase in net cash outflow from investment activities as a result of the year-on-year increase in external investment expenditures such as net cash outflow from the purchase of wealth management products, investment in the Finance Company, investment of the asset management scheme of Fuanda Fund, as well as the construction expenditures of road and bridge projects during the Reporting Period. The net cash outflow incurred from financing activities was approximately RMB1,562,606,000, as compared with the net cash outflow of approximately RMB689,544,000 in the same period last year, mainly due to the year-on-year increase in the net cash inflow from the capital contributions and the borrowings made by minority shareholders to project companies during the Reporting Period.

6. Gain on changes in fair value

During the Reporting Period, the Group recorded a gain on changes in fair value of approximately RMB71,295,000, representing a year-on-year decrease of approximately 54.96%. It was mainly due to the year-on-year decrease in the fair value of other non-current financial assets and trading financial assets held by Ninghu Investment Company, a subsidiary of the Company.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

7. Investment income

During the Reporting Period, the Group's investment income was approximately RMB886,314,000, representing a year-on-year decrease of approximately 16.13%. Despite the year-on-year increase in the investment income contributed by the associates and investment bonus from other equity instruments held, a year-on-year decrease in investment income was recorded as a result of the Company recognized valuation gain of approximately RMB430 million upon acquisition of Hanwei Company in accordance with the standards on business combination involving enterprises not under common control during the corresponding period of the previous year. As at the end of the Reporting Period, associates, in which the Group had a participating interest, contributed investment income of approximately RMB649,050,000, representing a year-on-year increase of approximately 12.84%. Operating results of major companies in which the Group held equity interests are as follows:

Unit: RMB

Name of company	Principal business	Investment cost RMB	Equity interest attributable to the Company (%)	Net profit attributable to the shareholders of the associates RMB	Contribution to investment income RMB	Percentage of the Company's net profit (%)	Year-on-year increase/decrease (%)
Suzhou Expressway Company (the original Sujiahang Company)	Mainly responsible for the management and operation businesses of Sujiahang Expressway and Changjia Expressway	526,090,677	30.01	663,337,871.03	214,443,333.30	4.99	-
Sujiayong Company	Mainly responsible for the management and operation of Changjia Expressway	431,609,486	22.77	(22,777,318.09)	(5,186,395.33)	-	-
Yangtze Bridge Company	Mainly responsible for the management and operation of Jiangyin Bridge	631,159,243	26.66	770,696,050.65	205,467,567.10	4.78	17.48
Yanjiang Company	Mainly responsible for the management and operation of Yanjiang Expressway	1,466,200,000	25.15	639,759,592.78	176,573,647.61	4.11	-5.94

Note: On 23 August 2019, the twelfth meeting of the ninth session of the board of directors of the Company considered and approved the consolidation by merger between Suzhou Sujiahang Expressway Co., Ltd. and Suzhou Sujiayong Expressway Co., Ltd. through capital increase with equal rights for same shares. The Company subscribed the newly added registered capital of Sujiahang Company with RMB80,748,700 with all its capital contribution to Sujiayong Company. The Company's shareholding in Sujiahang Company will be adjusted from 31.55% to 30.01% after the consolidation. On 28 October 2019, Suzhou Sujiahang Expressway Co., Ltd. officially changed its name into Suzhou Expressway Management Co., Ltd.

* Due to the year-on-year increase in toll revenue driven by the growth in the traffic volume, Suzhou Expressway Company recorded an increase in its net profit as compared with that of the corresponding period last year, and its contribution to the investment revenue increased accordingly.

* Due to the year-on-year increase in toll revenue driven by the growth in the traffic volume and a year-on-year increase in the bonus from Sutong Bridge (蘇通大橋) and Taizhou Bridge (泰州橋) as well as Jiangsu Leasing, Yangtze Bridge Company recorded an increase in net profit as compared with that of the corresponding period last year and its contribution to the investment revenue increased by approximately 17.48% year-on-year.

* Despite the year-on-year increase in toll revenue driven by the growth in the traffic volume, due to the year-on-year increase in losses from assets retirement during the Reporting Period, Yanjiang Company recorded a decrease in its net profit compared with the same period of last year, and its contribution to the investment revenue decreased by approximately 5.94%.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

8. Other income

During the Reporting Period, the Group recorded other income of approximately RMB7,258,000, representing a year-on-year increase of approximately 267.52%. It was mainly due to the inclusion of deductible portion into other income as a result of the implementation of national policies related to deepening the reform of Value-added Tax, which stipulated that commencing from 1 April 2019, an extra 10% shall be credited against deductible input VAT.

9. Non-operating income and expenses

During the Reporting Period, the Group achieved a non- operating income of approximately RMB32,336,000, representing a year-on-year increase of approximately 47.36%, which was mainly due to the negative goodwill arising from participation in the Finance Company during the Reporting Period.

During the Reporting Period, the Group incurred a non- operating expense of approximately RMB52,533,000, representing a year-on-year increase of approximately 73.71%, which was mainly due to a year-on-year increase in losses from penalty for delayed delivery of South Nanjing New City project during the Reporting Period.

(II) Major changes in profits caused by non-principal businesses

Applicable N/A

(III) Analysis of Assets and Liabilities

Applicable N/A

1. Assets and Liabilities

Unit: RMB

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Cash and cash equivalents	503,443,740.45	0.91	649,761,590.81	1.35	-22.52	Mainly due to the payment of construction of project by Jiangsu Changyi Expressway Co., Ltd. and Jiangsu Yichang Expressway Co., Ltd., subsidiaries of the Company, during the Reporting Period.
Notes receivable	-	-	1,681,264.79	-	-100.00	Mainly due to the bank acceptances recovered during the Reporting Period.
Accounts receivable	224,285,167.62	0.40	321,158,726.81	0.67	-30.16	Mainly due to the decrease in toll receivable at the end of the Reporting Period as compared to the beginning of the period.
Other receivables	51,199,899.50	0.09	37,833,950.83	0.08	35.33	Mainly due to the real estate subsidiary's housing Loan mortgage deposit and owner's maintenance Fund increased at the end of Reporting Period as compared to the beginning of the period.
Other current assets	379,340,961.34	0.68	130,656,170.75	0.27	190.34	Mainly due to the increase in the Group's prepaid VAT and taxes and fees related to pre-sales of real estate at the end of the Reporting Period as compared to the beginning of the period.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

Unit: RMB

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Other equity instruments investment	5,655,468,613.24	10.17	3,035,293,679.55	6.3	86.32	Mainly due to the increase in the book value of the other equity instruments investment recognized at fair value by the Group and the additional subscription for the asset management scheme of Fuanda Fund and other equity instruments investment during the Reporting Period.
Other non-current financial assets	1,446,175,745.21	2.60	1,111,415,422.02	2.31	30.12	Mainly due to the subsidiary Ninghu Investment Company's additional investment in Luode Real Estate Investment FOF Second Issue, and its increased investment in CDB Kai Yuan Phase II during the Reporting Period.
Right-of-use assets	637,434.33	-	-	-	-	The Company confirmed the right-of-use assets and lease liabilities in respect of related leases during the lease terms according to the Accounting Standards for Business Enterprises No. 21.
Long-term equity investment	6,939,251,518.62	12.48	5,702,454,036.17	11.84	21.69	Mainly due to the investment in the Finance Company and investment income contributed by associated companies recognized.
Construction in progress	14,501,734,494.95	26.07	10,087,826,331.47	20.95	43.75	Mainly due to the investment in construction of road and bridge projects in progress.
Long-term prepaid expenses	11,418,643.58	0.02	1,654,145.11	-	590.30	Mainly due to the increase in fees on housing decoration projects prepaid during the Reporting Period.
Short-term borrowings	1,972,708,495.84	3.55	1,583,480,020.00	3.29	24.58	Mainly due to new bank borrowings during the Reporting Period.
Receipts in advance	10,698,899.04	0.02	73,454,894.44	0.15	-85.43	Mainly due to the written-off on the cancelled asset losses from the Ninglian road and the corresponding disposal of the transfer payment of Ninglian road operating rights received in advance during the Reporting Period.
Contract liabilities	1,134,150,940.01	2.04	962,200,983.00	2.00	17.87	Mainly due to the increase in earnest money received for purchase of properties and deposit for leasing service area at the end of the Reporting Period as compared with the beginning of the period.
Other payables	261,048,444.02	0.47	177,369,478.16	0.37	47.18	Mainly due to the increase in interest payable of enterprise bonds, temporary earnest money from housing purchase and service zone lease margin at the end of the Reporting Period as compared to the beginning of the period.
Non-current liabilities due within one year	3,161,145,193.63	5.68	471,310,306.40	0.98	570.71	Mainly due to the adjustment of RMB3 billion of medium-term notes due within one year to non-current liabilities due within one year during the Reporting Period.
Other current liabilities	5,092,083,748.87	9.15	2,212,191,672.00	4.59	130.18	Mainly due to the super short-term commercial paper newly issued during the Reporting Period, resulting in increase in the balance as compared to the beginning of the period.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

Unit: RMB

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanation of the situation
Bonds payable	997,460,933.93	1.79	3,980,548,107.70	8.26	-74.94	Mainly due to the adjustment of RMB3 billion of medium-term notes due within one year to non-current liabilities due within one year during the Reporting Period.
Provisions	30,211,590.82	0.05	461,700.00	-	6,443.55	Mainly due to the provision of liquidated damages on the delayed delivery of the South Nanjing New City project during the Reporting Period.
Deferred income tax liabilities	416,613,871.66	0.75	250,660,722.29	0.52	66.21	Mainly due to the adjustment of other comprehensive income based on the fair value of other equity instruments held by the Group, and the adjustment to the deferred income tax liabilities accordingly during the Reporting Period.
Other comprehensive income	1,291,748,071.42	2.32	837,827,667.08	1.74	54.18	Mainly due to the adjustment of other comprehensive income based on the fair value of other equity instruments held by the Group during the Reporting Period.
Total assets	55,625,048,624.75	100	48,162,728,832.15	100	15.49	
Total gearing ratio	41.24%	-	39.05%	-	2.19	
Net gearing ratio	70.20%	-	64.08%	-	6.12	

* The calculation basis for total gearing ratio: liabilities divided by total assets; the calculation basis for net gearing ratio: liabilities divided by shareholders' equity.

2. Restrictions on major assets as at the end of the Reporting Period

Applicable N/A

Unit: RMB

Item	Book value as at the end of the Reporting Period	Reasons for restriction
Bank deposits	2,523,103.19	Customers' mortgage deposit
Bank deposits	51,510,501.63	Regulated pre-sale proceeds
Intangible assets	1,852,190,533.29	Pledge of toll road concession rights of expressways
Total	1,906,224,138.11	

(1) Explanation for restrictions on bank deposits

At the end of the Reporting Period, other currency funds of the Group included customers' deposit for mortgage loans of RMB2,523,000 and regulated pre-sale proceeds of RMB51,511,000. The regulated pre-sale proceeds are project funds placed in escrow with banks as required by Nanjing Bureau of Housing and Urban-Rural Development (南京市住房和城乡建设局) for the purpose of facilitating the smooth development of property projects and strengthening the supervision of monetary capital for property development projects. Project capital must be paid in full into banks before applications for construction permits are made. Developers shall release the project deposits by tranches depending on the construction progress. The remaining project deposits shall be released upon the completion of the construction and delivery of the units.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(2) *Explanation for restrictions on intangible assets*

Guangjing Xicheng Company, a subsidiary of the Group, entered into a loan contract with Wuxi branch of Industrial and Commercial Bank of China in respect of a loan of RMB1,200,000,000 in aggregate, which was secured by the toll road concession right of Guangjing Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB581,000,000.

Zhendao Company, a subsidiary of the Group, entered into a loan contract with each of Jiangsu Branch of Communications Bank, Zhongshan South Road Branch of Construction Bank and Gulou Branch of Potstal Savings Bank in respect of a total loan of RMB139,650,000, RMB600,000,000 and RMB230,000,000, respectively, which were secured by the toll road concession right of Zhendan Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB137,200,000, RMB500,000,000 and RMB103,864,000, respectively.

3. Other explanations

Applicable N/A

(1) *Capital input*

During the Reporting Period, the Group incurred the planned capital expenditure in a sum of approximately RMB8,085,688,000, representing an increase of approximately RMB3,125,000,000 or approximately 63% as compared to 2018. The increase was mainly due to the investment in the ongoing construction of roads and bridges, other equity instruments investment and equity investment increased year-on-year. The breakdown of the capital expenditures incurred by the Group during the Reporting Period is as follows:

Capital Expenditures	Amount (RMB)
Investment in the construction of Wufengshan Toll Bridge	2,530,709,929.70
Investment in the construction of Changyi Expressway	838,411,723.93
Investment in the construction of Yichang Expressway	573,579,200.29
Investment in the construction of Longtan Bridge	371,077,085.89
Equity investment in Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership)	123,198,856.53
Equity investment in Nanjing Luode Zhongbei Zhiyuan Equity Investment Partnership (Limited Partnership)	300,000,000.00
Subscription for Asset Management Scheme of Fuanda Fund	1,140,000,000.00
Investment in Factoring Company	90,000,000.00
Investment in Yangtze River Management Company	50,000,000.00
Investment in Group Finance Company	606,800,000.00
Investment in Culture Media Company	36,000,000.00
Increase in outstanding shares in Bank of Jiangsu	947,506,804.71
Alteration and addition of service areas and toll collection points	48,729,623.31
Construction project of Three Major Systems and Informatization	19,804,722.88
Software renovation of toll station	76,445,346.04
Noise barriers construction project	25,811,699.18
Removal of toll stations on Shanghai-Nanjing Expressway	153,982,283.76
Double tank renovation project	8,999,122.63
High-traffic preliminary emergency rescue points and capacity improvement projects	42,737,460.24
Other construction in progress and equipment	101,894,028.50
Total	8,085,687,887.59

Remarks: The data in the above table includes capital investment in subsidiaries of the Group.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(2) Capital structure and solvency

The Group attached great importance to maintaining a reasonable capital structure and continuously improved its profitability in order to maintain the Group's good credit rating and stable financial position. At the end of the Reporting Period, the total liabilities of the Group amounted to approximately RMB22,942,211,000. The overall gearing ratio of the Group was approximately 41.24% (Note: the calculation basis of the overall gearing ratio: liabilities/total assets), an increase of approximately 2.19 percentage points from the previous reporting period. In view of the Group's stable and abundant operating cash flow and sound capacity of financing and capital management, the management believes that the gearing ratio remained at a safe level at the end of the Reporting Period.

(3) Financial strategy and financing arrangement

During the Reporting Period, the Group actively expanded its financing channels, adjusted its debt structure and controlled financing costs. Through adopting a proactive financing strategy, the Company was able to meet the funding needs of its operation and management and project investment and controlled the financing costs effectively. The Group's borrowing requirements are not subject to seasonality. During the Reporting Period, an additional fund of RMB7,260,000,000 was obtained through direct financing. As at 31 December 2019, the Group's borrowings amounted to RMB10,372,919,000, of which RMB3,435,555,000 were fixed-rate loans. As at the end of the Reporting Period, the balance of interest-bearing liabilities amounted to approximately RMB19,332,920,000, representing an increase of approximately RMB3,482,366,000 as compared with the beginning of the year. During 2019, the government adhered to the prudent monetary policy, the liquidity was reasonably abundant, the market interest rates were reasonably stable, and the financing costs on the market lowered as compared with the same period of last year. During the Reporting Period, the rate of the consolidated borrowing costs on interest-bearing liabilities of the Group was approximately 4.33%, representing a decrease of approximately 0.26 percentage point year-on-year, approximately 0.45 percentage point lower than the bank lending rate for the same period. During the Reporting Period, the Company's major financing activities included:

Type of financing instrument	Date of issuance	Term	Financing amount RMB'000	Interest rate of issuance %	Prevailing bank benchmark interest rate %	Changes in financing costs %
Super short-term commercial paper	10 April 2019	191 days	500,000	2.70	4.35	-1.65
Super short-term commercial paper	10 April 2019	170 days	200,000	2.68	4.35	-1.67
Super short-term commercial paper	17 April 2019	270 days	500,000	3.10	4.35	-1.25
Super short-term commercial paper	8 May 2019	184 days	600,000	3.00	4.35	-1.35
Super short-term commercial paper	15 May 2019	177 days	400,000	3.00	4.35	-1.35
Super short-term commercial paper	1 July 2019	193 days	500,000	2.70	4.35	-1.65
Super short-term commercial paper	12 July 2019	98 days	600,000	2.50	4.35	-1.85
Super short-term commercial paper	18 July 2019	180 days	700,000	2.80	4.35	-1.55
Super short-term commercial paper	10 October 2019	176 days	200,000	2.59	4.35	-1.76
Super short-term commercial paper	22 October 2019	178 days	500,000	2.45	4.35	-1.90
Super short-term commercial paper	25 October 2019	203 days	400,000	2.45	4.35	-1.90
Super short-term commercial paper	6 November 2019	198 days	500,000	2.35	4.35	-2.00
Super short-term commercial paper	6 November 2019	184 days	500,000	2.40	4.35	-1.95
Super short-term commercial paper	15 November 2019	190 days	400,000	2.30	4.35	-2.05
Super short-term commercial paper	18 November 2019	179 days	600,000	2.45	4.35	-1.90
Super short-term commercial paper	19 December 2019	27 days	160,000	2.20	4.35	-2.15

(4) Credit policy

In order to minimize credit risk, the Group has controlled credit limits, undertaken credit approvals and implemented other control procedures to ensure that necessary follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recovery of its debts on each balance sheet date to ensure that adequate provisions are made for bad debts. In view of the above, the management of the Group considers that the Group's credit risk is relatively low.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(5) Contingencies

As a common practice in the real estate industry, Ninghu Properties Company and Hanwei Company, subsidiaries of the Group, provide several guarantees in connection with mortgage loans granted to buyers of commodity housing properties. The guarantee obligation shall begin from the effective date of a guarantee contract and cease when the registration of mortgage in respect of a purchased properties is completed and the Building Right Encumbrances Certificate is submitted to banks for enforcement. As at 31 December 2019, the outstanding guarantees amounted to approximately RMB483,971,000.

(6) Foreign exchange risks

The Group operates its businesses principally in the PRC. There are no material foreign exchange risks as the Group's operating revenue and capital expenditure are all settled in Renminbi except for dividend payments for H Shares and the Group has no investment in foreign currency. The Group obtained a loan of USD9,800,000 from the Spanish Government in 1998 at the interest rate of 2% per annum and it will become due on 18 July 2027. As at 31 December 2019, the balance of the loan was equivalent to approximately RMB15,556,000, against which no foreign exchange hedging arrangements were made by the Group. Fluctuation in exchange rates will have no material impact on the Group's results.

(7) Reserves

Unit: Yuan Currency: RMB

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk provision	Undistributed profit	Total equity interests attributable to shareholders of the Company
As at 1 January 2018	5,037,747,500	10,428,388,235	380,908,923	3,273,492,299	-	4,399,747,006	23,520,283,963
Profit for the year	-	-	-	-	-	4,376,603,925	4,376,603,925
Reduction of owners' capital	-	-	-	-	-	-	-
Total amount of comprehensive income	-	-	456,918,744	-	-	-	456,918,744
Profit distributed	-	-	-	137,701,986	-	(137,701,986)	-
Dividends distributed	-	-	-	-	-	(2,216,608,900)	(2,216,608,900)
As at 31 December 2018	5,037,747,500	10,428,388,235	837,827,667	3,411,194,285	-	6,422,040,045	26,137,197,732
As at 1 January 2019	5,037,747,500	10,428,388,235	837,827,667	3,411,194,285	-	6,422,040,045	26,137,197,732
Profit for the year	-	-	-	-	-	4,199,704,372	4,199,704,372
Other capital reserve	-	73,524,949	-	-	-	-	73,524,949
Total amount of comprehensive income	-	-	453,920,404	-	-	-	453,920,404
Profit distributed	-	-	-	139,972,715	-	(139,972,715)	-
Appropriation to general risk provision	-	-	-	-	141,892	(141,892)	-
Dividends distributed	-	-	-	-	-	(2,317,363,850)	(2,317,363,850)
As at 31 December 2019	5,037,747,500	10,501,913,184	1,291,748,071	3,551,167,000	141,892	8,164,265,960	28,546,983,607

Note: The ownership of capital items above belongs to the companies of the Group.

The above statutory reserves may not be used for purposes other than their intended purposes and may not be used for distribution as cash dividends. As at 31 December 2019, reserves distributable to the shareholders were RMB8,164,265,960 under the PRC Accounting Standards (as at 31 December 2018, reserves distributable to the shareholders were RMB6,422,040,045) under the PRC Accounting Standards.

(IV) Analysis of operating information

Applicable N/A

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(V) Analysis of investment

1. Overall analysis of external investment

Applicable N/A

During the Reporting Period, the total amount of external equity investment of the Group was approximately RMB2,153,506,000, representing an increase of approximately 333.50% as compared to 2018. The specific items mainly included equity investment of about RMB123,199,000 in Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership), participation in capital increase of RMB606,800,000 in Group Finance Company, subscription for Luode Real Estate Investment FOF Second Issue with RMB300,000,000, increase in shareholding in Bank of Jiangsu with RMB947,507,000, investment of RMB50,000,000 in establishment of Yangtze River Management Company, an investment of RMB90,000,000 in establishment of Factoring Company and investment of RMB36,000,000 in establishment of Culture Media Company.

(1) Material equity investments

Applicable N/A

① Subscription for CDB Kai Yuan Phase II Fund

Upon approval by the board of directors of the Company, Ninghu Investment Company has subscribed for a total of RMB1.2 billion units in CDB Kai Yuan Phase II Fund. During the Reporting Period, Ninghu Investment Company made a capital contribution of approximately RMB123,199,000. As at the end of the Reporting Period, Ninghu Investment Company has made an aggregate capital contribution of RMB919,531,000.

② Investment in Luode Real Estate Investment FOF Second Issue

On 12 April 2019, the eighth meeting of the ninth session of the board of directors of the Company approved the participation by Ninghu Investment Company, a wholly-owned subsidiary of the Company, in the establishment of the Phase II Parent Real Estate Fund initiated by Luode Fund Company, with total size of the fund no more than RMB1 billion, in which Ninghu Investment Company will invest no more than RMB300 million; other partners and teams will invest no more than RMB700 million. For details of the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 13 April 2019 and on the website of the Stock Exchange (www.hkex.com.hk) on 12 April 2019, respectively.

On 11 July 2019, Ninghu Investment Company, Luode Fund Company and its wholly-owned subsidiary Nanjing Luode Investment Management Co., Ltd. (南京洛德投資管理有限公司), Nanjing Public Utilities Development Co., Ltd. and Hongyuan Huizhi Investment Co., Ltd. (宏源匯智投資有限公司) and its wholly-owned subsidiary, Shenyin & Wanguo Innovation Capital Management Co., Ltd. (申銀萬國創新資本管理有限公司), signed a limited partnership agreement, pursuant to which, all parties jointly established the Phase II Parent Real Estate Fund upon reaching unanimity through consultation. For details, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 12 July 2019 and on the website of the Stock Exchange (www.hkex.com.hk) on 11 July 2019, respectively.

As at the end of the Reporting Period, Ninghu Investment Company has made an aggregate investment of RMB300,000,000 in the Phase II Parent Fund.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

③ Establishment of Yangtze River Management Company

On 26 April 2019, the ninth meeting of the ninth session of the board of directors of the Company considered and approved the contribution of RMB50 million for the establishment of Yangtze River Management Company, which is mainly responsible for the operation and management of certain road and bridge projects in southern Jiangsu. Through promoting the construction of centralized management platform for the operation of roads and bridges in the road network of southern Jiangsu, the Company achieved the regional operation of roads and bridges to enhance operational efficiency and realize economies of scale by taking advantages of the Group. For details of the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 27 April 2019 and on the website of the Stock Exchange (www.hkex.com.hk) on 26 April 2019, respectively.

Yangtze River Management Company has been officially established on 6 June 2019 and obtained the business license.

④ Investment in Finance Company

On 30 July 2019, the eleventh meeting of the ninth session of the board of directors of the Company considered and approved the capital contribution to Finance Company in cash of RMB606,800,000 by the Company, accounting for 25% of the total share capital of Finance Company. The program explored new operational types of multi-level financial investment of the Company, created new growth point of profit and can guarantee the long-term and stable low-cost capital support and more flexible and effective corporate financial services for the Company's principal business. For details of the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 31 July 2019 and on the website of the Stock Exchange (www.hkex.com.hk) on 30 July 2019, respectively.

On 26 September 2019, the first 2019 extraordinary general meeting of the Company considered and approved the above capital contribution. On 16 October 2019, the Requesting Instructions on Change of Registered Capital and Adjustment of Shareholding Structure of Finance Company was approved by the Jiangsu Office of China Banking and Insurance Regulatory Commission. The Company completed the capital contribution in October.

⑤ Increase in outstanding shares in Bank of Jiangsu

In order to fully improve the capital use efficiency and capital revenue and enhance the profitability, on 25 October 2019, the thirteenth meeting of the ninth session of the board of directors of the Company considered and approved the Company, Ninghu Investment Company and Ningchang Zhenli Company to increase their shareholding in A-share listed companies which the Company is currently holding, or acquire new equity interests of other listed companies with net investment of not more than RMB1,000,000,000; and to authorize the management to operate according to the market conditions for a term up to 31 March 2020. For details of the above investment project, please refer to the announcements published by the Company on China Securities Journal, Securities Times, the website of Shanghai Stock Exchange (www.sse.com.cn) and the website of the Stock Exchange (www.hkex.com.hk) on 26 October 2019.

As at the end of the Reporting Period, the Company, Ninghu Investment Company and Ningchang Zhenli Company totally invested RMB947,507,000 during the Reporting Period and totally increased the holding of 135,000,000 shares of Bank of Jiangsu through the secondary market, accounting for 1.17% of the total share capital of Bank of Jiangsu.

⑥ Establishment of Ninghu International Company

On 23 December 2019, the fourteenth meeting of the ninth session of the board of directors of the Company considered and approved the Company to make a capital contribution in an amount of no more than USD130 million to establish Ninghu International Company, a wholly-owned subsidiary of the Company, in the Hong Kong Special Administrative Region of the People's Republic of China as the platform for the Company to participate in the acquisition of overseas assets through a Chinese-funded consortium. For details of the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 24 December 2019 and on the website of the Stock Exchange (www.hkex.com.hk) on 23 December 2019, respectively.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(2) *Material non-equity investments*

Applicable N/A

① Accelerating the progress of road and bridge projects under construction

During the Reporting Period, the Company accelerated the progress of road and bridge projects under construction, of which, RMB2,530,710,000, RMB838,412,000 and RMB573,579,000 were invested in the construction of the Wufengshan Toll Bridge project, Changyi Expressway and Yichang Expressway, respectively.

② Additional subscription of asset management scheme of Fuanda Fund

In order to fully leverage the efficiency and benefits of the Company's funds, the Company, after approval at the fourth meeting of the ninth session of the board of directors of the Company on 26 October 2018, entered into the Contract for Asset Management in relation to Fuanda-Fuxiang No. 15 Equity-Based Asset Management Scheme with Fuanda Fund and Shanghai Branch of Bank of Jiangsu, whereby the Company, as the settlor, shall make a contribution of no more than RMB1 billion, the term of such asset management scheme shall be no more than 4 years. In 2018, the Company has filed with the China Securities Investment Fund Association (中國證券投資基金業協會). On 12 April 2019, as approved at the eighth meeting of the ninth session of the board of directors of the Company, the Company would continue to use its internal resources to invest in "Fuanda-Fuxiang No. 15 Equity-Based Asset Management Scheme" set up by Fuanda Fund, whereby the Company shall make an additional contribution of no more than RMB1 billion, the term of such asset management scheme shall be no more than 4 years. For details of additional subscription of investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 13 April 2019 and on the website of the Stock Exchange (www.hkex.com.hk) on 12 April 2019, respectively.

As at the end of the Reporting Period, the Company held an accumulative equity-based asset management scheme of RMB2,000,000,000 through Fuanda Fund

③ Investment in Longtan Bridge Project

On 26 April 2019, the ninth meeting of the ninth session of the board of directors of the Company considered and approved the investment by the Company in the Longtan Cross-river Channel Project with a capital contribution of not more than RMB1.4 billion. Longtan Cross-river Channel as an important part of the new outer ring of Nanjing, connects Shanghai-Nanjing Expressway, Shanghai-Shaanxi Expressway and a number of other important expressways, and links Longtan Port with Nanjing Lukou International Airport. Thus, the project enjoys obvious geographical advantages. From a strategic perspective, investing in the project will further expand the Company's toll road and bridge operations, give full play to the Company's scale advantages in regional road network operation and management, and further enhance the Company's share in the regional road network, which is of great significance for maintaining the Company's leading position in the road network of southern Jiangsu and cross-river bridge projects. For details of the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 27 April 2019 and on the website of the Stock Exchange (www.hkex.com.hk) on 26 April 2019, respectively.

On 25 June 2019, the Company entered into an agreement with Nanjing Highway Development (Group) Co., Ltd. and Yangzhou Transportation Industrial Group Co., Ltd. to jointly establish Longtan Bridge Company to take charge of the investment, construction, operation and management of Longtan Cross-river Channel. For details, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 26 June 2019 and on the website of the Stock Exchange (www.hkex.com.hk) on 26 June 2019, respectively. Longtan Bridge Company was officially established on 28 June 2019, and has obtained the business license.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

On 25 October 2019, the thirteenth meeting of the ninth session of the board of directors of the Company considered and approved the increase in the registered capital of Longtan Bridge Company, a controlled subsidiary. According to the document “Su Fa Gai Ji Chu Fa [2019] No. 711” issued by Jiangsu Development and Reform Commission, the preliminary amount of the Longtan Cross-river Channel Project was RMB6,253,905,000, representing an increase of RMB460,905,000 as compared with the approved amount of RMB5,793,000,000. The Company assumed an additional contribution of RMB97,840,000 based on the contribution proportion of 53.6%. For details of the additional contribution to the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 26 October 2019 and on the website of the Stock Exchange (www.hkex.com.hk) on 25 October 2019, respectively.

As at the end of the Reporting Period, the Company had approved the aggregate of investment of RMB371,077,000 in Longtan Bridge Company (actual payment of RMB268,090,000).

(3) Financial assets measured at fair value

Applicable N/A

Unit: Yuan Currency: RMB

Item	Initial investment cost	Source of funds	Purchased/Sold	Investment income	Change in fair value
Fund investments	9,999,400.00	Internal funds	-	-	7,809,531.40
Wealth management products	640,350,000.00	Internal funds	-	18,015,824.28	-
Gold investments	15,710,238.00	Internal funds	(5,236,746.05)	541,053.95	1,924,346.05
Other non-current financial assets (CDB Kai Yuan Phase II)	796,332,315.02	Internal funds	123,198,856.53	-	51,138,679.29
Other non-current financial assets (Luode Dening)	150,000,000.00	Internal funds	(150,000,000.00)	12,728,800.00	10,326,551.20
Other non-current financial assets (Zhongbei Zhiyuan)	300,000,000.00	Internal funds	-	-	96,236.17
Other equity Instruments (Bank of Jiangsu)	1,000,000,000.00	Internal funds	947,506,804.71	68,000,000.00	343,893,195.29
Other equity Instruments (Jiangsu Leasing Company)	270,898,457.00	Internal funds	-	46,800,000.00	(2,340,000.00)
Fuanda Asset Management Scheme	860,000,000.00	Internal funds	1,140,000,000.00	91,177,968.64	191,114,933.69

During the Reporting Period, Ninghu Investment Company, a subsidiary of the Company, continued to hold Fuanda Advantageous Growth Fund purchased in 2011, in which approximately 10,000,000 units were available in total with a net value of approximately RMB15,081,000 at the beginning of the Reporting Period. Investment cost amounted to approximately RMB9,999,000. Its fair value increased by approximately RMB7,809,000 and its cumulative fair value increased by approximately RMB12,890,000 during the Reporting Period. During the Reporting Period, Ninghu Investment Company continued to engage in gold bullion investment commenced in 2014 at an investment cost of approximately RMB15,710,000 with a net value being approximately RMB17,007,000 at the beginning of the Reporting Period, and sold approximately RMB5,237,000 of the gold with an investment income of approximately RMB541,000 during the Reporting Period. At the end of the Reporting Period, its net value was approximately RMB13,695,000. Its fair value increased by approximately RMB1,924,000 while its cumulative fair value increased by approximately RMB3,221,000 during the Reporting Period. During the Reporting Period, Ninghu Investment Company continued to hold Luode Parent Fund subscribed for in 2016 at an investment cost of RMB150,000,000 with a net value of approximately RMB178,087,000 at the beginning of the Reporting Period, and it recovered principal amount of investment of RMB150,000,000 during the Reporting Period with an investment income of RMB12,729,000. At the end of the Reporting Period, its net value amounted to approximately RMB38,414,000. Its fair value increased by approximately RMB10,327,000 and its cumulative fair value increased by approximately RMB38,414,000 during the Reporting Period. During the Reporting Period, Ninghu Investment Company continued to hold CDB Kai Yuan Phase II Fund subscribed for in 2016 at an investment cost of RMB796,332,000 with its net value of approximately RMB933,328,000 at the beginning of the Reporting Period, and it increased the principal amount of investment of

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RMB123,199,000 during the Reporting Period. At the end of the Reporting Period, its net value was approximately RMB1,107,666,000. Its fair value increased by approximately RMB51,139,000 while its cumulative fair value increased by approximately RMB188,135,000 during the Reporting Period. During the Reporting Period, Ninghu Investment Company participated in Real Estate Investment FOF Second Issue initiated and established by Luode Fund Company at an investment cost of RMB300,000,000. At the end of the Reporting Period, its net value was approximately RMB300,096,000. Its fair value increased by approximately RMB96,000 during the Reporting Period.

(VI) Material disposal of assets and equity interest

Applicable N/A

(VII) Analysis of major subsidiaries and investee companies

Applicable N/A

1. Operations of major subsidiaries

Unit: Yuan Currency: RMB

Name of company	Principal businesses	Investment cost	Equity interest attributable to the Company %	Total assets	Net assets	Net profit	Percentage of the Company's net profit %	Year-on-year increase/decrease in net profit %
Ningchang Zhenli Company	Expressway construction, management, maintenance and toll collection	5,029,236,884.47	100	6,854,486,612.45	6,752,130,704.01	430,572,317.96	10.01	3.76
Guangjing Xicheng Company	Expressway construction, management, maintenance and toll collection	2,125,000,000.00	85	12,123,786,126.05	6,834,415,401.09	680,603,954.23	15.83	3.64
Zhendan Company	Expressway construction, management, maintenance and toll collection	423,910,000.00	70	1,702,513,490.73	542,058,888.17	-44,083,316.10	-	116.77
Wufengshan Toll Bridge Company	Expressway construction, management, maintenance and toll collection	3,112,980,000.00	64.5	9,228,360,377.16	4,828,808,965.70	1,757,523.49	0.04	7.55
Ninghu Investment Company	Investments in various types of infrastructure, industries and assets	1,288,100,000.00	100	1,824,446,273.14	1,750,805,986.99	82,403,524.21	1.92	-40.44
Ninghu Properties Company	Real estate development, operation and consultancy	500,000,000.00	100	2,744,690,168.22	1,120,598,877.22	188,513,892.58	4.38	23.45
Hanwei Company	Real estate development and operation	184,499,800.00	100	1,672,871,229.21	677,280.20	-44,859,156.03	-	19.26
Yangtze River Management Company	Expressway construction, management and maintenance	50,000,000.00	100	57,486,822.11	50,011,914.79	11,914.79	-	-
Longtan Company	Expressway construction, management, maintenance and toll collection	268,090,000.00	53.6	427,246,516.11	427,139,721.11	-40,278.22	-	-

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- * During the Reporting Period, Ningchang Zhenli Company enjoyed a continuous increase in its toll revenue with a net profit of approximately RMB430,572,000, a year-on-year increase of approximately 3.76%.
- * During the Reporting Period, Guangjing Xicheng Company recorded a continuous increase in its toll revenue as well as an increase in its investment income due to year-on-year increase in the dividend from investee company Jiangsu Leasing and a decrease in the financial expenses due to a year-on-year decrease in capitalization of the consolidated borrowing costs of interest-bearing debts. A net profit of approximately RMB680,604,000 was made during the Reporting Period, representing a year-on-year increase of approximately 3.64%.
- * During the Reporting Period, Ninghu Investment Company recorded a decrease in net profit by approximately 40.44% year-on-year due to a decrease in fair value of its other non-current financial assets during the Reporting Period.
- * Please refer to the section headed “Business of property development and sales” in this report for the operational performance and changes in the results of Ninghu Properties Company.
- * Please refer to the section headed “Business of property development and sales” in this report for the operational performance of Hanwei Company.

(VIII) Structured entities controlled by the Company

Applicable N/A



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III. Discussion and Analysis of the Company on Its Future Development

(I) Industry landscape and development trends

Applicable N/A

In respect of macro-economic development, the global economic and trade growth maintained a slow trend on the whole. Currently, China's economy has entered the new normal with increasingly complicated domestic and overseas environment. The novel coronavirus outbreak brought more uncertainties as well as new risks and challenges to the development, resulting in more complicated and severe situation to the global economy. Sino-US trade frictions and accelerating changes in regional economic and energy structures affected the transformation and upgrading of the transportation industry. China's economy is still under the crucial period with the transformation of development models, optimization of economic structure and replacement of growth drivers. Downward pressure on the domestic economy persisted as a result of interwoven structural, systematic and periodic problems and it faces more severe situation in preventing and solving financial risks, adding difficulties to financial risks prevention and resolution. The driving force of domestic demand has gradually waned; there is an urgent need to enhance the capability of independent innovation. Changes in the industrial structure have brought new challenges to the network layout of the transportation industry, and economic fluctuation will objectively cause changes in the demand for transportation capacity accordingly, which will in turn have an impact on the construction and operation of toll roads.

In respect of the development of industry policies, it generally completed building a comprehensive modern transportation system featuring safety, convenience, efficiency and environment-friendliness during the 13th Five-Year Plan period. During the 14th Five-Year Plan period, focusing on the overall goal of building a strong transportation power with "people's satisfaction, strong guarantee and world-leading levels", it will improve the infrastructure network, enhance the quality of transportation services, deepen the supply-side structural reform in transportation and implement the arrangements and requirements of the Outline on Building a Strong Transportation Power to enhance the sense of achievements, happiness and safety of the public in targets and tasks. The consultation paper on the Regulation on the Administration of Toll Roads (Revised Draft) perfected the toll roads management system and laid a solid foundation for the medium- to long-term development of expressways in China. The national expressway tolling system has switched from the closed model to the open model and the free-flow tolling system has been officially introduced from 1 January 2020, which will facilitate fees reduction and speed improvement, enhance traffic efficiency, boost energy saving and emission reduction and reduce the operation cost of expressways. The changes in the tolling model also bring new challenges to the operation and management. During the epidemic prevention and control, the Ministry of Transport waives all road tolls across the country from 00:00 17 February until the control of the novel coronavirus outbreak is finished. Relevant ancillary guarantee policies will be released to coordinate and safeguard the legitimate interests of users, creditors, investors and operators of toll roads.

In respect of the development of traffic demand, with the progress of urbanization and the surging urban population, traffic demand continued to grow but the growth has slowed down. The demand for medium- and short-distance intercity traffic will see rapid growth. The diversion of intercity railways has significant effects, but roads will maintain the dominant position. With the integrated development of the Yangtze River Delta, the regional economic belt is expected to see a more vibrant development, which may become a world super economic circle. The urban network pattern featuring city clusters will further develop and the need for diversified and customized travel is growing. Accordingly, improving citizens' traffic efficiency and travel experience by leveraging higher-quality services and more innovative models will be the way forward for transportation companies. Therefore, the competitiveness of expressways compared with other transportation models is increasingly enhanced.

In respect of business development, construction and operation costs of toll highways in Jiangsu Province have also increased with rising land premium and labour costs. Given the current trend of generally declining rate of return on core investments, identifying high quality assets in the future competition pattern of the principal business of the Group is crucial to the future development. The Group has practiced the strategy of "going out" as appropriate and participated in the acquisition of the toll roads in Turkey through a consortium. In the future, the Group will further broaden investment vision and deeply explore merger opportunities on quality road and bridge projects both at home and abroad. Meanwhile, in view of consumers' wide-ranging needs for the service industry, the Group needs to explore in-depth opportunities to diversify its service offerings relating incidental to expressways during its development, to enhance its profitability and facilitate its brand building.

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(II) Development strategies of the Company

Applicable N/A

2020 is a year for the full initiation of pilot on building a strong transportation power and coordinated advancing of the integrated development of the Yangtze River Delta as well as a year for re-development and re-enhancement of the Group. The novel coronavirus outbreak will significantly affect the operating results of the Group in short term, but the overall development strategy of the Group will remain unchanged. Centering on the overall target of sustainable development, the Group will seize opportunities, pursue innovation-driven growth and select the best path. It will maintain “stability” to promote capital fission, the “high” aspects, namely high levels, high standards and high quality, in facilitating operation and management as well as ensuring road safety and smooth traffic flow, serve the public for their satisfactory travels and highlight “long-term” in improving corporate governance as well as continuously enhance corporate compliance operation and healthy development with long-term management orientation in order to write new chapters in the high-quality development of the Group, create outstanding value for shareholders, providing quality services to customers and offer broad platforms to customers.

(III) Operational Plan

Applicable N/A

1. In 2020, the Group will vigorously respond to changes in the environment, follow the trends and strive for stable development, consistently enhance its comprehensive strength, strive to achieve overall enhancement in operation and management and ensure the successful realization of the targets for the whole year. Key measures are as follows:

(1) *Actively responding to effects of the epidemic and the adjustments to toll policies*

The novel coronavirus outbreak and the adjustments to toll road policies at the beginning of 2020 had significant effects on the transportation industry. Facing the changes in the operation environment, the board of directors of the Group actively seeks resolutions and solutions to create better benefits for the Group. Firstly, it expands sources of revenue and reduces costs to mitigate the effects of toll-free travel. It will strengthen the operation of the principal business, explore resources along roads and bridges and vigorously and steadily expand operation to increase investment income and diversified revenue. It will optimize cost control and improve the management efficiency through refined management; and reduce operating costs through reducing the procurement cost, controlling office expenses, streamlining management departments, reducing travelling expenses, control various administrative expenses as well as other measures. Secondly, it pays close attention to and actively follows changes in tolling policies, studies the effects of policy adjustments to the long-term development and short-term operation of the Group and develop the corresponding measures to get fully prepared. It closely follows the releasing of relevant compensation policies, fully studies the policies and takes full advantage of them based on the actual conditions of the Group. Thirdly, it conducts researches on differentiated tolls. It explores guiding balanced traffic flow through leveraging on the price leverage and adopting differentiated tolls at



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different time, different sections and different regions for different types of vehicles to adjust the travelling arrangements and paths of vehicles in order to improve the traffic circulation and operation efficiency of road networks. Fourthly, it conducts on-site management on the adjustment of tolling methods. It strengthens the maintenance and improvement of systems and will resume toll work immediately after the control of the novel coronavirus outbreak is finished based on the unified deployment of the Ministry of Transport. It establishes a professional team on self-maintenance and improves the self-maintenance ratio of electromechanical systems. It also conducts various inspections and improves the inspection efficiency to achieve “fully charging on those to be charged and fully waiving of those to be waived”.

(2) *Developing policies on long-term development and accumulating new drivers*

The Group greatly advances reform and development and consistently promotes transformation and upgrading of enterprises through multi-layered capital operations. Firstly, improving quality while maintaining stable performance and further exploring principal businesses. It continues to strengthen principal businesses and create ever-lasting sources of profits for the Group; systematically advances the construction of Wufengshan Toll Bridge, Longtan Bridge and other projects under construction to achieve investment returns as soon as possible; leverages on the platforms of listing platforms, seizes opportunities in the integrated development of the Yangtze River Delta and the new-round planning on expressway network in Jiangsu Province and selects quality road and bridge projects with high economic benefits; advances the toll road and bridge projects in Turkey and energetically seeks opportunities to acquire overseas quality projects to explore the international development of the Group; further promotes the integration of operation and management of road and bridge projects with the Yangtze River Management Company as the driver and display the coordinated advantages and scale effects to achieve high-quality management. Secondly, making profits while maintaining stable performance and planning investments. It optimizes the asset structure and layout of the Group; selects investment targets in the financial sector and increase the proportion of income from financial equities, making financial investments an accelerator to the development of the Group; explores the commercial factoring business and expands the financing and payment businesses leveraging on the platform of the Factoring Company to promote the vitality of all industrial chains. Thirdly, seeking progress while maintaining stable performance and expanding ancillary businesses. It explores the operation models of services areas to improve service quality; fosters professional petroleum products management teams, conducts sales of petroleum products in service areas, gains initiatives in inquires on procurement and builds stable sources of profits through reasonable negotiations on prices; advances the construction of service areas with high standards, displays the role of ancillary transportation facilities and improves service quality to seek benefits in commercial operation. The Group prudently responds to periodic risks on real estate development, speeds up in de-stocking for existing houses while efficiently promoting the progress of projects in stock to accelerate capital turnover; investigates the current utilization of lands of the Group and advances the development and utilization of idle land resources along expressways to achieve breakthrough in service offerings relating incidental to expressways and create more revenue for the Group.

(3) *Holding fast to leading position and releasing new potentials*

As a road operation group, the Company always attaches great importance to guaranteeing road safety and smoothness and consistently enhances its operation management. Firstly, focusing on high-level maintenance and building quality expressways. It practices the concepts on whole-life and preventive maintenance and boosts the improvement of road conditions and management to ensure zero deduction in three indicators on national inspections, full improvement of road environment and improved road performance indicators despite natural declines while maintaining stable. Secondly, focusing on responding to heavy traffic and building smooth expressways. Based on the requirements on achieving the target of “eliminating traffic jams, potential hazards and dangers”, the Company further expanded the implementation of extending heavy traffic management and control programs. Through matching lanes and vehicle types, intelligent information disclosure, the application of emergency lanes and other technological means, it boosted the traffic capacity of over-saturated road sections. Thirdly, focusing on the demonstration of 5G coverage and building intelligent expressways. With Yangchenghu and Huanglishu, the two service areas for 5G pilot, as example, the Company advances the full coverage of 5G over the mainline of Shanghai-Nanjing Expressway in stages and explores the demonstration application to provide technology support to smooth roads. It strives to build the Jiangsu section of Shanghai-Nanjing Expressway into the first intelligent expressway with 5G coverage in Jiangsu Province and gradually promote it on other roads of the Group. Fourthly, focusing on brand establishment and building pleasant expressways. The Company actively carries out the “Jiangsu Expressway • Jasmine” operation brand establishment campaign and achieved preliminary results in brand establishment, further improving the window services on Shanghai-Nanjing Expressway.

(4) *Taking practical measures and creating new drivers*

The Group sticks to compliance in operation, promotes development with talents and considers safety as the foundation. It consistently advances the modernization of the corporate governance system and capacity to enhance the development potential and momentum of the enterprise. Firstly, building the compliance management system. It gradually established a big compliance management system with a sound system, a complete regime and standard procedures, highlighted investment and financing, bidding and procurement and other key areas and conducted prior prevention and process regulation to practically prevent significant risks and ensure compliance management and effective operation. Secondly, improving the establishment of talent teams. It intensified the fostering of young carders, improved the access mechanism on talent pools, cultivated international business talents and strengthened the support

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or modern management talents of the Group to promote the sustainable and high-quality development of the Group. Thirdly, enhancing safety production management. Focusing on the targets of full prevention and control of risks, full identification and elimination of potential hazards and full reduction of accidents, the Company continued to carry out work safety; implements the accountability system on work safety for all staff and urges external parties learning about and fully performing their responsibilities; conducts more frequent safety inspections and normalizes random inspection systems; conducts competitions on work safety among all staff under the guidance of achieving long-term management of work safety to improve the work safety protection skills of all staff.

2. Funding needs required by the Group for maintaining current businesses and completing the investment projects under construction

The Group expects that the total capital expenditure in 2020 will be approximately RMB9,531,079,000 million, representing an increase of RMB1,445,391,000 as compared with the actual expenditure of RMB8,085,688,000 in 2019. Capital expenditure for the year of 2020 mainly includes:

Capital expenditure item	Amount (RMB Yuan)
Investment in the construction of Wufengshan Toll Bridge	2,897,860,000.00
Investment in the construction of Changyi Expressway Phase I	859,620,000.00
Investment in the construction of Yichang Expressway	1,850,000,000.00
Investment in the construction of Longtan Bridge	1,325,000,000.00
Equity investment in Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership)	100,000,000.00
Investment in the housing improvement of Wufengshan	150,000,000.00
Establishment of a Hong Kong subsidiary to participate in investment in a project in Turkey through a consortium	1,000,000,000.00
Other capital expenditure of the Group	1,348,598,900.00
Total	9,531,078,900.00

On the basis of fully leveraging its own capital, the Group timely adjusted its financing strategy based on the financing condition of the capital market so as to satisfy its own funding needs for operation and development, while further optimizing its debt structure and reducing capital risks. As at the date of the disclosure of the annual report, it has initiated preparation for the issuance of corporate bonds with RMB8 billion by the Group. Meanwhile, the Company is actively exploring various types of financing channels such as corporate bonds and overseas bonds. Selecting the right financing products for the Group will not only provide the Group with sufficient and efficient funds for its present stage of development, but also make prior arrangements for its future development strategies. The Group signed credit facilities contracts with banks but has not yet utilized the facilities. The value of the credit facilities with a term of over one year were approximately RMB36,000 million. The value of the ultra-short-term financing products which have been registered with the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) with a term of more than one year but have not been issued were approximately RMB1,300 million. The credit line will be sufficient for supporting capital expenditure, debt roll-over and business development of the Group. If other capital expenditure is required under special cases, the Group will adjust its financing plan based on the size of expenditure and the actual cash flow condition.

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(IV) Possible risks

Applicable N/A

With a view to optimizing the governance system of the Group, strengthening risk management, and enhancing the Company's capability to deal with risks, the Group determined the basic principles for risk assessment, established the standards of risk assessment, and identified material risks of the Group after taking into account the in combination with the industry risks, thus establishing the risk management system. According to the macro environment and the Group's current business situation, the Group will pay keen attention to the following main risks and proactively take effective countermeasures:

1. Risks associated with industry policy

Risk analysis: The Group is primarily engaged in the investment, construction, operation and management of toll roads and bridges, and toll fees are the major source of revenue for the Group. The business revenue of the Group is subject to the direct and indirect influence of adjustments and changes in the national macro-control policy and taxation policy. Due to the effects of the Circular on Waiving Road Tolls for Vehicles during the Prevention of the Novel Coronavirus Outbreak issued by the Ministry of Transport and other force majeure before the control of the novel coronavirus outbreak is finished, the toll revenue of the Group will see certain decreases and the Group is exposed to operational risks arising from policies.

Counter-measures: The Group will follow closely with relevant policies and actively interpret policies in response to policy-related risks. It will establish a dynamic tracking and assessment mechanism and enhance the contact and communication with competent government authorities, especially transportation, financial, taxation and pricing departments, to make timely business decisions accordingly in a timely manner. It will strive for favorable policies and flexible and differentiated charging standards and develop new profit growth points to reduce downward pressures on toll revenue. Meanwhile, the Company will develop new profit growth points and proactively commence various business activities relating to the principal businesses aiming to reduce the risks associated with arising from relatively simple industrial structure.

2. Risks associated with competition pattern

Risk analysis: The traditional expressway industry faces severe competition with limited growth potential in market size. The opening of roads and bridges with substitution effects may reduce the market share and revenue growth of the Group. With the expansion of railway network in Jiangsu Province, the convenient high-speed railway has changed the way people travel, which has profound effects on the future development of the principal business of the Group.

Counter-measures: Facing the competition and the substitution effect in the industry, the Group will speed up in digitalized transformation. It will leverage on information technology to improve the capability on judging, releasing, sharing and controlling road information to consistently enhance operation management and improve service quality. It will focus on explore added value of traffic services and create more sources of revenue through multi channels. Meanwhile, the Group will pay close attention to regional planning on road network and nodes in road and railway operation and establish tracking and appraisal mechanisms to enhance the response capacity. For diversion network with competition, it will adjust marketing strategies in a timely manner and adapt to market demands to stabilize sources of revenue.

3. Risks associated with project investment

Risk analysis: In the course of the Group's business, road and bridge projects newly constructed and new projects with investments are subject to the influence of regional economy and other related factors. In particular, with the deepening of development of the "going-out" strategy of the Group, more M&A projects may emerge in overseas markets. Thus there is a risk that future returns may fall short of expectations. In addition, investment in financial and similar financial products may involve risks of losses and return due to market fluctuations and systematic risks.

Counter-measures: For uncertainties in achieving revenue from projects, the Group, on the one hand, improves the mechanism on the enrolment and cultivation of professional talents and boosts the capacity on preliminary researches on projects to fully and comprehensively analyze the feasibility on investment in projects; on the other hand, it establishes or appoints professional appraisal teams to provide professional views to fully keep abreast of the revenue and potential risks of investment projects. It will enhance forward-looking judgment in decision-making on investment, comprehensively analyze internal and external factors affecting decision-making on projects and establish scientific investment decision-making procedures to reduce chances of investment risks.

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4. Risks associated with lower-than-expected rate of destocking

Risk analysis: Under the general background with current new normals of the economy and due to its long industry chain and cycle, the real estate sector is more susceptible to the changes in market environment and policies. The economic operating environment, changes in fiscal and monetary policies and the policies for taming the property market may affect the sales cycle and sales performance of the Group's real estate business, leading to an extension of the real estate sales cycle and affecting the progress of destocking.

Counter-measures: It will establish the risk management system and normalized risk appraisal mechanisms, stay up-to-date with policies concerning the industry and the development trend of the macro-economy and the industry and integrate risk management into real estate projects. It will reinforce specialized management of projects and strive for delicacy management in various stages from market and projects selection, planning and design to operation and execution. It will build its capability to gain insights into the policy and market trend, adopt effective prevention measures and step up efforts to accelerate the destocking rate and reduce risks to the largest extent.

5. Safety risks associated with road management

Risk analysis: The increasing traffic volume makes it more and more challenging to maintain road safety and manage road condition. In the operation and management of expressways, any failure to perform the responsibility of safety risk prevention may result in serious road safety accidents and incur liabilities relating to the safety management in service areas, which could in turn adversely affect the realization of the Company's business objectives, and even have a negative impact on the Company's brand image.

Counter-measures: the Company will strengthen training on safe operation, enhance employees' awareness of operation safety and optimize the accountability and assessment system to ensure that oversight responsibility is in place and duly performed by a particular person. The Company will strengthen supervision over operation safety, and ensure that the maintenance of production safety equipment is conducted on a regular basis and overhaul is carried out according to a standardized procedure to improve its capacity to ensure production safety with a view to eliminating all potential operation safety risks. The Company will strengthen multi-party coordination and cooperation and properly manage the layout of on-site operating areas in order to minimize the impact on traffic and ensure that all potential risks are eliminated.

(V) Others

Applicable N/A

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IV. Details of and Reasons for the Company's Non-disclosure Due to Inapplicability or Other Special Reasons such as Involvement of State or Trade Secrets

Applicable N/A

V. Donations

For the information on donations and poverty alleviation effort by the Company during the Reporting Period, please refer to Section V – Proactive Performance of Social Responsibility of this report.

VI. Directors of the Company during the Reporting Period

For the list of directors of the Company during the Reporting Period, please refer to Section VIII – Changes in Shareholdings of Directors, Supervisors and Senior Management in Office or Resigned during the Reporting Period and Their Remuneration Changes in Shareholdings of Current and Past directors, Supervisors and Members of Senior Management During the Reporting Period and Their Remuneration in this report.

VII. Proposed Dividends

During the Reporting Period, the Group realized a net profit attributable to the shareholders of the Company in a sum of approximately RMB4,199,704,000 and earnings per share were approximately RMB0.8336. The board of directors of the Company proposed to distribute cash dividends of RMB0.46 per share (tax inclusive) in favour of all shareholders based on the total share capital of the Company of 5,037,747,500 shares.

VIII. The Company's Environmental Policy and Performance, Legal Compliance and Relationship with Persons with Significant Influence on the Company

For the details of the Company's environmental policy and performance, legal compliance and relationship with persons with significant influence on the Company, please refer to Section V – Proactive Performance of Social Responsibility of this report.

SIGNIFICANT MATTERS

I. Distribution Plan for Ordinary Shares or Plan for Capitalisation of Capital Reserves

(I) Formulation, Implementation or Adjustment of Cash Dividend Distribution Policy

Applicable N/A

During the Reporting Period, the Company strictly complied with the cash dividend distribution policy as stipulated in the Articles of Association in the interest of minority investors protection. Independent directors also gave their independent opinions on the profit distribution plan. The profit distribution plan of the Company for the year of 2018, as considered and approved at the 2018 annual general meeting of the Company held on 20 June 2019, was as follows: it was proposed to distribute cash dividends of RMB0.46 (tax inclusive) per share, totaling RMB2,317,363,850 (tax inclusive), based on the total share capital of 5,037,747,500 shares as at the end of 2018.

(II) Dividend Distribution Plan or Proposal for Ordinary Shares and Plan or Proposal for Capitalisation of the Company's Capital Reserves in the Last Three Years (including the Reporting Period)

Unit: Yuan Currency: RMB

Year of Dividend Distribution	Number of bonus shares for every 10 shares <i>(share)</i>	Amount of cash dividends for every 10 shares <i>(Yuan) (tax inclusive)</i>	Number of shares issued for every 10 shares <i>(share)</i>	Amount of cash dividends <i>(tax inclusive)</i>	Net profit attributable to ordinary shareholders of the Company in the consolidated financial statements for the year of distribution	Percentage of net profit attributable to ordinary shareholders of the Company in the consolidated financial statements <i>(%)</i>
					4,199,704,371.82	55.18
2019	0	4.6	0	2,317,363,850	4,199,704,371.82	55.18
2018	0	4.6	0	2,317,363,850	4,376,603,924.73	52.95
2017	0	4.4	0	2,216,608,900	3,587,861,857	61.78

(III) inclusion of shares repurchased through cash offer in cash dividend

Applicable N/A

(IV) Profits are made during the Reporting Period and the parent company's profits distributed to ordinary shareholders are positive. However, if the proposal on distribution of cash profit of ordinary shares is unavailable, the Company shall disclose in detail the causes thereof as well as purpose and use plan of the undistributed profit

Applicable N/A

II. Performance of Undertakings

(I) Undertakings of the de facto controller, Shareholders, connected parties, acquirers, the Company, and other parties involved during the Reporting Period or subsisting to the Reporting Period

Applicable N/A

(II) Where the Company has profit forecasts on assets or projects, and the Reporting Period was within the term of profit forecasts, the Company has to state whether such profit forecasts on assets or projects are fulfilled and the reasons therefor

Achieved Not achieved N/A

(III) Fulfillment of performance commitment and impact on goodwill impairment test

Applicable N/A

III. Appropriation of Fund and Progress of Fund Recovery during the Reporting Period

Applicable N/A

IV. From the Company on the “Non-Standard Opinions Audit Report” from Accounting Firm

Applicable N/A

V. Analysis by the Company on the Reasons and Impact on the Changes in Accounting Policies and Accounting Estimates or Correction of Significant Accounting Errors

(I) Analysis by the Company on the reasons and impact on the changes in accounting policies and accounting estimates

Applicable N/A

New Lease Standards

The Group has adopted the Accounting Standards for Business Enterprises No. 21 – Leases (hereinafter referred to as the “New Lease Standards”, and the previous lease standards referred to as the “Previous Lease Standards”) revised by the Ministry of Finance in 2018 since 1 January 2019 (the “Date of Initial Application”). The New Lease Standards improve the definition of leases by adding the identification, separation and consolidation of leases; abolished the need for a lessee to classify its operating leases and finance leases, the lessee is required to recognise right-of-use assets and lease liabilities for all leases (other than short-term leases and leases of low value assets) at the commencement of the lease term. The Standards improve the lessee’s subsequent measurement of the lease by adding accounting treatment methods under the scenarios of option revaluation and lease change; and add relevant disclosure requirements.

For a contract that had already existed prior to the Date of Initial Application, the Group has elected not to reassess whether such contract is, or contains a lease.

(1) *The Group as lessee*

The Group adjusted the retained earnings at the Date of Initial Application and the amounts of other related items in the financial statements based on the cumulative effect of the initial adoption of the New Lease Standards, and did not adjust the information for the comparative period.

For operating leases other than leases of low value prior to the Date of Initial Application, the Group elected to apply one or more of the following simplified approaches for each lease:

- The same discount rate was applied to the leases with similar characteristics in measuring the lease liabilities;
- The measurement of right-of-use assets did not include initial direct costs.

SIGNIFICANT MATTERS

At the Date of Initial Application, the Group made the following adjustments due to implementation of new lease standards:

- For an operating lease prior to the Date of Initial Application, the Group measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the Date of Initial Application, and chose to measure the right-of-use assets based on the same amount as the lease liability, adjusted for any rental prepayments as necessary.

The Group recognised lease liabilities of RMB5,526,084.17 and right-of-use assets of RMB7,419,400.84 as at 1 January 2019. For operating leases prior to the Date of Initial Application, the Group measured the lease liability at the present value discounted using the incremental borrowing rates at the Date of Initial Application, and such rates were 4.75%.

The impact of implementation of new lease standards on related items on the balance sheet as at 1 January 2019 is as follows:

RMB

Item	31 December 2018	Adjustment	1 January 2019
Current assets: Prepayments	29,060,041.15	(1,893,316.67)	27,166,724.48
Non-current assets: Right-of-use assets	–	7,419,400.84	7,419,400.84
Current liabilities: Non-current liabilities due within one year	471,310,306.40	3,231,042.24	474,541,348.64
Non-current liabilities: Lease liabilities	–	2,295,041.93	2,295,041.93

The difference between the lease liabilities recognised by the Group on 1 January 2019 and the significant operating lease commitments disclosed in the 2018 financial statements is as follows:

RMB

Item	1 January 2019
I. Operating lease commitments as at 31 December 2018	8,298,735.00
Lease liabilities discounted using the incremental borrowing rates at the Date of Initial Application	5,979,209.17
Less: recognition of waiver – short-term leases	453,125.00
Lease liabilities related to the previous operating leases recognised due to the application of the New Lease Standards	5,526,084.17
II. Lease liabilities as at 1 January 2019	5,526,084.17
Presented as:	
Current liabilities	3,231,042.24
Non-current liabilities	2,295,041.93

SIGNIFICANT MATTERS

As at 1 January 2019, the carrying amount of right-of-use assets consisted of the following:

RMB

Item	1 January 2019
Right-of-use assets:	
Right-of-use assets recognized in respect of operating leases prior to the Date of Initial Application	5,526,084.17
Reclassification of rental prepayments (<i>Note 1</i>)	1,893,316.67
Total	7,419,400.84

The category of right-of-use assets as at 1 January 2019 is disclosed as follows:

RMB

Item	1 January 2019
Buildings	7,419,400.84
Total	7,419,400.84

Note 1: The Group's rental prepayments for offices/sales offices were presented as prepayments as at 31 December 2018. As at the Date of Initial Application, they are reclassified to right-of-use assets.

The Company as lessee

The implementation of the new lease standards have no significant impact on the Company's balance sheet as at 1 January 2019.

The Group as lessor

The Group has no adjustments to the lease as a lessor, and has performed accounting treatment in accordance with the new lease standards from the Date of Initial Application.

The Company as lessor

The implementation of the new lease standards have no significant impact on the Company's balance sheet as at 1 January 2019.

2. The Format of Financial Statements of General Enterprises

The Group implemented the Notice on Revising and Issuing the Format of Financial Statements of General Enterprises for 2019 (Cai Kuai [2019] No. 6, hereinafter referred to as "Cai Kuai Circular 6") issued by the Ministry of Finance on 30 April 2019 when preparing the financial statements for the first half year of 2019. Cai Kuai Circular 6 separates the item of "notes receivable and accounts receivable" into two items, namely "notes receivable" and "accounts receivable", and separates the item of "notes payable and accounts payable" into two items, namely "notes payable" and "accounts payable"; newly adds the items of "financing receivables", "right-of-use assets", "lease liabilities" and "special reserve"; clarifies the presentation contents of "other receivables", "non-current assets due within one year", "other payables", "deferred income" and "other equity instruments"; and also provides the requirements for the presentation of loss provisions for loan commitments, financial guarantee contracts and other items. Circular 6 adds the item of "gain on derecognition of financial assets measured at amortized cost" under the item of "investment income", further clarifies or amends the presentation contents of "interest income" under the items of "research and development expenses" and "financial expenses", "other income", "non-operating income" and "non-operating expenses", and adjusts the presentation position of the items of "credit impairment loss" and "asset impairment loss".

SIGNIFICANT MATTERS

(II) Analysis by the Company on the reasons for and impacts of the correction of significant accounting errors

Applicable N/A

(III) Communication with the previous accounting firm

Applicable N/A

(IV) Other analysis

Applicable N/A

VI. Appointment and Removal of Auditor

Unit: Yuan Currency: RMB

Name of the domestic accounting firm	Current Engagement Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration for the domestic accounting firm	2,400,000
Years of audit services of the domestic accounting firm	16

	Name	Remuneration
Auditor for internal control audit	Deloitte Touche Tohmatsu Certified Public Accountants LLP	800,000

Information on appointment and removal of auditor

Applicable N/A

The reappointment of Deloitte as the domestic auditor of the Company for the year of 2019 was approved at the Company's 2018 Annual General Meeting. The audit fee amounted to RMB2,400,000 for the year. Deloitte, a firm of practising certified public accountants approved by the MoF and the CSRC to act as a reporting accountant and/or an auditor for Hong Kong listed companies incorporated on the Mainland, was engaged to audit the financial statements of the Company for the financial year ended 31 December 2019 prepared under the PRC Accounting Standards and to discharge the duties as an international auditor in accordance with the Hong Kong Listing Rules. The independence of Deloitte was supervised by the Audit Committee of the Company. The Audit Committee was also responsible for making recommendations to the board of directors on the appointment of the external auditor and approval of the conditions for appointment and its remuneration.

Deloitte was also appointed as the internal control auditor of the Company for the year of 2019 at the general meeting. The audit fee was RMB800,000.

Deloitte has been providing audit services to the Company for 15 consecutive years since 2003. For the years of 2008, 2010, 2014, 2015, 2017 and 2019, such firm changed the partner responsible for the audit services provided to the Company.

Explanations on replacement of auditors during the audit period

Applicable N/A

VII. Risk of Suspension of Listing

(I) Causes of Suspension of Listing

Applicable N/A

(II) Measures to be taken by the Company

Applicable N/A

VIII. Situation and Causes for Termination of Listing

Applicable N/A

IX. Matters Relating to Insolvency or Restructuring

Applicable N/A

X. Material Litigation and Arbitration

The Company was involved in material litigation and arbitration during the year. The Company was not involved in any material litigation and arbitration during the year.

XI. Punishments and Rectifications Involved by Listed Company, Its Directors, Supervisors, Senior Management, Controlling Shareholders, Actual Controller or Buyer

Applicable N/A

XII. Explanation on Credibility of the Company and Its Controlling Shareholders and Actual Controller During the Reporting Period

Applicable N/A

XIII. Information about the Company's Share Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures and Their Impacts

(I) Related incentive disclosure which were disclosed in the temporary announcements and the consecutive operation without progress or change

Applicable N/A

(II) Incentives which were not disclosed in the temporary announcements or with subsequent progress

Information on share incentive

Applicable N/A

Other explanation

Applicable N/A

Information on employee stock ownership plan

Applicable N/A

Other incentive measures

Applicable N/A

SIGNIFICANT MATTERS

XIV. Major Related/Connected Party Transactions

(I) Related party/connected transactions relating to daily operations

1. Events that have been disclosed in provisional announcements and have no further progress or changes subsequently

Applicable N/A

Summary of the event	Document for inspection
<p>On 27 March 2017, the Company, Guangjing Xicheng Company and Ningchang Zhenli Company respectively entered into Expressway Network Management Services Framework Agreement with Network Operation Company (an associate of controlling shareholder of the Company) for a term commencing from 1 June 2017 to 31 December 2019. The values of the service contracts in 2019 were no more than RMB42,000,000, RMB12,000,000 and RMB10,000,000 respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk on 27 March 2017.</p>
<p>On 27 March 2017, the Company, Guangjing Xicheng Company and Ningchang Zhenli Company respectively entered into Expressway Network Technical Services Framework Agreement with Tongxingbao Company (an associate of controlling shareholder of the Company) for a term of three years commencing from 1 January 2017 to 31 December 2019. The charging standard for technical services is 3.5% of non-cash toll income. The fees shall be determined by the parties to the agreement according to the standard price of the Chinese Price Bureau. The values of the service contracts in 2019 were no more than RMB1,250,000, RMB440,000 and RMB420,000 respectively. On 22 March 2019, the Company, Guangjing Xicheng Company and Ningchang Zhenli Company respectively entered into the Supplementary Agreement to Expressway Network Technical Services Framework Agreement with Tongxingbao Company for a term of three years. The agreed amount cap of technical service fees in relation to the mobile payment services in 2019 was no more than RMB7,000,000, RMB1,500,000, RMB1,400,000 and RMB120,000, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 27 March 2017 and 25 March 2019.</p>
<p>On 27 March 2017, the Company entered into a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company) with the balance not exceeding RMB2,000,000,000, which shall be valid for three years on the date of approval by the general meeting. The interest was calculated at the prevailing rate of the ultra-short term notes to be issued by the Company. Repayment of the principal and the related interest expenses are to be borne by Guangjing Xicheng Company.</p>	<p>For details, please refer to the announcements and the circulars on the continuing related party/connected transactions published by the Company on the websites of the SSE at www.sse.com.cn and the Stock Exchange at www.hkexnews.hk on 27 March 2017 and 4 May 2017 respectively.</p>
<p>The Company entered into the contract for renewal of the property lease with Sundian Road & Bridge Company (an associate of controlling shareholder of the Company) dated 25 August 2017 in respect of the office building. The term of lease was from 1 September 2017 to 31 December 2019 and the annual rent was RMB1,690,000.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 28 August 2017 and the website of the Stock Exchange at www.hkexnews.hk on 25 August 2017 respectively.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 23 March 2018, Guangjing Xicheng Company entered into Service Area Petrol Stations Leasing and Operation Agreement with each of Expressway Petroleum Company and Taixing Oil Products Company (both are associates of controlling shareholder of the Company) respectively. The agreements shall be valid from 1 April 2018 to 31 December 2020. The aggregate rental for 2019 did not exceed RMB10,000,000.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 26 March 2018 and on the website of the Stock Exchange at www.hkexnews.hk on 23 March 2018 respectively. (For changes, please see the disclosure in the next section)</p>
<p>On 23 March 2018, the Company and Railway Group Company (an associate of controlling shareholder of the Company) entered into the property leasing agreement in respect of the office property located at No. 189 Maqun Avenue, Nanjing City, Jiangsu Province, with a term of lease commencing from 1 April 2018 to 31 December 2020. The annual rent for the year of 2019 was RMB3,612,400.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 26 March 2018 and on the website of the Stock Exchange at www.hkexnews.hk on 23 March 2018 respectively.</p>
<p>On 23 March 2018, each of the Company, Guangjing Xicheng Company and Ningchang Zhenli Company entered into "Contracts on Maintenance of Monitoring and Communication Systems and Procurement of Spare Parts" with Information Company (an associate of the controlling shareholder of Company) respectively. The contract term was from 1 April 2018 to 31 March 2019 and the respective contract amounts in 2019 did not exceed RMB4,000,000, RMB1,500,000 and RMB500,000.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 26 March 2018, and on the website of the Stock Exchange at www.hkexnews.hk on 23 March 2018.</p>
<p>On 23 March 2018, each of the Company, Guangjing Xicheng Company and Ningchang Zhenli Company respectively entered into the ETC Customer Service Outlets Management Agreements with Tongxingbao Company (an associate of controlling shareholder of the Company). The contract term was from 1 April 2018 to 31 March 2019. The total amount of the service contract in 2019 did not exceed RMB200,000, RMB50,000, RMB20,000 respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 26 March 2018, and on the website of the Stock Exchange at www.hkexnews.hk on 23 March 2018.</p>
<p>On 27 April 2018, the Company entered into the property lease contract with Engineering Testing Company (an associate of controlling shareholder of the Company) in relation to the property of the Company situated at 3-4/F, Office Building B in the Courtyard at No.8 Xianlin Avenue, Nanjing, Jiangsu Province, for a term from 1 June 2018 to 21 December 2020 and the rent cap for the year of 2019 was no more than RMB1,500,000.</p>	<p>For details, please refer to the announcement on Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 28 April 2018 and on the website of the Stock Exchange at www.hkexnews.hk on 27 April 2018.</p>
<p>On 24 August 2018, Zhendan Company, a subsidiary of the Company, and Network Operation Company (an associate of controlling shareholder of the Company) entered into the Expressway Network Management Services Framework Agreement with a validity period from 1 October 2018 to 31 December 2019. The contract value for the year of 2019 did not exceed RMB850,000.</p>	<p>For details, please refer to the announcement on Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 27 August 2018 and on the website of the Stock Exchange at www.hkexnews.hk on 24 August 2018 respectively.</p>
<p>On 24 August 2018, Zhendan Company, a subsidiary of the Company, and Tongxingbao Company (an associate of controlling shareholder of the Company) entered into the Expressway Network Technical Services Framework Agreement with a validity period from 1 October 2018 to 31 December 2019. The contract value the year of 2019 did not exceed RMB200,000.</p>	<p>For details, please refer to the announcements on Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 27 August 2018 and on the website of the Stock Exchange at www.hkexnews.hk on 24 August 2018 respectively.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 26 October 2018, Ninghu Investment Company, Guangjing Xicheng Company and Ningchang Zhenli Company, subsidiaries of the Company, entered into the Cooperation Agreement on the Operation of the Existing Advertising Facilities and the Development and Operation of New Advertising Resources Along the Roads and Bridges with Media Company (an associate of controlling shareholder of the Company) for a valid term commencing from 1 January 2019 to 31 December 2021. The contract values for the year of 2019 did not exceed RMB40,000,000, RMB10,000,000 and RMB4,000,000, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 27 October 2018 and on the website of the Stock Exchange at www.hkexnews.hk on 26 October 2018 respectively.</p>
<p>On 22 March 2019, the Company entered into the Financial Services Agreement with Finance Company (an associate of controlling shareholder of the Company) for a term of three years commencing on 1 April 2019. The maximum daily deposit balance (including interest accrued) should not exceed RMB500,000,000 and should be lower than 5% of the audited operating revenue, total assets or market value of the Company; meanwhile, Finance Company should grant the Company a comprehensive unsecured credit facility of no less than RMB2,000,000,000.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 25 March 2019 and on the website of the Stock Exchange at www.hkexnews.hk on 24 March 2019, respectively.</p>
<p>On 22 March 2019, the Company, Guangjing Xicheng Company and Ningchang Zhenli Company respectively entered into the Expressway Maintenance Services Contract with Sundian Road & Bridge Company (an associate of controlling shareholder of the Company). The total value of the project contract from 1 April 2019 to 31 December 2019 did not exceed RMB300,000,000, RMB120,000,000 and RMB33,000,000, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 25 March 2019.</p>
<p>On 22 March 2019, the Company, Guangjing Xicheng Company and Ningchang Zhenli Company respectively entered into the contracts on maintenance of monitoring and communication systems and procurement of spare parts in the year of 2019 with Information Company (an associate of controlling shareholder of the Company) for a term from 1 April 2019 to 31 March 2020. The total amount of the contract did not exceed RMB13,000,000, RMB15,200,000 and RMB2,000,000 respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 25 March 2019.</p>
<p>On 22 March 2019, the Company, Guangjing Xicheng Company and Ningchang Zhenli Company respectively entered into the ETC Customer Service Outlets Management Agreement with Tongxingbao Company (an associate of controlling shareholder of the Company) for a term from 1 April 2019 to 31 March 2020. The fees include the rental, utility charge and sewage charge for the outlets. In 2019, the total amount cap of three ETC Customer Service Outlets Management Agreements was expected to be no more than RMB500,000, RMB150,000 and RMB40,000, respectively.</p>	<p>For details, please refer to the announcements on the continuing related party/connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 25 March 2019.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 22 March 2019, the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company respectively entered into the Technical Service Contract on Coordination, Command and Dispatch of the Cloud Platform with Tongxingbao Company (an associate of controlling shareholder of the Company) with a term from 21 March 2019 to 31 December 2021. It is estimated that the annual cloud platform usage fee will not exceed RMB2,000,000, RMB900,000, RMB700,000 and RMB210,000, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 25 March 2019.</p>
<p>On 22 March 2019, the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company respectively entered into the 2019 Maintenance Technology Research and Service Contract with Maintenance Technology Company (an associate of controlling shareholder of the Company), and the 2019 annual maintenance technology research and service fee paid to Maintenance Technology Company by them did not exceed RMB9,850,000, RMB3,300,000, RMB3,350,000 and RMB300,000, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 25 March 2019.</p>
<p>On 22 March 2019, Ningchang Zhenli Company entered into the Service Area Petrol Stations Leasing Contract with Expressway Petroleum Company (an associate of controlling shareholder of the Company) with a term commencing from 1 April 2019 to 31 December 2021. It was expected that the total amount of contract in 2019 would not exceed RMB4,890,000.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 25 March 2019.</p>
<p>On 22 March 2019, Ningchang Zhenli Company entered into The 2019 Bridge Emergency Reinforcement and Maintenance Agreement with Hutong Company (an associate of controlling shareholder of the Company). The transaction amount of projects, including bridge displacement detection, bridge design, repair and reinforcement in 2019 did not exceed RMB4.5 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 25 March 2019.</p>
<p>On 21 June 2019, Yangtze River Management Company, a wholly owned subsidiary of the Company, entered into the Entrusted Operation Management Agreement with Yangtze Bridge Company (an associate of controlling shareholder of the Company) and its controlled subsidiary Hutong Bridge Company, and Guangjing Xicheng Company (a connected subsidiary of the Company) and its controlled subsidiaries Changyi Company and Yichang Company, for a term commencing from 1 July 2019 to 31 March 2020. The entrusted management fee payable by Yangtze Bridge Company and Hutong Bridge Company to Yangtze River Management Company shall not exceed RMB9,750,000, while the entrusted management fee payable by Guangjing Xicheng Company, Changyi Company and Yichang Company to Yangtze River Management Company shall not exceed RMB11,500,000 with total entrusted management fee not exceeding RMB21,250,000.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 22 June 2019 and on the website of the Stock Exchange at www.hkexnews.hk on 23 June 2019 respectively.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 30 July 2019, the Company, Communications Holding (controlling shareholder of the Company), Jinghu Company and Finance Company (both are the associates of controlling shareholder of the Company) entered into the Capital Increase Agreement, pursuant to which the Company and Communications Holding agreed to make capital contributions to Finance Company in cash of RMB606.8 million and RMB303.4 million respectively to subscribe for the registered capital of the Finance Company of RMB400 million and RMB200 million respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions and discloseable transaction announcement published by the Company on the website of the SSE at www.sse.com.cn on 31 July 2019 and on the website of the Stock Exchange at www.hkexnews.hk on 30 July 2019, and related circular published on 9 August 2019, respectively.</p>
<p>On 23 August 2019, Zhendan Company, a subsidiary of the Company, and Media Company (an associate of controlling shareholder of the Company) entered into the Management Cooperation Agreement on entrusting the overall advertising business to Media Company for management. The term of the agreement shall commence on 1 January 2020 and end on 31 December 2022. The contract did not incur any fees in 2019.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 26 August 2019 and on the website of the Stock Exchange at www.hkexnews.hk on 23 August 2019, respectively.</p>
<p>On 23 August 2019, each of the Company and Zhendan Company entered into the Toll Collector Room Renovation Project Contract with Micro Video Company (an associate of controlling shareholder of the Company), with estimated contract amount totalling not more than RMB1.51 million and RMB150,000, respectively; each of Yangtze River Management Company and Guangjing Xicheng Company entered into the Office System Upgrade Contract with Micro Video, with estimated contract amount totalling not more than RMB190,000 and RMB110,000, respectively.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 26 August 2019 and on the website of the Stock Exchange at www.hkexnews.hk on 23 August 2019 respectively.</p>
<p>On 23 December 2019, the Company, China Merchants Expressway (a substantial shareholder of the Company), CMU (an associate of substantial shareholder of the Company), Zhejiang Expressway, Jiangsu Expressway, Sichuan Expressway and Anhui Expressway entered into the Cooperation Agreement for the formation of the Consortium incorporated in Hong Kong through joint contribution of US\$688.5 million for the purpose of acquiring 51% of the shares and the relevant portion of shareholder loans of the ICA Company. The Company would contribute approximately US\$120.5 million in the Consortium, holding 17.5% of the equity interest in the Joint Venture.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 24 December 2019 and on the website of the Stock Exchange at www.hkexnews.hk on 23 December 2019 respectively.</p>

SIGNIFICANT MATTERS

2. Events that have been disclosed in provisional announcements and have any further progress or changes subsequently

Applicable N/A

On 23 March 2018, Guangjing Xicheng Company entered into the The Service Area Petrol Stations Leasing and Operation Agreement with Expressway Petroleum Company and Taixing Oil Products Company. (For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 26 March 2018 and on the website of the Stock Exchange at www.hkexnews.hk on 23 March 2018 respectively.), pursuant to which, petrol stations on both sides of its service area are leased to Expressway Petroleum Company and Taixing Oil Products Company, effective from 1 April 2018 to 31 December 2020. According to the rental fee standard of petrol station of Communications Holding, the calculation of the rent is determined as follows: based on the annual total fuel sales volume of each pair of petrol stations at RMB100/tonne for petrol station with annual fuel sales volume less than 10,000 tonnes/year; RMB110/tonne for petrol station with annual fuel sales volume of 10,000 to 20,000 tonnes (inclusive)/year; RMB120/tonne for petrol station with annual fuel sales volume of 20,000 to 30,000 tonnes (inclusive)/year; RMB130/tonne for petrol station with annual fuel sales volume of 30,000 to 40,000 tonnes (inclusive)/year; RMB140/tonne for petrol station with annual fuel sales volume of 40,000 tonnes or above per year, together with the guaranteed rental fees of RMB500,000 per year. Based on the actual fuel sales volume for 2017 and the then estimated growth of fuel sales volume in the coming three years, the aggregate amount of the contracts for 2019 is estimated to be not more than RMB10,000,000. The actual rental fee for 2019 was RMB11,460,000. For details, please refer to the supplemental announcement on the related party/continuing connected transaction published by the Company on the website of the SSE at www.sse.com.cn on 22 April 2020 and the website of the Stock Exchange at www.hkexnews.hk on 21 April 2020.

3. Events not disclosed in temporary announcements

Applicable N/A

Unit:: Yuan Currency: RMB

Related party	Related party relationship	Related party transactions type	Related party transactions content	Pricing principle of related party transactions	Related party transactions price	Related party transactions amount	Proportion in similar transactions (%)	Settlement method of related party transactions	Market price	Reason for the difference between transaction price and market price
Sundian Road & Bridge Company	Associated company/ associate of majority shareholder of the Company	Receipt of services	checking and design	Market price		250,000	100.00			
			Construction of Exhibition Hall of Nanjing-Shanghai Party School	Market price		1,685,000	100.00			
			Engineering construction of ETC portal frame system infrastructure project	Market price		5,600,000	100.00			
Total				/	/	7,535,000	/	/	/	/
Details of substantial sales return										
Explanation of related party transactions					According to Rule 10.2.4 of the Securities Listing Rules of the Shanghai Stock Exchange, which provides that "if a listed company and a related legal person have a transaction amount of more than RMB3.0 million, and it accounts for more than 0.5% of the absolute value of the latest audited net assets of the Company (other than guarantees provided by listed company), it should be disclosed in a timely manner", the Company's connected transactions with affiliated legal persons in 2019 amounted to RMB7,535,000 in aggregate, which did not meet the disclosure standards and the approval requirements of the Board and a general meeting, so the Company did not disclose the transaction in the temporary announcement.					

SIGNIFICANT MATTERS

(II) Related party transactions from acquisition and disposal of assets or equity interests

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation
 Applicable N/A
2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation
 Applicable N/A
3. Events not disclosed in the temporary announcements
 Applicable N/A
4. If agreement upon performance is involved, the performance achievements during the Reporting Period shall be disclosed
 Applicable N/A

(III) Significant related party transactions on the joint external investment

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation
 Applicable N/A

Summary of the event	Document for inspection
On 30 July 2019, the Board approved that the Company and Communications Holding Company Limited, the controlling shareholder of the Company agreed to make capital contributions to Finance Company in cash of RMB606.8 million and RMB303.4 million, respectively (the "Capital Increase").	For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 31 July 2019 and on the website of the Stock Exchange at www.hkexnews.hk on 30 July 2019.
On 26 September 2019, the general meeting approved that the Company make capital contributions to Finance Company.	For details, please refer to the announcement on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 27 September 2019 and the website of the Stock Exchange at www.hkexnews.hk on 26 September 2019 respectively.
On 24 December 2019, the Board approved the Company to make a capital contribution in an amount of US\$130 million to establish Ninghu International Company to participate in the acquisition of Turkish ICA Company's equity interests, shareholder's loan and some equity interests of its major shareholder through a Chinese-funded consortium.	For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 24 December 2019 and on the website of the Stock Exchange at www.hkexnews.hk on 23 December 2019.

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation
 Applicable N/A
3. Events not disclosed in temporary announcements
 Applicable N/A

(IV) Claims and liabilities between related parties

1. Events disclosed in the temporary announcements and with no progress or change in subsequent implementation

Applicable N/A

Summary of the event	Document for inspection
On 30 March 2016, the Company entered into the Financial Services Agreement with Finance Company for a term of three years commencing on 1 April 2016. The maximum daily deposit balance should not exceed RMB500,000,000 and should be lower than 5% of the audited operating revenue, total assets or market value of the Company.	For details, please refer to the announcements on the continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 31 March 2016 and on the website of the Stock Exchange at www.hkexnews.hk on 30 March 2016 respectively.
On 22 March 2019, the Company entered into the Financial Services Agreement with Finance Company for a term of three years commencing on 1 April 2019. The maximum daily deposit balance (including interest accrued) should not exceed RMB500,000,000 and should be lower than 5% of the audited operating revenue, total assets or market value of the Company.	For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 25 March 2019 and on the website of the Stock Exchange at www.hkexnews.hk on 24 March 2019, respectively.

During the Reporting Period, the average daily deposit of the Company in the Finance Company amounted to RMB258 million.

2. Events disclosed in the temporary announcements but with progress or change in subsequent implementation

Applicable N/A

3. Events not disclosed in temporary announcements

Applicable N/A

Unit: Yuan Currency: RMB

Related/connected party	Related/connected relationship	Funding provided to related/connected parties			Funding provided by related/connected parties to the Company		
		Opening balance	Amount incurred	Closing balance	Opening balance	Amount incurred	Closing balance
Communications Holdings	Parent company				1,571,277,400.77		1,430,344,904.11
Finance Company	Controlled subsidiary of parent company				951,262,708.33		810,975,608.33
Far East Shipping Company	Controlled subsidiary of parent company				60,079,750.00		60,079,750.00
Sutong Bridge Company	Controlled subsidiary of parent company				0		100,119,825.00
Total					2,582,619,859.10		2,401,519,887.44
Reasons for related/connected creditor's rights and debts		The related/connected creditor's rights and debts were formed due to the borrowing and lending of funds among the related/connected parties. The above funds shall be provided at a rate not exceeding the prevailing bank loan interest rate in the same period. The Company and its subsidiaries were not required to provide any guarantee and pledge.					
Effect of related/connected creditor's rights and debts on the Company		The related/connected creditor's rights and debts did not have any material impacts on the Company's operation result and financial position.					

SIGNIFICANT MATTERS

(V) Others

Applicable N/A

1. Confirmation given by independent non-executive directors of the Company in respect of related party/connected transactions

The independent non-executive directors of the Company have reviewed all related party/connected transactions and confirm that:

- (1) such transactions were entered into in the ordinary and usual course of business of the Group;
- (2) such transactions were conducted on normal commercial terms; and
- (3) such transactions were conducted in accordance with the terms of the agreements governing the relevant transactions. Such terms were fair and reasonable and in the interests of the Company's shareholders as a whole.

2. Confirmation given by the auditor in respect of continuing connected transactions

The Company has notified Deloitte of the information relating to the continuing related party/connected transactions to be disclosed in the 2019 annual report of the Company. Deloitte has reviewed the information relating to such related party/connected transactions and has issued a letter to the board of directors to confirm that such related party/connected transactions

- (1) have been approved by the board of directors of the Company;
- (2) followed in all material respects the Group's pricing policy, where provision of goods or services by the Group were involved;
- (3) were conducted in all material aspects in accordance with the terms of relevant agreements for such transactions; and
- (4) except for two continued connected transactions as disclosed in the supplemental announcement published on the website of the Stock Exchange on 21 April 2020, have not exceeded the caps as disclosed in the previous announcements.

3. The related party/connected transactions set out in the Notes to Financial Statements of the Company for 2019

The related party/connected transactions set out in Notes X and XIV to the Financial Statements of the Company for 2019 are in compliance with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules:

- 1) Note X:
 - (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties

Purchase of goods, receipt of services and interest expense of loans with related parties

Unit: Yuan Currency: RMB

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Sundian Road & Bridge Company	Road maintenance fee	430,344,486	214,924,280	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 25 March 2019 and 26 October 2018 on the Stock Exchange in accordance with the Listing Rules)

SIGNIFICANT MATTERS

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Sundian Road & Bridge Company	Inspection and design fee	250,000	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sundian Road & Bridge Company	Exhibition hall construction fee	1,685,000	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sundian Road & Bridge Company	ETC gantry construction fee	5,600,000	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Network Operation Company	Interest expenses of working capital loan	29,277,669	28,880,225	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 27 March 2017 on the Stock Exchange in accordance with the Listing Rules)
Tongxingbao Company	Maintenance and operating administration fees for toll collection system	23,505,382	12,905,175	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 25 March 2019, 23 March 2018, 13 April 2017 and 27 March 2017 on the Stock Exchange in accordance with the Listing Rules)
Tongxingbao Company	Purchase of fixed assets fee	6,970	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Maintenance Technology Company	Road maintenance fee	13,069,050	11,470,000	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 25 March 2019 and 23 March 2018 on the Stock Exchange in accordance with the Listing Rules)
Information Company	Communication system maintenance fee	14,662,219	13,645,676	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 25 March 2019 and 23 March 2018 on the Stock Exchange in accordance with the Listing Rules)
Huatong Company	Project reinforcement maintenance fee	3,431,235	1,291,708	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Huatong Company	Bridge bearing replacement cost	2,752,746	-	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (the announcement was published on 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Kualu Company	Transportation service rental fee	7,087,766	3,049,000	No (an associate of the Company)	Not Applicable
Nanlin Hotel Company	Food and beverage	2,100	8,556	No (associate of the Company's related subsidiary)	Yes (exempt from the announcement requirement according to Rule 14A.97)
Micro Video Company	The renovation fee of computer rooms and offices	1,918,000	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 23 August 2019 on the Stock Exchange in accordance with the Listing Rules)
Jiangsu Expressway Engineering Maintenance Co., Ltd	Speed-up transformation fee	2,807,331	-	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Communications Holding	Interest expenses of loans from a related party	70,764,681	45,660,962	Yes, continuing connected transaction (substantial shareholder of the Company)	Yes (exempt from the announcement requirement according to Rule 14A.90)

SIGNIFICANT MATTERS

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Finance Company	Interest expenses of working capital loan	32,359,469	31,781,583	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 March 2019 and 30 March 2016 on the Stock Exchange in accordance with the Listing Rules)
Far East Shipping Company	Interest expenses of entrusted loan	2,595,500	7,397,415	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Sutong Bridge Company	Interest expenses of entrusted loan	152,250	9,343,562	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

Pricing and decision-making procedures of related party transactions: For significant related party transactions, the price is settled by public tender bid price, or for reference of quote from independent, qualified construction provider after arm's length negotiation in principle that less than relevant market price. The Board Meeting should review and approve the quote and the related director should abstain from voting. The independent directors should then express an independent opinion. For all related party transactions, the price is settled by signed contracts.

Sales, rendering of services and interest income of borrowings/loans with related parties

Unit: Yuan Currency: RMB

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected party transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Group Finance Company	Interest income from deposits	3,258,156	3,824,866	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 30 March 2016 and 24 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Kualu Company	Toll road income	932,039	1,689,176	No (an associate of the Company)	Not Applicable
Tongxingbao Company	ETC customer-service network management income	759,221	824,685	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 23 March 2018 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Xiexin Company	Management and rental income	825,606	-	No (an associate of the Company)	Not Applicable
Media Company	Advertisement Income	32,248,967	-	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 26 October 2018 on the Stock Exchange in accordance with the Listing Rules)
Yangtze River Bridge Company	Entrusted management income	6,785,000	-	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 23 June 2019 on the Stock Exchange in accordance with the Listing Rules)
Harwei Company	Interest income from shareholder loan	-	2,598,900	No (a wholly-owned subsidiary of the Company)	Not Applicable

SIGNIFICANT MATTERS

2) Leases with related parties

The Group as the lessor:

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the prior year	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Ningcheng Zhenli Company	Jiangsu Petroleum Company	Fixed assets	9,216,840	6,187,238	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 25 March 2019 and 28 March 2016 on the Stock Exchange in accordance with the Listing Rules)
Guangjing Xicheng Company	Jiangsu Petroleum Company	Fixed assets	6,682,499	6,757,762	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	No (an announcement was published on 23 March 2018 on the Stock Exchange in accordance with the Listing Rules, and a supplemental announcement in relation to exceeding the annual cap was published on 21 April 2020)
Guangjing Xicheng Company	Taixing Oil Products Company	Fixed assets	4,231,805	-	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	No (an announcement was published on 23 March 2018 on the Stock Exchange in accordance with the Listing Rules, and a supplemental announcement in relation to exceeding the annual cap was published on 21 April 2020)
The Company	Railway Group Company	Fixed assets	3,612,400	2,709,300	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
The Company	Sundian Road & Bridge Company	Fixed assets	1,690,000	1,690,000	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 25 August 2017 on the Stock Exchange in accordance with the Listing Rules)
The Company	Kualu Company	Fixed assets	366,667	-	No (an associate company of the Company)	N/A
The Company	Engineering Testing Company	Fixed assets	545,657	309,670	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

SIGNIFICANT MATTERS

3) Guarantees with related parties

The Group as the guaranteed party:

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether performance of guarantee has been completed	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Communications Holding	US\$2,229,849.00	15 October 1998	18 July 2027	Not completed	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Communications Holding	RMB30,000,000	16 March 2014	15 March 2019	Completed	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

4) Borrowings/loans with related parties

Unit: Yuan Currency: RMB

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	Balance at the end of the year	Remarks	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Borrowed from (repaid to)							
Far East Shipping Company	(60,000,000)	28 August 2018	27 August 2018	-	Entrusted loan with annual interest rate of 4.35%	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Far East Shipping Company	60,000,000	23 July 2019	22 July 2020	60,000,000	Entrusted loan with annual interest rate of 4.35%	Ditto	Ditto
Finance Company	(190,000,000)	15 June 2018	14 June 2019	-	Borrowings from a related party with annual interest rate of 4.35%	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 34 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Finance Company	(100,000,000)	28 November 2018	27 November 2019	-	Borrowings from a related party with annual interest rate of 4.35%	Ditto	Ditto
Finance Company	(60,000,000)	9 November 2018	8 November 2019	-	Borrowings from a related party with annual interest rate of 4.35%	Ditto	Ditto
Finance Company	(100,000,000)	17 December 2018	16 December 2019	-	Borrowings from a related party with annual interest rate of 4.35%	Ditto	Ditto
Finance Company	60,000,000	18 October 2019	17 October 2020	60,000,000	Borrowings from a related party with annual interest rate of 3.915%	Ditto	Ditto
Finance Company	100,000,000	8 May 2019	7 May 2020	100,000,000	Borrowings from a related party with annual interest rate of 4.1325%	Ditto	Ditto
Finance Company	100,000,000	20 November 2019	19 November 2020	100,000,000	Borrowings from a related party with annual interest rate of 3.915%	Ditto	Ditto

SIGNIFICANT MATTERS

Related party	Amount of borrowing/ loan (Note)	Inception date	Maturity date	Balance at the end of the year	Remarks	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Finance Company	250,000,000	3 December 2019	2 December 2020	250,000,000	Borrowings from a related party with annual interest rate of 3.915%	Ditto	Ditto
Finance Company	(200,000,000)	29 May 2018	28 May 2019	-	Entrusted loan with annual interest rate of 4.35%	Ditto	Ditto
Finance Company	(100,000,000)	28 September 2018	27 September 2019	-	Entrusted loan with annual interest rate of 4.35%	Ditto	Ditto
Finance Company	300,000,000	23 July 2019	22 July 2020	300,000,000	Entrusted loan with annual interest rate of 3.92%	Ditto	Ditto
Finance Company	(200,000,000)	15 November 2018	15 February 2019	-	Entrusted loan with annual interest rate of 4.35%	Ditto	Ditto
Sutong Bridge Company	100,000,000	18 December 2019	17 December 2020	100,000,000	Entrusted loan with annual interest rate of 3.90%	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Communications Holding	250,000,000	5 December 2022	5 December 2022	250,000,000	Entrusted loan with annual interest rate of 5.80%	Yes, continuing connected transaction (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Communications Holding	250,000,000	17 May 2013	17 May 2023	250,000,000	Entrusted loan with annual interest rate of 5.60%	Ditto	Ditto
Communications Holding	(250,000,000)	20 May 2014	20 May 2019	-	Entrusted loan with annual interest rate of 4.35%	Ditto	Ditto
Communications Holding	800,000,000	20 November 2018	24 October 2023	800,000,000	Entrusted loan with annual interest rate of 4.43%	Ditto	Ditto
Communications Holding	100,000,000	8 November 2019	29 August 2024	100,000,000	Entrusted loan with annual interest rate of 3.82%	Ditto	Ditto

Note: When the Group is the borrower, the positive amount represents borrowing from a related party while the negative amount represents repayment to a related party; When the Group is the lender, positive amount represents lending to a related party while the negative amount represents collecting the money from a related party.

5) Compensation for key management personnel

Unit: Yuan Currency: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected party transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Compensation for key management personnel	4,473,957	3,609,167	Yes, continuing connected transaction (Director of the Company)	Yes (exempt from the announcement requirement according to Rule 14A.95)

SIGNIFICANT MATTERS

(2) Note XIV :

- 1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties

Purchase of goods, receipt of services and interest expense of borrowings/loans with related parties

Unit: Yuan Currency: RMB

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a related party transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Sundian Road & Bridge Company	Road maintenance fee	298,671,589	143,882,063	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 25 March 2019 and 26 October 2018 on the Stock Exchange in accordance with the Listing Rules)
Sundian Road & Bridge Company	Inspection and design fee	250,000	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sundian Road & Bridge Company	Exhibition hall construction fee	1,685,000	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sundian Road & Bridge Company	ETC gantry construction fee	5,600,000	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Ningchang Zhenli Company	Interest expenses of entrusted loan	19,584,774	49,975,140	No (a wholly-owned subsidiary of the Company)	Not Applicable
Network Operation Company	Interest expenses of working capital loan	19,634,244	19,241,959	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 27 March 2017 on the Stock Exchange in accordance with the Listing Rules)
Finance Company	Interest expenses of working capital loan	12,741,875	11,865,833	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 March 2019 and 30 March 2016 on the Stock Exchange in accordance with the Listing Rules)
Tongxingbao Company	Maintenance and operating administration fees for toll collection system	15,558,259	8,482,088	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 25 March 2019, 23 March 2018, 13 April 2017 and 27 March 2017 on the Stock Exchange in accordance with the Listing Rules)
Tongxingbao Company	Purchase of fixed assets fee	6,970	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

SIGNIFICANT MATTERS

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a related party transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Far East Shipping Company	Interest expenses of entrusted loan	2,595,500	7,397,415	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Maintenance Technology Company	Road maintenance fee	7,706,950	6,931,600	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 25 March 2019 and 23 March 2018 on the Stock Exchange in accordance with the Listing Rules)
Nanlin Hotel Company	Food and beverage	2,100	8,556	No (associate of the Company's related subsidiaries)	Not Applicable
Information Company	Communication system maintenance fee	11,628,394	7,202,712	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 25 March 2019 and 23 March 2018 on the Stock Exchange in accordance with the Listing Rules)
Huatong Company	Bridge reinforcement maintenance fee	2,752,746	-	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Micro Video Company	Computer room renovation fee	1,504,650	-	Yes, connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 23 August 2019 on the Stock Exchange in accordance with the Listing Rules)
Kualu Company	Shuttle rental fee	3,969,556	-	No (an associate of the Company)	Not Applicable
Ninghu Investment Company	Interest expenses of entrusted loan	-	89,606	No (a wholly-owned subsidiary of the Company)	Not Applicable
Yichang Company	Interest expenses of entrusted loan	10,401,926	3,334,316	Yes, continuing connected transaction (a 60% subsidiary owned by Guangjing Xicheng Company (a 85% connected subsidiary of the Company))	Yes (exempt from the announcement requirement according to Rule 14A.90)
Changyi Company	Interest expenses of entrusted loan	2,312,568	143,632	Yes, continuing connected transaction (a 60% subsidiary owned by Guangjing Xicheng Company (a 85% connected subsidiary of the Company))	Yes (exempt from the announcement requirement according to Rule 14A.90)

SIGNIFICANT MATTERS

Sales of goods, provision of service and interest income of borrowings/loans with related parties

Unit: Yuan Currency: RMB

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Ninghu Properties Company	Interest income from entrusted loans	54,158,215	70,586,944	No (a wholly-owned subsidiary of the Company)	Not Applicable
Harwei Company	Interest income from entrusted loans	21,172,241	28,798,220	No (a wholly-owned subsidiary of the Company)	Not Applicable
Guangjing Xicheng Company	Interest income from loans to related parties	23,852,324	23,786,501	Yes, continuing connected transaction (a connected subsidiary in which a substantial shareholder of the Company holds 15% equity interest)	Yes (announcements and circulars were published on 27 March 2017 and 4 May 2017 on the Stock Exchange in accordance with the Listing Rules and approval has been obtained from independent shareholders)
Kuzai Company	Toll road income	932,039	1,281,553	No (an associate of the Company)	Not Applicable
Tongxingbao Company	ETC Customer-service Network Management income	629,425	734,924	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 25 March 2019 and 23 March 2018 on the Stock Exchange in accordance with the Listing Rules)
Finance Company	Interest income from deposits	30,059	64,532	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 March 2019 and 30 March 2016 on the Stock Exchange in accordance with the Listing Rules)
Zhendan Company	Interest income from entrusted loans	681,017	11,842	No (a 70% owned subsidiary of the Company which is not a related party subsidiary)	Not Applicable
Zhendan Company	Super short-term interest income	1,274,904	-	No (a 70% owned subsidiary of the Company which is not a related party)	Not Applicable
Xiexin Company	Management and rental income	825,606	-	No (an associate of the Company)	Not Applicable

Pricing and decision-making procedures of related/connected transactions: For significant related/connected transactions, the price is settled by public tender bid price, or for reference of quote from independent, qualified construction provider after arm's length negotiation in principle that less than relevant market price. The Board Meeting should review and approve the quote and the related/connected director should abstained from voting. The independent directors should then express an independent opinion. For other insignificant related/connected transaction, the price is settled by signed contracts.

SIGNIFICANT MATTERS

2) Leases with related parties

The Company as the lessor:

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the prior year	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
The Company	Sundian Road & Bridge Company	Fixed assets	1,690,000	1,690,000	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (an announcement was published on 25 August 2017 on the Stock Exchange in accordance with the Listing Rules)
The Company	Railway Group	Fixed assets	3,612,400	2,709,300	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76 (1)(a))
The Company	Kualu Company	Fixed assets	366,667	-	No (an associated company of the Company)	Not Applicable
The Company	Engineering Testing Company	Fixed assets	545,657	309,670	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76 (1)(a))

3) Guarantees with related parties

The Company as the guaranteed party:

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether performance of guarantee has been completed	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Communications Holding	US\$2,229,849.00	15 October 1998	18 July 2027	Not completed	Yes, continuing connected transaction (substantial shareholder of the Company)	Yes (exempt from the announcement requirement according to Rule 14A.90)

SIGNIFICANT MATTERS

4) Borrowings/loans from and loans to related parties

Unit: Yuan Currency: RMB

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	Balance as at 31 December 2019	Remarks	Whether or not constituting a related party transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Borrowed from (repaid to) Far East Shipping Company	(60,000,000.00)	28 August 2018	27 August 2019	–	Entrusted loan with annual interest rate of 4.35%	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90))
Far East Shipping Company	60,000,000.00	23 July 2019	22 July 2020	60,000,000.00	Entrusted loan with annual interest rate of 4.35%	Ditto	Ditto
Ningchang Zhenli Company	(90,000,000.00)	28 September 2018	27 September 2019	–	Entrusted loan with annual interest rate of 3.50%	No (a wholly-owned subsidiary of the Company)	Not Applicable
Ningchang Zhenli Company	(80,000,000.00)	26 October 2018	25 October 2019	–	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	(70,000,000.00)	26 November 2018	25 November 2019	–	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	50,000,000.00	29 January 2019	28 January 2020	–	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	(50,000,000.00)	29 January 2019	28 January 2020	–	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	60,000,000.00	21 February 2019	20 February 2020	–	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	(60,000,000.00)	21 February 2019	20 February 2020	–	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	90,000,000.00	27 March 2019	26 March 2020	–	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	(90,000,000.00)	27 March 2019	26 March 2020	–	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	80,000,000.00	26 April 2019	25 April 2020	80,000,000.00	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	75,000,000.00	28 May 2019	27 May 2020	75,000,000.00	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	70,000,000.00	26 June 2019	25 June 2020	70,000,000.00	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	220,000,000.00	16 July 2019	15 July 2020	220,000,000.00	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	120,000,000.00	30 July 2019	29 July 2020	120,000,000.00	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	50,000,000.00	29 August 2019	28 August 2020	50,000,000.00	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	60,000,000.00	27 September 2019	26 September 2020	60,000,000.00	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	65,000,000.00	29 October 2019	28 October 2020	65,000,000.00	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Ningchang Zhenli Company	70,000,000.00	26 December 2019	25 December 2020	70,000,000.00	Entrusted loan with annual interest rate of 3.50%	Ditto	Ditto
Group Finance Company*	(200,000,000.00)	29 May 2018	28 May 2019	–	Entrusted loan with annual interest rate of 4.35%	Yes, continuing connected transaction (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 March 2019 and 30 March 2016 on the Stock Exchange in accordance with the Listing Rules)
Group Finance Company*	(100,000,000.00)	28 September 2018	27 September 2019	–	Entrusted loan with annual interest rate of 4.35%	Ditto	Ditto
Group Finance Company*	200,000,000.00	21 May 2019	20 May 2020	–	Entrusted loan with annual interest rate of 4.13%	Ditto	Ditto
Group Finance Company*	(200,000,000.00)	21 May 2019	20 May 2020	–	Entrusted loan with annual interest rate of 4.13%	Ditto	Ditto

SIGNIFICANT MATTERS

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	Balance as at 31 December 2019	Remarks	Whether or not constituting a related party transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Group Finance Company	300,000,000.00	23 July 2019	22 July 2020	300,000,000.00	Entrusted loan with annual interest rate of 3.92%	Ditto	Ditto
Group Finance Company	(200,000,000.00)	15 November 2018	15 February 2019	–	Entrusted loan with annual interest rate of 4.35%	Ditto	Ditto
Changyi Company	(70,000,000.00)	14 December 2018	13 December 2019	–	Entrusted loan with annual interest rate of 4.35%	Yes, continuing connected transaction (a 60% owned subsidiary by the Company's subsidiary Guangjing Xicheng Company (a 85% owned connected subsidiary of the Company))	Yes (exempt from the announcement requirement according to Rule 14A.90))
Yichang Company	(250,000,000.00)	6 September 2018	5 September 2019	–	Entrusted loan with annual interest rate of 4.35%	Yes, continuing connected transaction (a 60% subsidiary owned by Guangjing Xicheng Company (a 85% connected subsidiary of the Company))	Yes (exempt from the announcement requirement according to Rule 14A.90)
Yichang Company	250,000,000.00	16 July 2019	15 July 2020	250,000,000.00	Entrusted loan with annual interest rate of 4.35%	Ditto	Ditto
Lend to (collect from): Zhendan Company	(7,000,000.00)	18 December 2018	18 December 2019	–	Entrusted loan with annual interest rate of 4.35%	No (a 70% owned subsidiary of the Company)	Not Applicable
Zhendan Company	11,000,000.00	18 March 2019	18 March 2020	11,000,000.00	Entrusted loan with annual interest rate of 4.35%	Ditto	Ditto
Zhendan Company	200,000,000.00	12 October 2019	3 April 2020	200,000,000.00	Entrusted loan with annual interest rate of 2.59%	Ditto	Ditto
Zhendan Company	160,000,000.00	19 December 2018	15 January 2020	160,000,000.00	Entrusted loan with annual interest rate of 2.20%	Ditto	Ditto
Ninghu Properties Company	–	2 September 2016	1 September 2021	300,000,000.00	Entrusted loan with annual interest rate of 4.75%	No (a wholly-owned subsidiary of the Company)	Not Applicable
Ninghu Properties Company	(200,000,000.00)	9 November 2016	1 September 2021	–	Entrusted loan with annual interest rate of 4.75%	Ditto	Ditto
Ninghu Properties Company	(40,000,000.00)	9 November 2016	8 November 2021	150,000,000.00	Entrusted loan with annual interest rate of 4.75%	Ditto	Ditto
Ninghu Properties Company	(200,000,000.00)	2 September 2016	2 September 2021	–	Entrusted loan with annual interest rate of 4.75%	Ditto	Ditto
Ninghu Properties Company	–	20 October 2016	20 October 2021	500,000,000.00	Entrusted loan with annual interest rate of 4.75%	Ditto	Ditto
Hanwei Company	(120,000,000.00)	15 March 2017	15 March 2020	–	Entrusted loan with annual interest rate of 4.75%	No (a wholly-owned subsidiary of the Company)	Not Applicable
Hanwei Company	(144,000,000.00)	20 March 2018	20 March 2021	336,000,000.00	Entrusted loan with annual interest rate of 4.75%	Ditto	Ditto

Note: When the Company is the borrower, the positive amount represents borrowing from a related party while the negative amount represents repayment to a related party; When the Company is the lender, positive amount represents lending to a related party while the negative amount represents collecting the money from a related party.

SIGNIFICANT MATTERS

5) Compensation for key management personnel

Unit: Yuan Currency: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Compensation for key management personnel	4,473,957	3,609,167	Yes, continuing connected transaction (Director of the Company)	Yes (exempt from the announcement requirement according to Rule 14A.95))

Pricing and decision-making procedures of related/connected transactions: For significant related/connected transactions, the price is settled by public tender bid price, or for reference of quote from independent, qualified construction provider after arm's length negotiation in principle that less than relevant market price. The Board Meeting should review and approve the quote and the related/connected director should abstained from voting. The independent directors should then express an independent opinion. For other insignificant related/connected transaction, the price is settled by signed contracts.

XV. Major Contracts and Performance

(I) Trusteeship, contracting and leasing matters

1. Information on trusteeship

<input type="checkbox"/> Applicable	<input checked="" type="checkbox"/> N/A
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2. Information on contracting

<input type="checkbox"/> Applicable	<input checked="" type="checkbox"/> N/A
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3. Information on leasing

<input checked="" type="checkbox"/> Applicable	<input type="checkbox"/> N/A
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SIGNIFICANT MATTERS

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Status of leased assets	Date of		Lease income	Basis of determination of lease income	Effect of lease income on the Company	Related party/ connected transaction	Related party/ connected relationship	
			Amount of lease of asset	Date of commencement of lease						Date of expiry of lease
Company	Jiaying Kaitong Investment Co., Ltd.	Meicun Service Area	12,955,904	10 January 2017	9 January 2023	280,000,000	A tender agency was engaged by the Company for open tendering at a starting price of RMB200 million and for selection of the bidder with the highest score based on its comprehensive review, which was considered and approved by the board of directors of the Company	During the Reporting Period, the profit derived from the service area increased by RMB1,059,000 year-on-year.	No	Other
Company	Jiaying Tonghui Expressway Service Zone Operation and Management Co., Ltd.	Xianrenshan Service Area	17,805,392	16 June 2017	15 June 2023	143,510,346	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB100.3 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the board of directors of the Company.	During the Reporting Period, the profit derived from the service area decreased by RMB2,351,000 year-on-year.	No	Other
Company	Tongxiang Yintong Expressway Service Zone Operation and Management Co., Ltd.	Huanglishu Service Area	47,256,513	1 July 2017	30 June 2023	133,070,000	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB108.02 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the board of directors of the Company.	During the Reporting Period, the profit derived from the service area increased by RMB2,223,000 year-on-year.	No	Other
Company	Jiaying Kaitong Investment Co., Ltd.	Yangcheng Lake Service Area	60,930,582	15 May 2018	14 May 2027	185,000,000	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB176.08 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the board of directors of the Company.	During the Reporting Period, the profit derived from the service area decreased by RMB6,089,000 year-on-year.	No	Other
Company	Dragon City Tourism Holding Group Co., Ltd.	Fangmaoshan Service Area	20,919,070	11 May 2018	10 May 2026	185,260,000	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB160 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the board of directors of the Company.	During the Reporting Period, the profit derived from the service area increased by RMB6,874,000 year-on-year.	No	Other
Company	Nanjing Baisheng Business Management Co., Ltd.	Douzhuang Service Area	17,806,972	21 September 2018	20 September 2026	160,040,000	An agency was engaged by the Company to conduct open tendering with a minimum bid of RMB160 million. The bidder with the highest overall score won the bid. The matter has been considered and approved by the board of directors of the Company.	During the Reporting Period, the profit derived from the service area increased by RMB7,607,000 year-on-year	No	Other

Details of lease

For details, please see the section "Discussion and Analysis of Operations".

(II) Related guarantee

Applicable N/A

(III) Entrusted others to manage cash assets

1. Entrusted wealth management

SIGNIFICANT MATTERS

(1) *General conditions of entrusted wealth management*

Applicable N/A

Unit: Yuan Currency: RMB

Type	Source of funds	Amount incurred	Unexpired balance	Overdue outstanding amount
Bank wealth management	Self-owned funds	8,366,100,000	640,350,000	-

Others

Applicable N/A

Wealth management services provided by single financial institution entrusted by the Group during the Reporting Period

Unit: Yuan Currency: RMB

Financial institution	Accumulation of wealth management products entrusted during the Reporting Period	Percentage of total assets as at the end of the year	Percentage of total market value as at the end of the year
Huaxia Bank	2,129,000,000	3.83%	3.77%
Shanghai Pudong Development Bank	2,086,900,000	3.75%	3.69%
China Merchants Bank	872,000,000	1.57%	1.54%
Bank of China	727,500,000	1.31%	1.29%
Bank of Ningbo	630,000,000	1.13%	1.11%
Bank of Jiangsu	540,000,000	0.97%	0.96%
Agricultural Bank	407,900,000	0.73%	0.72%
Bank of Hangzhou	335,500,000	0.60%	0.59%
China CITIC Bank	279,000,000	0.50%	0.49%
China Guangfa Bank	231,500,000	0.42%	0.41%
Bank of Nanjing	80,000,000	0.14%	0.14%
Industrial and Commercial Bank	32,300,000	0.06%	0.06%
China Construction Bank	14,500,000	0.03%	0.03%
Total	8,366,100,000		

Note: As at the end of the Reporting Period, the total assets of the Group were RMB55,625,048,624.75; the total number of shares of the Company was 5,037,747,500 shares; the share price on 31 December 2019 was RMB11.22 per share and the total market value was RMB56,523,526,950.

(2) *Breakdown of individual entrusted wealth management*

Applicable N/A

SIGNIFICANT MATTERS

Unit: 0,000 Currency: RMB

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected gains (if any)	Actual gains or losses	Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
Huaxia Bank	Structured deposits	6,000.00	2019/3/22	2019/6/20	Internal funds	Deposits	Capital preservation	3.95%	-	58.44	6,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	26,000.00	2019/4/28	2019/5/5	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.30%	-	15.74	10,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	7,000.00	2019/4/28	2019/5/8	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.30%	-	6.02	7,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	3,000.00	2019/4/28	2019/5/20	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.30%	-	5.64	3,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	20,000.00	2019/5/29	2019/7/5	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.80%	-	77.04	20,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	2,000.00	2019/5/31	2019/6/5	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.00%	-	0.66	2,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	6,300.00	2019/5/31	2019/7/5	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.80%	-	22.96	6,300.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	15,000.00	2019/6/28	2019/7/2	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.10%	-	5.10	15,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	10,000.00	2019/6/28	2019/7/5	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.10%	-	5.95	10,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	3,000.00	2019/7/31	2019/8/5	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.10%	-	1.27	3,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	4,000.00	2019/7/31	2019/8/20	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.60%	-	7.89	4,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	25,000.00	2019/7/31	2019/10/28	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.80%	-	231.64	25,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	7,000.00	2019/8/30	2019/10/23	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.80%	-	39.32	7,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	19,000.00	2019/8/30	2019/10/28	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.78%	-	116.04	19,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	10,000.00	2019/9/30	2019/10/9	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.30%	-	8.13	10,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	15,000.00	2019/9/30	2019/10/15	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.60%	-	22.19	15,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	1,000.00	2019/9/30	2019/10/23	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.55%	-	2.24	1,000.00	Yes	Yes	0
Huaxia Bank	Open non-guaranteed wealth management	16,600.00	2019/11/29	2019/12/18	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.55%	-	29.06	16,600.00	Yes	Yes	0

SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected gains (if any)	Actual gains or losses	Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
Huaxia Bank	Open non-guaranteed wealth management	17,000.00	2019/12/31	-	Internal funds	Monetary market and bond market assets	Non-capital preservation	3.55%	-	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	5,060.00	2019/1/3	2019/5/1	Internal funds	Central bank notes, treasury bonds, financial bonds, etc.	Capital preservation	4.10%	-	54.75	5,060.00	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	1,300.00	2019/1/31	2019/2/15	Internal funds	Deposits	Capital preservation	1.10%	-	0.44	1,300.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	9,000.00	2019/1/31	2019/3/4	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	3.82%	-	32.47	9,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	300.00	2019/1/31	2019/2/11	Internal funds	Deposits	Capital preservation	1.10%	-	0.42	300.00	Yes	Yes	0
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	600.00	2019/2/11	2019/4/9	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	2.05	600.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	5,000.00	2019/2/27	2019/4/3	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	3.75%	-	19.27	5,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	1,200.00	2019/2/28	2019/3/21	Internal funds	Deposits	Capital preservation	1.10%	-	0.70	1,200.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	3,350.00	2019/2/28	2019/5/29	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	4.00%	-	33.87	3,350.00	Yes	Yes	0
Shanghai Pudong Development Bank	ig901 Tranche	2,400.00	2019/3/1	2019/4/4	Internal funds	Bond and monetary market instruments	Capital preservation	3.70%	-	8.61	2,400.00	Yes	Yes	0
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	200.00	2019/3/7	2019/4/9	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	0.36	200.00	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	700.00	2019/3/15	2019/5/16	Internal funds	Deposits	Capital preservation	1.10%	-	1.34	700.00	Yes	Yes	0
Shanghai Pudong Development Bank	ig901 Tranche	1,000.00	2019/3/18	2019/4/22	Internal funds	Bond and monetary market instruments	Capital preservation	3.65%	-	3.25	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	9,600.00	2019/3/22	2019/6/18	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	3.90%	-	9,600.00	90.48	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	400.00	2019/3/29	2019/4/12	Internal funds	Deposits	Capital preservation	1.10%	-	0.04	400.00	Yes	Yes	0
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	1,000.00	2019/3/29	2019/4/9	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	0.66	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	1,000.00	2019/4/4	2019/7/3	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.95%	-	9.77	1,000.00	Yes	Yes	0

SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management		Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected		Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
										gains (if any)	Actual gains or losses				
Shanghai Pudong Development Bank	g901 Tranche	2,700.00	2019/4/8	2019/5/13	Internal funds	Bond and monetary market instruments	Capital preservation	3.65%		9.04	2,700.00	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	500.00	2019/4/11	2019/5/8	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	0.79	500.00	Yes	Yes	0	
Shanghai Pudong Development Bank	g901 Tranche	800.00	2019/4/15	2019/5/20	Internal funds	Bond and monetary market instruments	Capital preservation	3.65%		2.68	800.00	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	200.00	2019/4/22	2019/5/8	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	0.20	200.00	Yes	Yes	0	
Shanghai Pudong Development Bank	g901 Tranche	1,100.00	2019/4/23	2019/5/28	Internal funds	Bond and monetary market instruments	Capital preservation	3.60%		3.63	1,100.00	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	600.00	2019/4/25	2019/5/8	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	0.40	600.00	Yes	Yes	0	
Shanghai Pudong Development Bank	7-day Notice	300.00	2019/4/26	2019/5/16	Internal funds	Deposits	Capital preservation	1.10%	-	0.17	300.00	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	1,200.00	2019/4/29	2019/5/8	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	0.67	1,200.00	Yes	Yes	0	
Shanghai Pudong Development Bank	Structured deposits	3,500.00	2019/4/29	2019/7/29	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.95%		34.18	3,500.00	Yes	Yes	0	
Shanghai Pudong Development Bank	Structured deposits	4,100.00	2019/5/6	2019/8/5	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.90%		39.53	4,100.00	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	100.00	2019/5/15	2019/6/19	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	0.21	100.00	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	400.00	2019/5/15	2019/10/11	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	3.64	400.00	Yes	Yes	0	
Shanghai Pudong Development Bank	g901 Tranche	1,000.00	2019/5/20	2019/6/24	Internal funds	Bond and monetary market instruments	Capital preservation	3.60%		3.21	1,000.00	Yes	Yes	0	
Shanghai Pudong Development Bank	7-day Notice	1,000.00	2019/5/21	2019/6/18	Internal funds	Deposits	Capital preservation	1.10%	-	0.83	1,000.00	Yes	Yes	0	
Shanghai Pudong Development Bank	Bu Bu Gao Sheng	20,000.00	2019/5/21	2019/6/12	Internal funds	Cash, treasury bonds, local treasury bonds	Non-capital preservation	3.60%	-	43.34	20,000.00	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	200.00	2019/5/24		Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	2.54	-	Yes	Yes	0	

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected gains (if any)	Actual gains or losses	Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
Shanghai Pudong Development Bank	Cash Management Team No. 1	1,400.00	2019/5/27	2019/6/17	Internal funds	Bond and monetary market instruments	Capital preservation	2.20%		1.71	1,400.00	Yes	Yes	0
Shanghai Pudong Development Bank	Cash Management Team No. 1	100.00	2019/5/27	2019/11/13	Internal funds	Bond and monetary market instruments	Capital preservation	1.90%		0.90	100.00	Yes	Yes	0
Shanghai Pudong Development Bank	g901 Tranche	1,000.00	2019/5/28	2019/7/1	Internal funds	Bond and monetary market instruments	Capital preservation	3.60%		3.21	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	g901 Tranche	1,000.00	2019/5/29	2019/7/3	Internal funds	Bond and monetary market instruments	Capital preservation	3.50%		3.16	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	g901 Tranche	600.00	2019/6/17	2019/7/22	Internal funds	Bond and monetary market instruments	Capital preservation	3.50%		1.93	600.00	Yes	Yes	0
Shanghai Pudong Development Bank	Term deposits	25,000.00	2019/6/21	2019/6/24	Internal funds	Deposits	Capital preservation	1.14%	-	2.37	25,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	1,800.00	2019/6/21	2019/7/22	Internal funds	Bond and monetary market instruments	Capital preservation	3.60%		5.26	1,800.00	Yes	Yes	0
Shanghai Pudong Development Bank	g901 Tranche	1,000.00	2019/6/25	2019/7/30	Internal funds	Bond and monetary market instruments	Capital preservation	3.50%		3.30	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	Tian Tian Li No. 1	5,500.00	2019/6/28	2019/7/2	Internal funds	Cash, treasury bonds, local treasury bonds	Non-capital preservation	2.50%	-	1.72	5,500.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	2,000.00	2019/6/28	2019/8/2	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	3.70%	-	2,000.00	7.19	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	5,700.00	2019/6/28	2019/12/18	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	3.95%	-	5,700.00	106.32	Yes	Yes	0
Shanghai Pudong Development Bank	g901 Tranche	700.00	2019/7/4	2019/8/3	Internal funds	Bond and monetary market instruments	Capital preservation	3.55%		2.02	700.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	1,000.00	2019/7/4	2019/8/4	Internal funds	Bond and monetary market instruments	Capital preservation	3.60%		2.92	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	300.00	2019/7/10		Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	2.33	-	Yes	Yes	0
Shanghai Pudong Development Bank	g901 Tranche	500.00	2019/7/23	2019/8/22	Internal funds	Bond and monetary market instruments	Capital preservation	3.50%		1.38	500.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	1,300.00	2019/7/23	2019/8/22	Internal funds	Bond and monetary market instruments	Capital preservation	3.60%		3.68	1,300.00	Yes	Yes	0
Shanghai Pudong Development Bank	g11006 tranche	2,200.00	2019/7/30	2019/8/13	Internal funds	Bond and monetary market instruments	Capital preservation	2.70%		2.18	2,200.00	Yes	Yes	0

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management		Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected		Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
										gains (if any)	Actual gains or losses				
Shanghai Pudong Development Bank	Structured deposits	10,000.00	2019/7/31	2019/8/30	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	3.75%		-	30.83	10,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	gj1006 tranche	1,000.00	2019/7/31	2019/8/14	Internal funds	Bond and monetary market instruments	Capital preservation	2.70%			0.99	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	Li Duo Duo Cash Management No. 1	200.00	2019/8/5	2019/11/28	Internal funds	Bond and monetary market instruments	Capital preservation	1.80%			1.15	200.00	Yes	Yes	0
Shanghai Pudong Development Bank	gj1006 tranche	700.00	2019/8/6	2019/8/20	Internal funds	Bond and monetary market instruments	Capital preservation	2.70%			0.69	700.00	Yes	Yes	0
Shanghai Pudong Development Bank	JG1001 Tranche (30-day)	800.00	2019/8/6	2019/9/5	Internal funds	Bond and monetary market instruments	Capital preservation	3.55%			2.23	800.00	Yes	Yes	0
Shanghai Pudong Development Bank	gj1006 tranche	3,200.00	2019/8/15	2019/8/22	Internal funds	Bond and monetary market instruments	Capital preservation	2.60%			1.53	3,200.00	Yes	Yes	0
Shanghai Pudong Development Bank	Cash No. 1	4,400.00	2019/8/22	2019/9/27	Internal funds	Bond and monetary market instruments	Capital preservation	2.20%			7.51	4,400.00	Yes	Yes	0
Shanghai Pudong Development Bank	Li Duo Duo Cash Management No. 1	500.00	2019/8/23	2019/11/28	Internal funds	Bond and monetary market instruments	Capital preservation	2.01%			2.70	500.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits (30-day)	500.00	2019/8/26	2019/9/25	Internal funds	Bond and monetary market instruments	Capital preservation	3.55%			1.40	500.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	4,430.00	2019/8/30	2019/9/6	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	2.70%			2.28	4,430.00	Yes	Yes	0
Shanghai Pudong Development Bank	JG1001 Tranche (30-day)	1,000.00	2019/9/7	2019/10/8	Internal funds	Bond and monetary market instruments	Capital preservation	3.61%			2.94	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	Cash No. 1	1,400.00	2019/9/11	2019/9/18	Internal funds	Bond and monetary market instruments	Capital preservation	2.65%			0.72	1,400.00	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	1,400.00	2019/9/18	2019/12/18	Internal funds	Deposits	Capital preservation	1.10%		-	3.89	1,400.00	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	600.00	2019/9/18	2019/10/12	Internal funds	Deposits	Capital preservation	1.10%		-	0.07	600.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	4,400.00	2019/9/23	2019/10/23	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.70%			13.20	4,400.00	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	500.00	2019/9/26	2019/10/12	Internal funds	Deposits	Capital preservation	1.10%		-	0.12	500.00	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	200.00	2019/9/29	2019/10/9	Internal funds	Deposits	Capital preservation	1.10%		-	0.02	200.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	6,000.00	2019/9/29	2019/10/8	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	3.15%		-	4.50	6,000.00	Yes	Yes	0

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected		Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
									gains (if any)	Actual gains or losses				
Shanghai Pudong Development Bank	Structured deposits	600.00	2019/9/29	2019/10/8	Internal funds	Bond and monetary market instruments	Capital preservation	2.80%		0.40	600.00	Yes	Yes	0
Shanghai Pudong Development Bank	JG1001 Tranche (30-day)	500.00	2019/9/29	2019/10/29	Internal funds	Bond and monetary market instruments	Capital preservation	3.45%		1.36	500.00	Yes	Yes	0
Shanghai Pudong Development Bank	JG1006 Tranche (14-day)	1,000.00	2019/10/9	2019/10/23	Internal funds	Bond and monetary market instruments	Capital preservation	2.95%		1.08	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	500.00	2019/10/12	2019/12/18	Internal funds	Deposits	Capital preservation	1.10%	-	0.98	500.00	Yes	Yes	0
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	2,000.00	2019/10/24	2019/12/23	Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	8.55	2,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	1,000.00	2019/10/24		Internal funds	Central bank notes, treasury bonds, financial bonds, corporate bonds and commercial papers	Capital preservation	2.20%	-	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	4,400.00	2019/10/25	2019/11/27	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.65%		13.02	4,400.00	Yes	Yes	0
Shanghai Pudong Development Bank	JG1001 Tranche (30-day)	1,000.00	2019/10/25	2019/11/24	Internal funds	Bond and monetary market instruments	Capital preservation	3.50%		2.75	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	1,000.00	2019/10/28	2019/11/27	Internal funds	Bond and monetary market instruments	Capital preservation	3.50%		2.75	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	JG1006 Tranche (14-day)	500.00	2019/10/30	2019/11/13	Internal funds	Bond and monetary market instruments	Capital preservation	2.95%		0.54	500.00	Yes	Yes	0
Shanghai Pudong Development Bank	JG1001 Tranche (30-day)	500.00	2019/11/14	2019/12/16	Internal funds	Bond and monetary market instruments	Capital preservation	3.40%		1.43	500.00	Yes	Yes	0
Shanghai Pudong Development Bank	Gong structured deposits (14-day)	1,000.00	2019/11/26	2019/12/10	Internal funds	Bond and monetary market instruments	Capital preservation	2.80%		1.03	1,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	4,400.00	2019/11/28	2019/12/29	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.50%		12.88	4,400.00	Yes	Yes	0
Shanghai Pudong Development Bank	Structured deposits	3,000.00	2019/11/28	2019/12/29	Internal funds	Bond and monetary market instruments	Capital preservation	3.40%		8.29	3,000.00	Yes	Yes	0
Shanghai Pudong Development Bank	gi1006 tranche	500.00	2019/12/2	2019/12/16	Internal funds	Bond and monetary market instruments	Capital preservation	2.80%		0.51	500.00	Yes	Yes	0
Shanghai Pudong Development Bank	JG1005 Tranche (7-day)	1,500.00	2019/12/17	2019/12/24	Internal funds	Bond and monetary market instruments	Capital preservation	2.70%		0.74	1,500.00	Yes	Yes	0
Shanghai Pudong Development Bank	7-day Notice	500.00	2019/12/24	-	Internal funds	Deposits	Capital preservation	1.10%	-	-	-	Yes	Yes	0
Shanghai Pudong Development Bank	JG1006 Tranche (14-day)	5,200.00	2019/12/30	2020/1/13	Internal funds	Bond and monetary market instruments	Capital preservation	3.10%	-	-	-	Yes	Yes	0

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected		Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
									gains (if any)	Actual gains or losses				
Shanghai Pudong Development Bank	Structured deposits	4,450.00	2019/12/31	2020/1/14	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	2.70%	-	-	4,450.00	Yes	Yes	0
Shanghai Pudong Development Bank	Li Duo Duo	3,000.00	2019/12/31	2019/1/7	Internal funds	Bond and monetary market instruments	Capital preservation	2.90%	-	-	-	Yes	Yes	0
China Merchants Bank	Structured deposits	5,000.00	2019/3/18	2019/3/25	Internal funds	Link to gold	Capital preservation	2.30%	-	2.21	5,000.00	Yes	Yes	0
China Merchants Bank	Structured deposits	5,000.00	2019/3/29	2019/4/12	Internal funds	Link to gold	Capital preservation	3.15%	-	6.04	5,000.00	Yes	Yes	0
China Merchants Bank	Structured deposits	25,500.00	2019/4/30	2019/5/5	Internal funds	Link to gold	Capital preservation	2.74%	-	9.57	25,500.00	Yes	Yes	0
China Merchants Bank	Structured deposits	25,000.00	2019/6/25	2019/7/2	Internal funds	Link to gold	Capital preservation	3.30%	-	15.82	25,000.00	Yes	Yes	0
China Merchants Bank	Structured deposits	10,000.00	2019/9/26	2019/10/10	Internal funds	Link to gold	Capital preservation	3.30%	-	12.66	10,000.00	Yes	Yes	0
China Merchants Bank	Structured deposits	3,000.00	2019/11/29	2019/12/6	Internal funds	Link to gold	Capital preservation	2.08%	-	1.20	3,000.00	Yes	Yes	0
China Merchants Bank	Structured deposits	3,700.00	2019/12/19	-	Internal funds	Link to gold	Capital preservation	3.70%	-	3,700.00	-	Yes	Yes	0
China Merchants Bank	Structured deposits	10,000.00	2019/12/31	-	Internal funds	Link to gold	Capital preservation	3.05%	-	-	-	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	700.00	2019/1/4	2019/1/14	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.33	700.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	1,500.00	2019/1/8	2019/1/14	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.33	1,500.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	500.00	2019/1/8	2019/1/14	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.10	500.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	3,500.00	2019/1/11	2019/1/21	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	1.82	3,500.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	500.00	2019/1/29	2019/2/11	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.29	500.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	1,700.00	2019/1/29	2019/2/11	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	1.00	1,700.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	600.00	2019/2/15	2019/2/25	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.26	600.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	1,400.00	2019/2/15	2019/2/25	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.61	1,400.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	600.00	2019/2/28	2019/3/7	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.16	600.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	1,300.00	2019/2/28	2019/3/7	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.35	1,300.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	600.00	2019/3/29	2019/4/8	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.29	600.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	850.00	2019/4/12	2019/4/22	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.40	850.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	400.00	2019/4/12	2019/4/22	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.19	400.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	1,300.00	2019/4/23	2019/5/5	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.68	1,300.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	500.00	2019/4/23	2019/5/5	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.26	500.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	1,200.00	2019/5/23	2019/6/3	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.70	1,200.00	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	200.00	2019/5/29	2019/6/3	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.04	200.00	Yes	Yes	0

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management		Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected gains (if any)	Actual gains or losses	Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
Bank of China	Capital preservation with non-fixed term	300.00	2019/5/29	2019/6/3	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.04	300.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	100.00	2019/5/30	2019/6/3	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.02	100.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	100.00	2019/6/6	2019/6/13	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.03	100.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	700.00	2019/6/6	2019/6/19	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.47	700.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	2,500.00	2019/6/6	2019/6/19	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	1.69	2,500.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	400.00	2019/6/28	2019/7/12	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.31	400.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	1,800.00	2019/6/28	2019/7/12	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	1.38	1,800.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	1,400.00	2019/7/15	2019/7/22	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.43	1,400.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	2,200.00	2019/7/15	2019/7/22	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.68	2,200.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	1,600.00	2019/7/30	2019/8/12	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	1.14	1,600.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	2,300.00	2019/7/30	2019/8/13	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	1.64	2,300.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	1,600.00	2019/8/13	2019/8/26	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	1.14	1,600.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	2,000.00	2019/8/13	2019/8/26	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	1.42	2,000.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	2,100.00	2019/8/30	2019/9/16	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	2.15	2,100.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	2,000.00	2019/8/30	2019/9/16	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	2.05	2,000.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	2,000.00	2019/9/18	2019/10/8	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	5.87	2,000.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	9,000.00	2019/9/25	2019/10/8	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	2.41	9,000.00	Yes	Yes	0	
Bank of China	7-day Notice	400.00	2019/9/30	2019/10/8	Internal funds	Deposits	Capital preservation	1.10%	-	0.10	400.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	7,000.00	2019/10/9	2019/10/24	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	6.62	7,000.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	7,500.00	2019/10/25	2019/11/4	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	3.80	7,500.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	1,600.00	2019/10/28	2019/11/4	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.52	1,600.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	500.00	2019/11/12	2019/11/26	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.36	500.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	600.00	2019/11/12	2019/11/26	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.43	600.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	800.00	2019/11/22	2019/12/9	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.62	800.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	500.00	2019/11/28	2019/12/9	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.44	500.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	700.00	2019/11/28	2019/12/9	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.34	700.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	900.00	2019/12/13	2019/12/25	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	0.40	900.00	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	600.00	2019/12/16	2019/12/25	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	0.27	600.00	Yes	Yes	0	

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected gains (if any)	Actual gains or losses	Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
Bank of China	Capital preservation with non-fixed term	1,600.00	2019/12/31	-	Internal funds	Bonds or monetary market	Capital preservation	2.40%	-	-	-	Yes	Yes	0
Bank of China	Capital preservation with non-fixed term	600.00	2019/12/31	-	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.40%	-	-	-	Yes	Yes	0
Bank of Ningbo	Structured deposits	10,000.00	2019/3/28	2019/4/26	Internal funds	Structured deposits	Capital preservation	3.72%	-	29.56	10,000.00	Yes	Yes	0
Bank of Ningbo	Structured deposits	30,000.00	2019/5/21	2019/6/20	Internal funds	Structured deposits	Capital preservation	3.85%	-	94.93	30,000.00	Yes	Yes	0
Bank of Ningbo	Low risk wealth management	23,000.00	2019/6/28	2019/7/8	Internal funds	Treasury bonds, central bank notes, financial bonds, etc.	Non-capital preservation	2.80%	-	19.72	23,000.00	Yes	Yes	0
Bank of Jiangsu	Capital preservation with non-fixed term	14,000.00	2019/2/28	2019/4/8	Internal funds	Wealth management deposit	Capital preservation	3.80%	-	60.59	14,000.00	Yes	Yes	0
Bank of Jiangsu	Capital preservation with non-fixed term	10,000.00	2019/3/28	2019/4/11	Internal funds	Wealth management deposit	Capital preservation	3.25%	-	12.64	10,000.00	Yes	Yes	0
Bank of Jiangsu	保本浮动收益型	20,000.00	2019/7/31	2019/9/2	Internal funds	Wealth management deposit	Capital preservation	3.80%	-	69.67	20,000.00	Yes	Yes	0
Bank of Jiangsu	Structured deposits	10,000.00	2019/12/31	-	Internal funds	Wealth management deposit	Capital preservation	3.10%	-	-	-	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/1/7	2019/4/10	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.81%	-	1.45	200.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/1/8	2019/4/10	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.81%	-	0.72	100.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	750.00	2019/1/21	2019/4/11	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.30%	-	5.50	750.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/1/25	2019/4/11	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.43%	-	2.20	300.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	650.00	2019/1/29	2019/4/11	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	0.83%	-	1.05	650.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	400.00	2019/2/15	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.81%	-	1.63	400.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	550.00	2019/2/19	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.40%	-	1.64	550.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	400.00	2019/2/27	2019/5/8	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	4.97%	-	3.81	400.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/2/27	2019/7/4	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.03%	-	0.87	100.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/2/28	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.56%	-	0.90	300.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/3/4	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.85%	-	1.55	300.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	400.00	2019/3/12	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.89%	-	1.19	400.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/3/14	2019/4/10	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.17%	-	0.16	100.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	600.00	2019/3/15	2019/4/11	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.24%	-	0.97	600.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/3/15	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.99%	-	0.90	300.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/3/18	2019/4/10	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.42	300.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/3/18	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.72%	-	0.38	100.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/3/20	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.15%	-	0.90	300.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/3/21	2019/4/10	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.12	100.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	500.00	2019/3/25	2019/8/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.25%	-	5.19	500.00	Yes	Yes	0

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management		Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected		Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
										gains (if any)	Actual gains or losses				
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/3/25	2019/9/20	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.52%	-	6.10	300.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/3/25	2019/9/24	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	0.84%	-	1.48	300.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	400.00	2019/3/26	2019/4/10	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.36	400.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/3/27	2019/4/10	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.08	100.00	Yes	Yes	0	
Agricultural Bank	Ben Li Feng Tian Tian Li	8,900.00	2019/3/29	2019/4/15	Internal funds	Interbank and transaction	Capital preservation	2.20%	-	9.12	8,900.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/3/29	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	8.47%	-	5.72	300.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/3/29	2019/9/24	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	0.99%	-	0.99	200.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/3/29	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.34%	-	0.60	200.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/4/1	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.66%	-	0.56	200.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/4/4	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.16%	-	0.60	200.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/4/11	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.34	200.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/4/12	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.16	100.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/4/15	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.14	100.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/4/16	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.28	200.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/4/16	2019/4/29	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.12	200.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	1,800.00	2019/4/18	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	4.75%	-	4.99	1,800.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/4/19	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.78%	-	0.96	200.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	450.00	2019/4/22	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.97%	-	2.15	450.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	250.00	2019/4/23	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.02%	-	1.20	250.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/4/24	2019/5/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.09	100.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	1,000.00	2019/4/25	2019/7/25	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.86%	-	7.23	1,000.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	600.00	2019/4/26	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.19%	-	2.87	600.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	550.00	2019/4/29	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.38%	-	2.63	550.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/5/15	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.26	100.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/5/15	2019/9/24	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.81%	-	1.03	100.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/5/20	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.24%	-	0.54	300.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	600.00	2019/5/24	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	6.63%	-	2.87	600.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/5/27		Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.10%	-	-	-	Yes	Yes	0	

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management		Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected		Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
				date of entrusted wealth management	Source of funds					gains (if any)	Actual gains or losses				
Agricultural Bank	Capital preservation with non-fixed term	500.00	2019/5/27	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.38%	-	0.69	500.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	500.00	2019/5/28	2019/7/4	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	8.43%	-	4.33	500.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	200.00	2019/5/30	2019/6/19	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.28%	-	0.24	200.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/6/6	2019/9/25	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.17%	-	1.38	300.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	1,000.00	2019/6/28	2019/9/24	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.02%	-	4.93	1,000.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	600.00	2019/6/28	2019/9/25	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.39%	-	2.76	600.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	900.00	2019/7/10	2019/9/24	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.69%	-	5.34	900.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	600.00	2019/7/15	2019/9/25	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.64%	-	2.76	600.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	10.00	2019/7/29	2019/10/17	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	4.72%	-	0.10	10.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	40.00	2019/7/29	2019/11/12	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	7.68%	-	0.90	40.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	900.00	2019/7/31	2019/9/24	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.71%	-	3.66	900.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	600.00	2019/7/31	2019/9/24	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.17%	-	2.96	600.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	500.00	2019/8/13	2019/9/25	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.65%	-	2.30	500.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	500.00	2019/8/30	2019/9/24	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.17%	-	0.75	500.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/8/30	2019/12/23	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.80%	-	0.89	100.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/8/30		Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.10%	-	-	-	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	1,100.00	2019/8/30	2019/9/24	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	7.10%	-	5.42	1,100.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	350.00	2019/8/30	2019/9/25	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	6.40%	-	1.62	350.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	300.00	2019/9/29	2019/10/8	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.99%	-	0.18	300.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	40.00	2019/9/29	2019/12/9	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.99%	-	0.23	40.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	30.00	2019/9/29		Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.10%	-	-	-	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	50.00	2019/10/28		Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.10%	-	-	-	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/10/29		Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.10%	-	-	-	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	600.00	2019/10/31	2019/12/24	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.54%	-	2.29	600.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	500.00	2019/10/31	2019/12/23	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.74%	-	1.28	500.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	1,000.00	2019/11/28	2019/12/4	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	2.00%	-	0.34	1,000.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	600.00	2019/11/28	2019/12/23	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.54%	-	1.53	600.00	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	100.00	2019/11/28	2019/12/23	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	1.58%	-	0.11	100.00	Yes	Yes	0	

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected		Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
									gains (if any)	Actual gains or losses				
Agricultural Bank	Capital preservation with non-fixed term	500.00	2019/12/16	2019/12/23	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	5.15%	-	0.57	500.00	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	2,000.00	2019/12/30		Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.10%	-	-	-	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	800.00	2019/12/31		Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.10%	-	-	-	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	90.00	2019/12/31		Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.10%	-	-	-	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	80.00	2019/12/31		Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	3.10%	-	-	-	Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	300.00	219/11/12	2019/12/23	Internal funds	Treasury bonds, financial bonds, central bank notes, etc.	Capital preservation	0.97%	-	0.33	300.00	Yes	Yes	0
Bank of Hangzhou	Xinglu 99 Ying Wallet	3,000.00	2019/2/28	2019/3/1	Internal funds	Bonds (10%-90%); monetary instrument-interbank deposits, interbank borrowings (0%-80%)	Capital preservation	2.90%	-	-	3,000.00	Yes	Yes	0
Bank of Hangzhou	Xinglu 99 Ying Wallet	4,500.00	2019/2/28	2019/3/14	Internal funds	Bonds (10%-90%); monetary instrument-interbank deposits, interbank borrowings (0%-80%)	Capital preservation	2.90%	-	3.98	4,500.00	Yes	Yes	0
Bank of Hangzhou	Structured deposits	8,050.00	2019/3/26	2019/6/24	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	4.20%		83.55	8,050.00	Yes	Yes	0
Bank of Hangzhou	Structured deposits	3,000.00	2019/4/3	2019/7/29	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.80%		28.18	3,000.00	Yes	Yes	0
Bank of Hangzhou	Zhen Wallet	5,050.00	2019/11/28	2019/12/3	Internal funds	Bonds (10%-90%); monetary instrument-interbank deposits, interbank borrowings (0%-80%)	Non-capital preservation	3.60%	-	6.50	5,050.00	Yes	Yes	0
Bank of Hangzhou	Zhen Wallet	9,950.00	2019/11/28	2019/12/20	Internal funds	Bonds (10%-90%); monetary instrument-interbank deposits, interbank borrowings (0%-80%)	Non-capital preservation	3.60%	-	14.19	9,950.00	Yes	Yes	0
China CITIC Bank	Tian Tian Kuai Che	4,000.00	2019/1/31	2019/2/2	Internal funds	Monetary market and fixed income assets, etc.	Capital preservation	2.30%	-	0.50	4,000.00	Yes	Yes	0
China CITIC Bank	Structured deposits	15,000.00	2019/3/29	2019/4/29	Internal funds	Interest rate swaps	Capital preservation	3.85%	-	48.41	150,000.00	Yes	Yes	0
China CITIC Bank	Tian Tian Kuai Che	4,900.00	2019/6/27	2019/7/1	Internal funds	Monetary market and fixed income assets, etc.	Capital preservation	2.10%	-	1.13	4,900.00	Yes	Yes	0
China CITIC Bank	Structured deposits	4,000.00	2019/9/30	2019/10/9	Internal funds	Interest rate swaps	Capital preservation	3.45%	-	2.17	4,000.00	Yes	Yes	0
China Guangfa Bank	Xin Jia Xin	600.00	2019/2/1	2019/3/4	Internal funds	Bond and monetary market instruments	Capital preservation	3.60%		1.73	600.00	Yes	Yes	0
China Guangfa Bank	Structured deposits	5,050.00	2019/2/22	2019/5/23	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	4.05%		50.43	5,050.00	Yes	Yes	0
China Guangfa Bank	Xin Jia Xin	300.00	2019/3/1	2019/4/1	Internal funds	Bond and monetary market instruments	Capital preservation	3.50%		0.84	300.00	Yes	Yes	0
China Guangfa Bank	Xin Jia Xin	800.00	2019/3/12	2019/4/12	Internal funds	Bond and monetary market instruments	Capital preservation	3.60%		2.31	800.00	Yes	Yes	0
China Guangfa Bank	Structured deposits	3,600.00	2019/3/28	2019/6/28	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.95%		35.84	3,600.00	Yes	Yes	0
China Guangfa Bank	Structured deposits	3,000.00	2019/4/29	2019/7/29	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.90%		29.17	3,000.00	Yes	Yes	0

SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Source of funds	Investment target	Determination of returns	Annualized yield rate	Expected gains (if any)	Actual gains or losses	Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)
China Guangfa Bank	Structured deposits	3,600.00	2019/6/28	2019/7/30	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.70%		11.68	3,600.00	Yes	Yes	0
China Guangfa Bank	Structured deposits	3,100.00	2019/7/30	2019/8/30	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.65%		9.61	3,100.00	Yes	Yes	0
China Guangfa Bank	Structured deposits	3,100.00	2019/8/30	2019/9/30	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	3.60%		9.48	3,100.00	Yes	Yes	0
Bank of Nanjing	Structured deposits	5,000.00	2019/3/15	2019/6/13	Internal funds	Central bank notes, governmental and financial bonds for interbank market	Capital preservation	4.10%		51.29	5,000.00	Yes	Yes	0
Bank of Nanjing	Non-guaranteed floating income wealth management	3,000.00	2019/7/30	2019/9/4	Internal funds	Interbank market and stock exchange market	Non-capital preservation	3.80%	-	10.93	3,000.00	Yes	Yes	0
Industrial and Commercial Bank	Capital preservation	500.00	2019/1/29	2019/4/1	Internal funds	Bond and monetary market instruments	Capital preservation	3.10%		2.68	500.00	Yes	Yes	0
Industrial and Commercial Bank	7-day Notice	200.00	2019/1/31	2019/2/11	Internal funds	Deposits	Capital preservation	1.10%	-	0.07	200.00	Yes	Yes	0
Industrial and Commercial Bank	7-day Notice	500.00	2019/3/15	2019/4/9	Internal funds	Deposits	Capital preservation	1.10%	-	0.22	500.00	Yes	Yes	0
Industrial and Commercial Bank	7-day Notice	200.00	2019/4/12	2019/5/9	Internal funds	Deposits	Capital preservation	1.10%	-	0.05	200.00	Yes	Yes	0
Industrial and Commercial Bank	Capital preservation	580.00	2019/4/19	2019/6/20	Internal funds	Bond and monetary market instruments	Capital preservation	3.10%		3.10	580.00	Yes	Yes	0
Industrial and Commercial Bank	7-day Notice	200.00	2019/5/30	2019/6/18	Internal funds	Deposits	Capital preservation	1.10%	-	0.12	200.00	Yes	Yes	0
Industrial and Commercial Bank	7-day Notice	300.00	2019/6/27	2019/12/30	Internal funds	Deposits	Capital preservation	1.10%	-	0.47	300.00	Yes	Yes	0
Industrial and Commercial Bank	Capital preservation	650.00	2019/7/2	2019/9/2	Internal funds	Bond and monetary market instruments	Capital preservation	3.00%		3.37	650.00	Yes	Yes	0
Industrial and Commercial Bank	7-day Notice	100.00	2019/9/29	2019/12/30	Internal funds	Deposits	Capital preservation	1.10%	-	0.08	100.00	Yes	Yes	0
China Construction Bank	Capital preservation with non-fixed term	950.00	2019/5/29	2019/6/19	Internal funds	Corporate bonds or financing instruments	Capital preservation	1.64%	-	0.91	950.00	Yes	Yes	0
China Construction Bank	Capital preservation with non-fixed term	500.00	2019/10/31	2019/11/4	Internal funds	Corporate bonds or financing instruments	Capital preservation	2.66%	-	0.15	500.00	Yes	Yes	0

Others

Applicable

N/A

SIGNIFICANT MATTERS

(3) *Entrusted financial impairment provision*

Applicable N/A

2. Entrusted loans

(1) *General condition of entrusted loans*

Applicable N/A

Type	Fund source	Amount	Outstanding balance	Uncollected amount overdue
Entrusted loans	Self-owned funds	-700,000,000.00	1,297,000,000.00	0

Others

Applicable N/A

(2) *Breakdown of individual entrusted loans*

Applicable N/A

Borrower	Loans (RMB)	Term	Maturity	Lending rate	Guarantee	Whether to be included in the annuity plan	
						Approved by	
Zhendan Company	11,000,000.00	1 year	2020/3/18	4.35%	No	yes	The Board
Hanwei Company	336,000,000.00	3 years	2021/3/20	4.75%	No	yes	The Board
Ninghu Properties Company	300,000,000.00	5 years	2021/9/1	4.75%	No	yes	The Board
Ninghu Properties Company	500,000,000.00	5 years	2021/10/19	4.75%	No	yes	The Board
Ninghu Properties Company	110,000,000.00	58 months	2021/9/8	4.75%	No	yes	The Board
Ninghu Properties Company	40,000,000.00	5 years	2021/11/8	4.75%	No	yes	The Board

Note: The Company holds 70% of shares of Zhendan Company and 100% of shares of Hanwei Company and Ninghu Properties Company.

Others

Applicable N/A

(3) *Entrusted loans impairment provision*

Applicable N/A

3. Others

Applicable N/A

(IV) Other major contracts

Applicable N/A

XVI. Explanation of other significant matters

Applicable N/A

(I) Toll Fee Exemption for Toll Roads in the PRC During the Period of Prevention and Control of the Novel Coronavirus Disease

According to Notice on Toll Fee Exemption for Toll Roads in the PRC During the Period of Prevention and Control of the Novel Coronavirus Disease, the Toll Fee Exemption takes effect from 0:00 a.m. on 17 February 2020 and until the end of the prevention and control measures over the novel coronavirus disease. The Toll Fee Exemption applies to all vehicles that travel on toll roads (including toll bridges and tunnels) in the PRC that have been constructed pursuant to approval granted under the Highway Law of the People's Republic of China and the Regulations on the Administration of Toll Roads of the PRC.

(II) Changes of the Chairman of the Board of Directors and the Convener of the Strategy Committee of the Board of Directors and Director

On 2 March 2020, Mr. Gu Dejun resigned from the positions as Chairman of the board of directors, the convener of the strategy committee of the board of directors and director of the Company due to job reassignment. After the resignation, Mr. Gu Dejun will cease to hold any position in the Company.

At the the seventeenth meeting of the ninth session of the board of directors of the Company held on 2 March 2020, Mr. Sun Xibin, an executive director, was elected as the Chairman of the ninth session of the board of directors of the Company and the convener of the Strategy Committee under the ninth session of the board of directors of the Company. In addition, the nomination of Mr. Cheng Xiaoguang as an executive director of the ninth session of the board of directors of the Company and the signing of an executive director service contract between the Company and Mr. Cheng, with a term commencing from the date of the 2020 second extraordinary general meeting and expiring on the date of the 2020 annual general meeting were also approved. It was further approved to submit this proposal at the 2020 second extraordinary general meeting for consideration.

For details, please refer to the announcements published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 3 March 2020.

On 24 April 2020, Mr. Cheng Xiaoguang was appointed as an executive Director of the Company at the second extraordinary general meeting of the Company in 2020. For details, please refer to the announcements published by the Company on the website of the SSE at www.sse.com.cn on 25 April 2020 and the website of the Stock Exchange at www.hkexnews.hk on 24 April 2020.

(III) Change of Senior Management

Mr. Sun Xibin resigned from the position as the general manager of the Company due to job reassignment.

At the seventeenth meeting of the ninth session of the board of directors of the Company held on 2 March 2020, Mr. Cheng Xiaoguang was appointed as the general manager of the Company for a term of three years (commencing from the date of approval by the board of directors' meeting).

For details, please refer to the announcements published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 3 March 2020.

On 31 March 2020, due to job reassignment, Mr. Li Jie resigned from the position as the deputy general manager, and Mr. Xu Keqiang resigned from the position of the assistant to general manager of the Company.

On 31 March 2020, the Board of the Company considered and approved the appointment of Mr. Zhu Zhiwei as the deputy general manager of the Company for a term of three years (commencing from the date of approval by the board of directors); the appointment of Mr. Xu Zhongning as the deputy general manager of the Company for a term of three years (commencing from the date of approval by the board of directors).

For details, please refer to the announcement published on the websites of the SSE (www.sse.com.cn) and the Stock Exchange (www.hkexnews.hk) on 31 March 2020.

SIGNIFICANT MATTERS

XVII. Proactive Performance of Social Responsibility

(I) Poverty alleviation by the Company

Applicable N/A

1. Plan for targeted poverty alleviation

Applicable N/A

The Company attaches great importance to poverty alleviation works. Actively leveraging on its own characteristics, the Company systematically participates in targeted poverty alleviation programs and provides financial assistance to the impoverished areas for infrastructure construction, development of integrated farming and investment in emerging industries.

2. Summary of targeted poverty alleviation programs for the year

Applicable N/A

During the Reporting Period, the Company donated a total of RMB1.0 million to support the "Targeted Poverty Alleviation Program in Guannan County".

The funds of the Guannan County's targeted poverty alleviation project are mainly applied for precise poverty alleviation for Nanfang Village of Bailu Town and Xuxu Village of Duigougang Town, promote the living standards of the villagers, expand the achievements of the construction of the new socialist countryside, and enhance the people's happiness.

Effectiveness of targeted poverty alleviation

Applicable N/A

Unit: '0,000 Currency: RMB

Indicator	Quantity and development
I. Overview	
Of which: 1.1 Capital	100.00
II. Investment by item	
1. Poverty alleviation through industry development	
Of which: 1.1 Type of poverty alleviation programs through various industries	<input type="checkbox"/> Poverty alleviation in agriculture and forestry industry <input type="checkbox"/> Poverty alleviation in tourism <input type="checkbox"/> Poverty alleviation in e-commerce <input type="checkbox"/> Poverty alleviation in assets profit <input type="checkbox"/> Poverty alleviation in science and technology <input checked="" type="checkbox"/> Others
2. Poverty alleviation through shift employment	
3. Poverty alleviation through relocation from inhospitable areas	
4. Poverty alleviation through education and training	
5. Poverty alleviation through healthy service	
6. Poverty alleviation through ecological protection	

SIGNIFICANT MATTERS

Indicator	Quantity and development
Of which: 6.1 Project name	<input type="checkbox"/> Implement ecological protection and construction <input type="checkbox"/> Establish ecological protection compensation method <input type="checkbox"/> Set up ecological public welfare positions <input checked="" type="checkbox"/> Others
7. Basic assistance	
8. Social poverty alleviation	
of which: 8.1 Investment in coordinated poverty alleviation in East and West China	–
8.2 Investment in targeted poverty alleviation programs	100.00
8.3 Charity funds for poverty alleviation	–
9. Other projects	
III. Awards (details and grade)	

3. Subsequent targeted poverty alleviation plan

Applicable N/A

(II) Social Responsibility

Applicable N/A

The Company issued the 2019 Corporate Governance and Social Responsibility Report on 24 April 2020, and gave a detailed introduction and explanation on the Company's environmental indicators, resources use, environmental protection measures and performance of social responsibility. For details, please refer to the relevant announcements published by the Company on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Stock Exchange (www.hkex.com.hk) on 24 April 2020. For details of the corporate social responsibility work of the Company in 2019, please refer to the Social Responsibility Report of Jiangsu Expressway Company Limited in 2019.

(III) Compliance with laws

The Company was a joint-stock limited company established pursuant to the Company Law of the People's Republic of China. The Group is principally engaged in the investment, construction, operation and management of toll roads and bridges within Jiangsu Province and the development and operation of ancillary service areas along such toll roads (including refueling, catering, shopping, advertising and accommodation services, etc.). In the course of daily operating activities, the Group must comply with the Company Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Road Traffic Safety Law of the People's Republic of China, the Tendering and Bidding Law of the People's Republic of China and all other applicable laws and regulations. For the year ended 31 December 2019, there has not been any material violation of or non-compliance with applicable laws and regulations. The Company and its subsidiaries had obtained from relevant regulatory authorities all the licenses, approvals and permits that are material to our business operation.

Save for the delay in announcing the excess of annual caps of two continuing connected transactions reported in the announcement of the Company published on 21 April 2020 for reason as set out therein, to the knowledge of the board of directors and the management, the Group has also been in compliance with the Hong Kong Listing Rules, Securities and Futures Ordinance and applicable Hong Kong laws and regulations for the year ended 31 December 2019.

(IV) Environmental Information

1. Explanation on the environment protection by the key pollutant discharging companies and their subsidiaries as announced by the environmental protection department

Applicable N/A

SIGNIFICANT MATTERS

2. Environmental issues of companies other than key pollutant discharging companies

Applicable N/A

According to Notice of the State Council on Issuing the Action Plan for Prevention and Control of Water Pollution “(2015 GF [2015] No.17), Notice of the Provincial Government on Issuing the Work Plan for Prevention and Control of Water Pollution in Jiangsu Province (Su Zhen Fa [2015] No. 175) and Notice on Updating Double-layer Tanks of Underground Oil Tanks at Gas Stations or Reforming Anti-seepage Tanks” (Su Huan Ban [2018] No.32), by the end of 2019, six pairs of sewage in service areas along the Shanghai-Nanjing Expressway have been connected to the municipal pipe network. From 10 October 2018 to 23 July 2019, the entire service area of Shanghai-Nanjing Road has completed the renovation of the double-layer tanks of all the 12 gas stations, and has passed the joint acceptance of the four departments of environmental protection, safety supervision, fire protection and commerce.

We actively carry out sound insulation and noise reduction work. By 2019, a sound barrier of 47.369Km has been built along the Shanghai-Nanjing Road, a sound barrier of 2,404 metre has been newly built in 2019, and a sound barrier of 630.64 square meters has been maintained.

In response to the relevant environmental protection requirements of the 13th Five-Year Plan for Maintenance Management Development of Jiangsu Expressways, the milled materials were recycled in the large and medium-sized asphalt pavement repair project. In 2019, 25,165.58 cubic meters of milled materials were recovered and the recovery rate of waste materials reached 100%.

3. Explanation of reasons for non-disclosure of environmental information by companies other than key pollutant discharging companies

Applicable N/A

4. Explanation of the follow-up progress of or changes in the disclosure of environmental information during the Reporting Period

Applicable N/A

(V) Other Explanation

Applicable N/A

XVIII. Convertible Bonds

Applicable N/A

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

I. Changes in Ordinary Shares

(I) Table of changes in ordinary shares

1. Table of changes in ordinary shares

There is no change in the total number of ordinary shares and equity structure of the Company during the Reporting Period.

2. Explanation on the changes in ordinary shares

Applicable N/A

3. Effect of changes in ordinary shares on financial indicators such as earnings per share and net assets per share within the year or the period (if any)

Applicable N/A

4. Other matters which the Company thought it is necessary to disclose or which were required to be disclosed by securities regulatory authorities

Applicable N/A

(II) Changes in shares subject to selling restrictions

Applicable N/A

II. Issue and Listing of Securities

(I) Issue of securities during the Reporting Period

Applicable N/A

Explanation of issuance of securities during the Reporting Period (please specify respectively for the bonds with different interest rate in the duration):

Applicable N/A

(II) Changes in total ordinary shares, shareholding structure and assets and liabilities structure of the Company

Applicable N/A

(III) Existing internal employee shares

Applicable N/A

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

III. Information on Shareholders and De Facto Controller

(I) Total number of shareholders

Total number of ordinary shareholders as at the end of the Reporting Period	24,072
Total number of ordinary shareholders as at the end of last month before the date of disclosure of the annual report	30,040

Note: As at the end of the Reporting Period, the Company had 23,653 ordinary shareholders and 419 H Share shareholders, totaling 24,072 shareholders; at the end of last month before the date of disclosure of the annual report, it had 29,622 ordinary shareholders and 418 H Share shareholders, totaling 30,040 shareholders.

(II) Table of shareholdings of top ten shareholders and top ten shareholders of shares in circulation (or shareholders without being imposed on any sales restrictions) as at the end of the Reporting Period

Unit: Share

Shareholdings of top ten shareholders

Name of shareholder (full name)	Change during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares with sales restrictions held	Pledged or frozen Status of shares	Number	Type of shareholder
Jiangsu Communications Holding Company Limited	-	2,742,578,825	54.44	-	Nil	-	State-owned legal person
China Merchants Expressway Network & Technology Holdings Co., Ltd.	-	589,059,077	11.69	-	Nil	-	State-owned legal person
BlackRock Inc.	12,794,177	147,373,994	2.93	-	Unknown	-	Foreign legal person
Mitsubishi UFJ Financial Group Inc.	123,202,971	123,202,971	2.45	-	Unknown	-	Foreign legal person
JPMorgan Chase & Co.	-22,771,406	106,537,872	2.11	-	Unknown	-	Foreign legal person
Citigroup Inc.	12,596	61,445,317	1.22	-	Unknown	-	Foreign legal person
China Universal Asset Management Company Limited-Social Security Fund Portfolio 1103	46,000,026	46,000,026	0.91	-	Unknown	-	Others
Guotai Junan Securities Company Limited	-35,651,103	39,870,436	0.79	-	Unknown	-	Others
Jiantou Zhongxin Asset Management Co., Ltd.	-	21,410,000	0.42	-	Unknown	-	State-owned legal person
CPLI Stock Dividend Product (Shou Zi Ying) Entrusted Investment (Yangtze River Pension)(中國太平洋人壽股票紅利型產品(壽自營)委託投資(長江養老))	-116,416	12,500,000	0.25	-	Unknown	-	Others

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

Shareholdings of top ten shareholders without being imposed on sales restrictions

Name of shareholder	Number of shares in circulation without sales restrictions	Class and number of shares	
		Class	Number
Jiangsu Communications Holding Company Limited	2,742,578,825	RMB-denominated ordinary shares	2,742,578,825
China Merchants Expressway Network & Technology Holdings Co., Ltd.	589,059,077	RMB-denominated ordinary shares	589,059,077
BlackRock Inc.	147,373,994	Oversea-listed foreign shares	147,373,994
Mitsubishi UFJ Financial Group Inc.	123,202,971	Oversea-listed foreign shares	123,202,971
JPMorgan Chase & Co.	106,537,872	Oversea-listed foreign shares	106,537,872
Citigroup Inc.	61,445,317	Oversea-listed foreign shares	61,445,317
China Universal Asset Management Company Limited–Social Security Fund Portfolio 1103	46,000,026	RMB-denominated ordinary shares	46,000,026
Guotai Junan Securities Company Limited	39,870,436	RMB-denominated ordinary shares	39,870,436
Jiantou Zhongxin Asset Management Co., Ltd.	21,410,000	RMB-denominated ordinary shares	21,410,000
CPLI Stock Dividend Product (Shou Zi Ying) Entrusted Investment (Yangtze River Pension)(中國太平洋人壽股票紅利型產品(壽自營)委託投資(長江養老))	12,500,000	RMB-denominated ordinary shares	12,500,000

Illustration on the related relationship or acting-in-concert arrangement with respect to the above shareholders

(1) The Company is not aware of the existence of related relationship or acting-in-concert arrangement with respect to the above shareholders; (2) During the Reporting Period, none of the related parties, strategic investors of the Company and general legal persons became the top ten shareholders of the Company because of placing of new shares; and (3) The number of shares of H shareholders is based on the record of the register kept according to the Securities and Futures Ordinance of Hong Kong.

Illustration on the preference shareholders with voting rights restored and the shareholding thereof

Nil

Number of shares held by the top ten shareholders with being imposed on sales restrictions and conditions of sales restrictions

Applicable

N/A

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

(III) Interests and short positions

As at 31 December 2019, the following shareholders (excluding the directors and chief executives of the Company) had interests or short positions in any shares or underlying shares of the Company that was required to be disclosed by the Company under Divisions 2 and 3 of Part XV of the SFO and recorded in the register required to be kept by the Company under Section 336 of the SFO.

Number of A Shares

Name of shareholder	Capacity	Directly interested	Number of A Shares	Percentage of A Shares (total shares)
Jiangsu Communications Holding Company Limited	Other	Yes	2,742,578,825 (L)	71.88% (54.44%) (L)
China Merchants Expressway Network & Technology Holdings Co., Ltd. ⁽¹⁾	Other	Yes	589,059,077 (L)	15.44% (11.69%) (L)

Number of H Shares

Name of shareholder	Capacity	Directly interested	Number of A Shares	Percentage of A Shares (total shares)
Mitsubishi UFJ Financial Group, Inc	Interest of controlled corporation ⁽²⁾	No	123,202,971 (L)	10.08% (2.45%) (L)
BlackRock, Inc.	Interest of controlled corporation ⁽³⁾	No	147,373,994 (L) 600,000 (S)	12.06% (2.93%) (L) 0.13% (0.01%) (S)
JPMorgan Chase & Co.	Interest of controlled corporation/ investment manager/ custodian – corporation/ approved lending agent ⁽⁴⁾	No	106,537,872 (L) 5,486,073 (S) 67,045,071 (P)	8.71 (2.11%) (L) 0.44 (0.11%) (S) 5.48 (1.33%) (P)
Citigroup Inc.	Interest of controlled corporation/ approved lending agent/custodian – corporation ⁽⁵⁾	No	61,445,317 (L) 308,332 (S) 60,284,090 (P)	5.02 (1.22%) (L) 0.02 (0.01%) (S) 4.93 (1.20%) (P)

Notes: (L) Long position; (S) Short position; (P) Lending pool

- (1) China Merchants Group Limited was deemed to be interested in the Company by virtue of its controlling interest in its subsidiary, China Merchants Expressway Network.
- (2) Mitsubishi UFJ Financial Group, Inc was deemed to be interested in the Company by virtue of its indirectly wholly-owned subsidiaries.
- (3) BlackRock, Inc. was deemed to be interested in the long position of a total of 147,373,994 H Shares of the Company and in the short position of 600,000 H Shares by virtue of its control over a number of corporations, which were indirectly wholly-owned by BlackRock, Inc., except the following:
 - (a) BlackRock Holdco 6, LLC was indirectly owned as to 90% by BlackRock, Inc. BlackRock Holdco 6, LLC held interests in the Company through its indirectly wholly-owned subsidiaries as follows:
 - (i) BlackRock Institutional Trust Company, National Association held 22,189,058 H Shares (long position) and 600,000 H Shares (short position) of the Company.
 - (ii) BlackRock Fund Advisors held 65,688,000 H Shares (long position) of the Company.

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

- (b) BR Jersey International Holdings L.P. was indirectly owned as to 86% by BlackRock, Inc. BR Jersey International Holdings L.P. held interests in the Company through its indirectly wholly-owned subsidiaries as follows:
- (i) BlackRock Japan Co., Ltd. held 1,927,399 H Shares (long position) of the Company.
 - (ii) BlackRock Asset Management Canada Limited held 1,632,000 H Shares (long position) of the Company.
 - (iii) BlackRock Investment Management (Australia) Limited held 328,000 H Shares (long position) of the Company.
 - (iv) BlackRock Asset Management North Asia Limited held 787,700 H Shares (long position) of the Company.
 - (v) BlackRock Investment Management (Taiwan) Limited held 52,000 H Shares (long position) of the Company.
- (c) BlackRock Group Limited was indirectly owned as to 90% by BR Jersey International Holdings L.P. (see note 3(b) above). BlackRock Group Limited held interests in the Company through its directly or indirectly wholly-owned subsidiaries as follows:
- (i) BlackRock (Netherlands) B.V. held 562,000 H Shares (long position) of the Company.
 - (ii) BlackRock Advisors (UK) Limited held 212,000 H Shares (long position) of the Company.
 - (iii) BlackRock International Limited held 226,000 H Shares (long position) of the Company.
 - (iv) BlackRock Asset Management Ireland Limited held 12,871,865 H Shares (long position) of the Company.
 - (v) BLACKROCK (Luxembourg) S.A. held 18,590,000 H Shares (long position) of the Company.
 - (vi) BlackRock Investment Management (UK) Limited held 8,382,881 H Shares (long position) of the Company.
 - (vii) BlackRock Fund Managers Limited held 5,026,878 H Shares (long position) of the Company.
 - (viii) BlackRock Asset Management (Schweiz) AG held 10,000 H Shares (long position) of the Company.
- (4) JPMorgan Chase & Co. was deemed to be interested in the long position of a total of 106,537,872 H Shares of the Company (of which 238,000 H Shares were held through cash settled (off exchange) derivatives) and the short position of 5,486,073 H Shares (of which 5,486,073 H Shares were held through cash settled (off exchange) derivatives). JPMorgan Chase & Co. held interests in the following capacities:

Capacity	Number of shares (long position)	Number of shares (short position)	Number of shares (lending pool)
Interest of controlled corporation	10,226,525	5,486,073	
Investment manager	28,995,000		
Person having a security interest in shares	271,276		
Approved lending agent			67,045,071

- (5) Citigroup Inc. was deemed to be interested in the long position of a total of 61,445,317 H Shares of the Company and the short position of 308,332 H Shares. Citigroup Inc. held interests in the following capacities:

Capacity	Number of shares (long position)	Number of shares (short position)	Number of shares (lending pool)
Interest of controlled corporation	965,227	308,332	
Person having a security interest in shares	196,000		
Approved lending agent			60,284,090

Save as disclosed above, to the best of the Company's knowledge, there was no other person required to make disclosure under the Securities and Futures Ordinance of Hong Kong as at 31 December 2019.

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

(IV) Strategic investors or general legal persons becoming the top ten shareholders because of the placing of new Shares

Applicable N/A

IV. Information on Controlling Shareholders and De Facto Controller

(I) Total number of Controlling Shareholders

1 Legal person

Applicable N/A

Name	Jiangsu Communications Holding Company Limited
Person in charge or legal representative	Cai Renjie (蔡任杰)
Date of establishment	15 September 2000
Principal businesses	The company is engaged in the operation and management of state-owned assets; investment, construction, operation and management of transport infrastructure, transportation and other related sectors; collection of tolls from vehicles according to regulations; and industry investment and domestic trading within the scope of authorization of the provincial government.
Equity interests of other domestic and overseas listed companies controlled or invested during the Reporting Period	There was no change in the equity interests of other domestic and overseas listed companies newly controlled or invested by the Controlling Shareholder during the Reporting Period.
Explanation of other issues	-

2 Natural person

Applicable N/A

3 Special explanation on no controlling shareholder for the Company

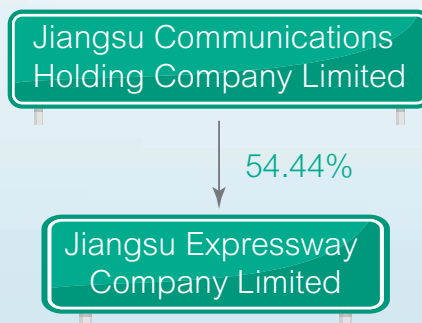
Applicable N/A

4 Index and date of changes in controlling shareholder during the Reporting Period

Applicable N/A

5 Flowchart of the ownership and controlling relationship between the Company and the Controlling Shareholder

Applicable N/A



CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

(II) De facto controller of the Company

1 Legal person

Applicable N/A

Name

State-owned Assets Supervision and Administration Commission of Jiangsu Province (江蘇省國有資產監督管理委員會)

2 Natural person

Applicable N/A

3 Special explanation on no de facto controller for the Company

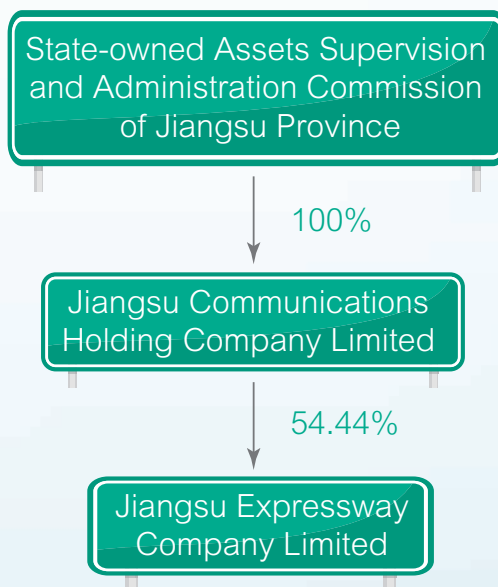
Applicable N/A

4 Index and date of changes in de facto controller during the Reporting Period

Applicable N/A

5 Flowchart of the ownership and controlling relationship between the Company and the de facto controller

Applicable N/A



6 The de facto controller controls the Company through the trust or other asset management way

Applicable N/A

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

(III) Introduction of other information on controlling shareholder and de facto controller

Applicable N/A

V. Other Legal Person Shareholders with 10% or Above Shareholdings

Applicable N/A

Unit: Yuan Currency: RMB

Name of legal person shareholder	Person in charge or legal representative	Date of establishment	Organization code	Number of registered capital	Principal businesses or management activities, etc.
China Merchants Expressway Network & Technology Holdings Co., Ltd.	Wang Xiufeng	18 December 1993	91110000101717000C	6,178,217,338	Investment, development, construction, operation and management of road, bridge, terminal, port and waterway infrastructures; investment management; development and research of new technologies, new products and new materials relating to transport infrastructure as well as sales of products; sales of building materials, electrical and mechanical equipment, automobiles and accessories, hardware and electrical equipment and daily necessities; economic information consultation; and personnel training.
Explanation	-				

VI. Explanation on the Restriction of Reducing Share

Applicable N/A

VII Others

1. Purchase, sale and redemption of shares of the Company

During the Reporting Period, there was no purchase, sale or redemption of the shares of the Company by the Company or any of its subsidiaries; there was no person who exercised any conversion right or subscription right over convertible securities, options, warrants or other similar rights issued or granted by the Company or any of its subsidiaries at any time.

2. Pre-emptive right

There are no provisions for pre-emptive rights under the laws of the People's Republic of China and Company's Articles of Association which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

3. Public float

According to public information and as far as the directors are aware, the board of directors is of the view that the public float of the Company as at 24 April 2020 (as the latest practicable date before the date of this report) complied with the requirements of the Hong Kong Listing Rules.

4. Shareholders' waiver or consent to dividend arrangements

During the Reporting Period, there were no arrangements on waiver of any dividend by any shareholder.

5. Management Contracts

During the reporting period, no contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or existed.

INFORMATION ON PREFERRED SHARES

Applicable

N/A



DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

I. Changes in shareholdings and remuneration

(I) Changes in shareholdings of directors, supervisors and senior management in office or resigned during the Reporting Period and their remuneration

Applicable N/A

Unit: Share

Name	Position (Note)	Gender	Age	Date of appointment	Date of termination	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares during the year	Reason(s) for change	Total remuneration before tax received from the Company During the Reporting Period (RMB'000)	Remuneration received from the related parties of the Company
Current											
Sun Xibin	Executive director, Chairman of the board of directors	M	50	2018.08	-	-	-	-	Nil	75.07	No
Cheng Xiaoguang	Executive director, General Manager	M	42	2020.03	-	-	-	-	Nil	-	No
Yao Yong Jia	Executive director, deputy general manager, secretary to the board of directors, company secretary in Hong Kong	M	56	2017.06	-	-	-	-	Nil	73.55	No
Chen Yanli	Non-executive director	M	57	2018.06	-	-	-	-	Nil	-	Yes
Chen Yongbing	Non-executive director	M	46	2018.06	-	-	-	-	Nil	-	Yes
Wu Xinhua	Non-executive director	M	53	2016.01	-	-	-	-	Nil	-	No
Hu Yu	Non-executive director	F	45	2015.06	-	-	-	-	Nil	-	No
Ma Chung Lai, Lawrence	Non-executive director	M	66	2015.06	-	-	-	-	Nil	34.82	No
Zhang Zhuting	Independent non-executive director	M	57	2015.06	-	-	-	-	Nil	10.79	No
Chen Liang	Independent non-executive director	M	55	2015.06	-	-	-	-	Nil	10.79	No
Lin Hui	Independent non-executive director	M	48	2015.06	-	-	-	-	Nil	10.79	No
Zhou Shudong	Independent non-executive director	M	59	2018.06	-	-	-	-	Nil	10.79	No
Liu Xiaoxing	Independent non-executive director	M	50	2018.01	-	-	-	-	Nil	10.79	No
Yu Lan Ying	Chairman of the supervisory committee	F	49	2018.06	-	-	-	-	Nil	-	Yes
Ding Guozhen	Supervisor	M	58	2018.06	-	-	-	-	Nil	-	Yes
Pan Ye	Supervisor	M	32	2016.02	-	-	-	-	Nil	-	Yes
Shao Li	Supervisor	F	42	2008.03	-	-	-	-	Nil	52.18	No
Lu Zhengfeng	Supervisor	M	47	2019.05	-	-	-	-	Nil	55.48	No
Zhang Xinyu	Deputy secretary of the Communist Party Committee	M	53	2020.03	-	-	-	-	Nil	-	No
Xu Zhongning	Deputy general manager	M	57	2020.03	2023.03	-	-	-	Nil	61.53	No
Bian Chuanshan	Secretary to the Disciplinary Committee of the Communist Party	M	47	2018.08	-	-	-	-	Nil	63.99	No
Ren Zhuohua	Financial controller	F	48	2018.06	-	-	-	-	Nil	58.96	No
Zhu Zhiwei	Deputy General Manager	M	43	2020.03	2023.03	-	-	-	Nil	59.69	No
Yan Yun	Deputy general manager	F	46	2019.04	-	-	-	-	Nil	56.65	No
										47.52	No

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Position (Note)	Gender	Age	Date of appointment	Date of termination	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in shares during the year	Reason(s) for change	Total remuneration before tax received from the Company During the Reporting Period (RMB'000)	Remuneration received from the related parties of the Company
Resigned											
Chen Wei	Supervisor	M	44	2018.08	2019.05	0	0	0	Nil	16.21	No
Gu De Jun	Chairman of the board of directors, executive director	M	57	2018.06	2020.03	0	0	0	Nil	-	Yes
Sun Xibin	General manager	M	50	2018.08	2020.03	0	0	0	Nil	-	No
Li Jie	Deputy General Manager	M	50	2012.08	2020.03	0	0	0	Nil	61.48	No
Xu Keqiang	Assistant to general manager	M	42	2019.04	2020.03	0	0	0	Nil	-	Yes
Total	/	/	/	/	/	/	0	/		771.08	

- (1) On 2 March 2020, Mr. Gu Dejun applied to resign from the positions as the Chairman of the board of directors, the chairman of the Strategy Committee of the board of directors and a director due to job reassignment. At the seventeenth meeting of the ninth session of the board of directors of the Company held on 2 March 2020, Mr. Sun Xibin, an executive director, was elected as the Chairman of the board of directors of the Company and the chairman of the Strategy Committee. In addition, at that meeting, the board of directors approved the nomination of Mr. Cheng Xiaoguang as an executive director of the ninth session of the board of directors of the Company and the proposal was submitted to the Second Extraordinary General Meeting of 2020 for consideration. On 2 March 2020, Mr. Sun Xibin resigned from the position as the general manager of the Company due to job reassignment. At the seventeenth meeting of the ninth session of the board of directors of the Company held on 2 March 2020, Mr. Cheng Xiaoguang was appointed as the general manager of the Company.

For details, please refer to the announcements published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk respectively on 3 March 2020.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

- (2) On 31 March 2020, the board of directors of the Company received the resignations from Mr. Li Jie and Mr. Xu Keqiang. Due to job reassignment, Mr. Li Jie resigned from the position as the deputy general manager, and Mr. Xu Keqiang resigned from the position of the assistant to general manager of the Company. On 31 March 2020, the board of directors of the Company considered and approved the appointment of Mr. Zhu Zhiwei as the deputy general manager of the Company for a term of three years (commencing from the date of approval by the board of directors); the appointment of Mr. Xu Zhongning as the deputy general manager of the Company for a term of three years (commencing from the date of approval by the board of directors).

For details, please refer to the announcement published on the websites of the SSE (www.sse.com.cn) and the Stock Exchange (www.hkexnews.hk) on 31 March 2020.

- (3) On 24 April 2020, Mr. Cheng Xiaoguang was appointed as an executive Director of the Company at the 2020 second extraordinary general meeting of the Company.

For details, please refer to the announcement published on the websites of the SSE (www.sse.com.cn) on 25 April 2020 and the Stock Exchange (www.hkexnews.hk) on 24 April 2020.

Name	Brief biography
Director Sun Xibin	Born in 1970, Sun Xibin holds a master's degree after receiving postgraduate education. Mr. Sun currently serves as an executive Director, convener of the Strategy Committee and secretary of the Party Committee of the Company. Mr. Sun has successively served as the deputy general manager and member of the Party Committee of Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司), deputy director and member of the Party Committee of the Jiangsu Expressway Operation and Management Center (江蘇省高速公路經營管理中心), and general manager and deputy secretary of the Party Committee of Jiangsu Coastal Highway Management Co., Ltd. (江蘇沿海高速公路管理有限公司) since 2003. Mr. Sun has long been engaged in the corporate operation and management in the transport industry with profound knowledge and rich practical experience in modern corporate management.
Cheng Xiaoguang	Born in 1978. Cheng Xiaoguang is an executive Director, the General Manager, Deputy of the Communist Party Committee, He is a university graduate with a bachelor degree and also a senior economist. Mr. Cheng served as the head of investment development department of Jiangsu Communications Holding Limited (江蘇交通控股有限公司); secretary to the party committee, chairman and general manager of Jiangsu Kuailu Motor Transport Co., Ltd. (江蘇快鹿汽車運輸股份有限公司); secretary to the party branch, chairman and general manager of Jiangsu Communications & Culture Media Company Limited (江蘇交通文化傳媒有限公司). Mr. Cheng has been engaged in corporate management and has extensive experience.
Yao Yongjia	Born in 1964, Mr. Yao Yongjia is an executive Director, a deputy general manager, the secretary to the board of directors, the company secretary and a member of the Strategy Committee. Mr. Yao is a senior engineer with a master degree. Mr. Yao joined the Company in August 1992. He has successively served as heads of Transport Design and Planning Institute of Jiangsu Province, headquarters of expressway construction in Jiangsu Province and Securities Department of the Company, as well as director of the secretariat to the board of directors of the Company. Mr. Yao has extensive experience after being engaged in engineering management, investment analysis, financing affairs and securities affairs, etc. since he started his career. Mr. Yao has been serving as an executive director of the Company since 22 June 2017.
Chen Yanli	Born in 1963, Chen Yanli is a non-executive director and a member of the Nomination Committee and Remuneration and Appraisal Committee. Mr. Chen is a senior economist with a postgraduate degree. Mr. Chen is currently serving as the vice chief economist and head of the Human Resources Department of Jiangsu Communications Holding Company Limited. From 1983 to 2001, Mr. Chen worked at Xuzhou Lift and Transportation Company (徐州市起重運輸公司), Xuzhou Harbour Engineering Company (徐州市航務工程公司) and Xuzhou Waterways Administration (徐州市航道管理處) and served as deputy director of Xuzhou Waterways Administration. From 2001 to 2016, he successively served as manager of the General Department, assistant to general manager, deputy general manager and general manager of Jiangsu Lianxu Expressway Co., Ltd. (江蘇連徐高速公路有限公司). He has been serving as the head of the Human Resources Department of Jiangsu Communications Holding Company Limited since 2016. Mr. Chen has long been engaged in transportation management and is a senior expert with extensive experience in transport management.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Brief biography
Chen Yongbing	<p>Born in 1974, Chen Yongbing is a non-executive director and a member of the Strategy Committee. Mr. Chen holds a bachelor degree with university education. He is currently serving as the head of the Investment Development Department of Jiangsu Communications Holding Company Limited. From 1996 to 2014, Mr. Chen worked at the Enterprise Division of Jiangsu Administrative Bureau of State-owned Property (江蘇省國有資產管理局企業處), the Administrative Office of State-owned Property of the Department of Finance of Jiangsu Province (江蘇省財政廳國有資產管理辦公室) and the State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government (Jiangsu SASAC). Mr. Chen served as the deputy division chief of the Division of Enterprise Development and Reform (企業發展改革處) of Jiangsu SASAC from 2014 to 2016 and the deputy head of the Investment Development Department of Jiangsu Communications Holding Company Limited from 2016 to January 2018. Mr. Chen has long been engaged in the management of state-owned enterprises and is a senior expert with extensive experience in corporate management.</p>
Wu Xinhua	<p>Born in February 1967, Wu Xinhua is a non-executive director and a member of the Nomination Committee. Mr. Wu obtained a bachelor degree from Renmin University of China with university education. He is currently serving as the deputy general manager of China Merchants Expressway Network, standing vice president of Expressway Operations Management Branch of China Highway and Transportation Society (中國公路學會高速公路運營管理分會), managing director of National Highway Network Information Technology Co., Ltd. (國高網路信息技術有限公司) and vice chairman of Fujian Expressway Development Co., Ltd. (福建發展高速公路股份有限公司). Mr. Wu served as the manager of the Securities Department of Shekou Industrial Zone Southern Glass Holding Co., Ltd. (蛇口工業區南方玻璃股份有限公司證券部), general manager of the southern management headquarters of Shangdong Securities Co., Ltd. (山東證券有限責任公司南方管理總部), and executive director of the Investment Banking Department of China Merchants Securities Co., Ltd. (招商證券股份有限公司投資銀行部). After joining China Merchants Expressway Network in 2007, he served as the deputy chairman and director, etc. of Sichuan Expressway Co., Ltd., Anhui Expressway Co., Ltd., Yangtze Bridge Co., Ltd. and Guangjing Xicheng Expressway Co., Ltd. Mr. Wu has been serving as the director of the Company since 2016.</p>
Hu Yu	<p>Born in 1975, Hu Yu is a non-executive director and a member of the Audit Committee and the Remuneration and Appraisal Committee. She is a senior accountant with a master degree in business administration management. She is currently serving as the general manager of Financial Department of China Merchants Expressway Network. She has successively served as the accountant of Beijing City Development Group, finance manager of the Beijing Branch Office of Shanghai Mitsubishi Elevator Co., Ltd., manager of the Finance Department of China Merchants Corp., supervisor of Guangxi Wuzhou Communications Co., Ltd., and director of Sichuan Expressway Co., Ltd. Ms. Hu has long been engaged in financial management and has extensive experience in financial management and transport management. She has been serving as the director of the Company since 23 June 2015.</p>
Ma Chung Lai, Lawrence	<p>Born in 1954, Ma Chung Lai, Lawrence is a non-executive director and a member of the Strategy Committee. Mr. Ma obtained a bachelor degree in biochemical engineering from the University of London, the United Kingdom. Mr. Ma participated in the Election Committee Subsector Elections of the Chief Executive of the Hong Kong Special Administrative Region, and served as a committee member of the ninth session (specially invited from Hong Kong and Macau) and a standing committee member of the tenth session of the Jiangsu Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He is now serving as a standing committee member cum convener of the eleventh session of the Jiangsu Committee of the Chinese People's Political Consultative Conference and a director of China Overseas Friendship Association (中華海外聯誼會). He served as a committee member (first session) and an executive member (second session) of AllChina Federation of Industry & Commerce (中華全國工商業聯合會), and the deputy chairman of Jiangsu Overseas Friendship Association. He was elected as the deputy chairman of the Chinese General Chamber of Commerce (香港中華總商會) in 2014, and was reappointed as the chairman of Jiangsu Residents (HK) Association (江蘇旅港同鄉聯合會), honorary chairman of the first session of Federation of Hong Kong Jiangsu Youth (香港江蘇青年總會), honorary chairman of Macau Jiangsu Friendship Association (澳門江蘇聯誼會) and deputy chairman of Hong Kong Petroleum, Chemicals and Pharmaceutical Materials Merchants Association Limited (香港石油化工醫藥同業商會) in 2015. He also served as an independent director of Nanjing Panda Electronic Company Limited (Stock Code: 553) for four years, and is currently the general manager of Taching Petroleum Co., Ltd. (大慶石油有限公司) and vice president of Wing Hing Enterprise Company (永興企業公司). Mr. Ma has been a director of the Company since 23 June 2015.</p>

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Brief biography
Zhang Zhuting	<p>Born in 1963, Zhang Zhuting is an independent non-executive director and a member of the Strategy Committee and the Remuneration and Appraisal Committee. Mr. Zhang is a professor and currently serves as a professor of the Cadre Management Institute of the Ministry of Transport (交通運輸部管理幹部學院), an expert of the legal advisory committee of the Ministry of Transport (交通運輸部), a committee member of the news and advertising expertise committee of Ministry of Transport, a committee member of the legal expertise committee of the Transport Enterprise Association of China (中國交通企業協會), a committee member of the legal expertise committee of the Beijing People's Government (北京市人民政府法律專家委員), a consultant of the public safety center of Tsinghua University and a part-time professor in Beijing Jiaotong University. Mr. Zhang obtained numerous provincial and ministerial scientific and technological improvement awards (Grades II and III) and construction consultancy awards. Mr. Zhang participated in and dealt with a number of national material events, presented many dissertations and publications, and conducted significant national, provincial and ministerial researches. He is also an advanced practitioner in the national transportation system. Mr. Zhang has been an independent non-executive director of the Company since 23 June 2015.</p>
Chen Liang	<p>Born in 1965, Chen Liang is an independent non-executive director, convener of the Audit Committee and a member of the Nomination Committee and the Remuneration and Appraisal Committee. Mr. Chen is a professor and a postgraduate tutor. He is currently serving as a professor of accounting and a postgraduate tutor of Nanjing University of Finance & Economics (南京財經大學), as well as the standing director and deputy secretary-general of the Accounting Society of Jiangsu Province and the deputy chairman of Jiangsu Commercial Accounting Society and Jiangsu Food and Accounting Society. Mr. Chen obtained a bachelor degree in accounting in Nanjing University of Finance & Economics in 1985 and a master degree in accounting in Zhongnan University of Economics and Law (中南財經大學) in 1990. He then served as the director of the Financial Management Department of the School of Accounting and the deputy dean of the School of Accounting of Nanjing University of Finance & Economics. He was engaged in teaching and research activities of management accounting and other relevant subjects as well as social services. With the accumulation of professional experience and achievements, he becomes a veteran accounting expert with extensive experience in accounting theory and practical management. Mr. Chen has been an independent non-executive director of the Company since 23 June 2015.</p>
Lin Hui	<p>Born in 1972, Lin Hui is an independent non-executive director, a member of the Nomination Committee and convener of the Remuneration and Appraisal Committee. He holds a doctorate degree in management with a post doctorate degree from the Institute of Economics of The Chinese Academy of Social Sciences. He is currently serving as the Dean, a professor and a doctoral tutor of the Department of Finance and Insurance of the School of Business at Nanjing University. His research mainly focuses on: asset pricing, financial engineering and risk management. He successively chaired and participated in over a total of 10 projects including the projects of the National Natural Science Foundation, National Social Sciences Foundation, Humanities and Social Sciences Research Foundation of the Ministry of Education and China Post-Doctoral Foundation, and he has published more than 30 academic papers in domestic and international authoritative journals. He also serves as an independent director of Jiangsu Hiteker HighTech Co., Ltd. Mr. Lin has long been engaged in financial research and is a senior expert with extensive financial experience. Mr. Lin has been serving as an independent executive director of the Company since 2 June 2016.</p>
Zhou Shudong	<p>Born in March 1961, Zhou Shudong is an independent non-executive director, a member of the Audit Committee and convener of the Nomination Committee. Mr. Zhou holds a doctorate degree and is a professor and a doctoral tutor. He is a professor at the Economics and Management Department of the College of Economics and Management of Nanjing Agricultural University, the deputy director of the Institute of Agricultural Economy of Nanjing Agricultural University, the dean of the Electronic Business Research Center of Nanjing Agricultural University, a consulting expert of the United Nations Environment Programme, vice president of Jiangsu Internet Service Society and deputy chairman of Jiangsu Statistical Society (江蘇省統計學會). He was granted special government subsidies from the State Council. Mr. Zhou was in charge of 40 major research programs at national, provincial and ministerial levels. He is a senior expert with interdisciplinary experience.</p>

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Brief biography
Liu Xiaoxing	Born in 1970, Liu Xiaoxing is an independent non-executive director and a member of the Audit Committee. He holds a doctorate degree in management science and engineering (financial engineering) and a post-doctoral degree in finance in Fudan University. Mr. Liu is currently the dean and a professor of the Department of Finance of the School of Economics & Management, Southeast University, a doctoral supervisor tutoring students majoring in finance, a member of the Steering Committee for Professional Teaching of Finance in Colleges and Universities (全國高等學校金融學類專業教學指導委員會), council members of the Chinese Finance Annual Meeting (中國金融學年會) and the Chinese Financial Projects Annual Meeting (中國金融工程年會) and the standing committee of Jiangsu Financial Youth Federation (江蘇省金融青聯). Mr. Liu is a head responsible for academic researches by middleaged and young scholars in the "Excellence Project" (青藍工程) in Jiangsu Province, a tutor teaching technology entrepreneurship in Jiangsu Province and a committee member of the Department of Science of the School of Humanities, Southeast University.
Supervisor Yu Lanying	Born in 1971, Yu Lanying is the Chairman of the supervisory committee, with a master's degree in economics and qualifications of senior accountant and certified public accountant. She is currently serving as the head of the Audit and Risk Control Department of Communications Holding. She was the accountant of Nanjing Runtai Industrial Trading Company (南京潤泰實業貿易公司), Jiangsu United Trust and Investment Company (江蘇聯合信託投資公司) and Communications Holding. Since 2008, she has been deputy manager and manager of the Finance and Accounting Department of the Company, and deputy financial controller, financial controller and deputy general manager of the Company. Since Ms. Yu has started her career, she has been engaging in the financial management and has gained extensive experience in financial management.
Ding Guozhen	Born in 1962, Ding Guozhen is a supervisor and a senior economist with university education. He is currently serving as the head of the Corporate Management and Legal Affairs Department of Jiangsu Communications Holding Company Limited. From 1983 to 2004, Mr. Ding has worked in Jiangsu Provincial Automobile Transportation Company and Jiangsu Yangtze Bridge Co., Ltd. From 2004 to 2017, he has assumed various positions in Jiangsu Communications Holding Company Limited, including director, assistant head and deputy head of the Human Resources Department, dean of the Talent and Staff Education and Training Office and head of the Department of Affairs on Old Cadres. He has been working at the current position since 2018. Mr. Ding has long been engaged in corporate management and is a senior expert with extensive experience in corporate management.
Pan Ye	Born in 1988, Pan Ye is a supervisor. He graduated from Northwestern Polytechnic University in the U.S. with a master's degree in business administration. He is currently the manager of Capital Operation Department of Enterprise Management Department of China Merchants Expressway Network. He worked at China Life Insurance Beijing Branch, Beijing Tianyi Fangyuan Management Consulting Ltd. (北京天弈方圓管理顧問有限公司) and Beijing Xinyuan Shengganggou Group (北京鑫源盛鋼構集團). Mr. Pan has been serving as a supervisor of the Company since 2016.
Shao Li	Born in 1978, Shao Li is a supervisor. She is an economist with postgraduate qualification. Ms. Shao has started to work in the Nanjing Branch of Ping An Life Insurance Company of China, Ltd. since 2003. Since 2004, Ms. Shao has successively served as section head and assistant to manager of the Human Resources Department of the Company, and is currently serving as the manager of the Human Resources Department of the Company. Ms. Shao has been engaged in the field of human resources management and possesses extensive experience in human resources management. She has been a supervisor of the Company since 24 March 2008.
Lu Zhengfeng	Born in August 1973, Lu Zhengfeng is a supervisor. He graduated from Tongji University with postgraduate academic qualifications and doctoral degree, and is a senior engineer. Mr. Lu served as assistant to the manager, deputy manager and manager of the Investment Development Department and manager of each of the Operational Management Department and Information Department of the Company; he is currently the deputy chief economic manager and manager of the Investment Development Department of the Company as well as a deputy general manager of Jiangsu Ninghu Investment Development Co., Ltd. Having long been engaged in investment strategies and communications-related operation and management work, Mr. Lu has extensive experience in operation and management as well as investment strategies in the communications industry.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Brief biography
Senior management Zhang Xinyu	Born in 1967, Zhang Xinyu is Deputy Secretary of the Communist Party Committee. He is a university graduate with bachelor's degree and economist; Mr. Zhang used to be deputy secretary of the communist party committee, deputy general manager and secretary of the disciplinary committee of communist party, chairman of trade union and manager of general administration department of Jiangsu Ningchang Zhenli Expressway Co., Ltd.(江蘇寧常鎮溧高速公路有限公司), deputy chief of Jiangsu Communications Holdings Co., Ltd., and section member of Jiangsu Communications Investment Company. Mr. Zhang has long been engaged in corporate management and has extensive experience in corporate management.
Xu Zhongning	Born in 1963, Xu Zhongning is Deputy General Manager. He is a university graduate, researcher-level senior engineer; Mr. Xu was the chief of engineering section of Nanjing management office of Jiangsu Expressway Co., Ltd., deputy general manager and chief engineer of Jiangsu Sundian Road & Bridge Co., Ltd., deputy general manager and party committee member of Jiangsu Ningchang Zhenli Expressway Co., Ltd. Mr. Xu has been engaged in management of roads and bridges and has accumulated extensive experience in expressway management.
Bian Chuanshan	Born in 1973, Bian Chuanshan is the Secretary to the Disciplinary Committee of the Communist Party of the Company. He is a senior political work specialist with postgraduate qualification. Mr. Bian currently serves as the secretary to the Disciplinary Committee and a member of the Party Committee of the Company. He served as an officer at vice-section level of the Youth League of the Jiangsu Provincial Party Committee since 1996. Since 2001, he has successively served as the head, assistant to manager, director of Huaian Management Office (淮安管理處處長) and manager of the General Department of Jiangsu Jinghu Expressway Company Limited (江蘇京滬高速公路有限公司), and assistant to head of the Corporate Management and Legal Affairs Department of Jiangsu Communications Holding Company Limited. Mr. Bian has long been engaged in corporate management with extensive legal affairs and corporate management experience.
Ren Zhuohua	Born in 1972, Ren Zhuohua is the financial controller and a senior accountant with university education. She has successively served as an accountant of the Construction Command Department of Jiangsu Expressway (江蘇省高速公路建設指揮部) and the Finance director of Expansion and Construction Command Department of JiangsuShanghai-Nanjing Expressway (江蘇滬寧高速公路擴建工程指揮部), an officer of the Corporate Finance Department for Operation and Development (經營發展公司財務部) of the Company, the manager of the Finance and Accounting Department of the Company and an assistant to general manager of Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司). Ms. Ren has been engaged in financial management and business management since she started working, and she is a professional with extensive experience in financial management and business management.
Zhu Zhiwei	Born in 1977, Zhu Zhiwei is Deputy General Manager. He holds a master's degree and is a senior engineer with university background. Mr. Zhu currently serves as the deputy secretary of the Party Committee, member of the Party Committee and director of Ningzhen Management Office (寧鎮管理處處長) of the Company. Since 1996, Mr. Zhu has served as an employee at Machinery and Equipment Leasing Company of Roads & Bridges Company under Jiangsu Communications Department (江蘇省交通廳路橋公司機械設備租賃公司), and an officer, head of the Engineering and Technology Department, assistant to manager, vice manager and manager of the Corporate Management Department, director of Ningzhen Management Office, and deputy secretary to the Party general branch of the Company. Mr. Zhu has long been engaged in corporate management with extensive corporate management experience.
Yan Yun	Born in 1974, Yan Yun is a deputy general manager, she holds a postgraduate's degree and is an economist with a master's degree. Ms. Yan served as the head of Tangshan Toll Station of Jiangsu Expressway Company Limited, office director and the assistant to the head of Ningzhen management office, and the deputy manager and manager of Operation and Development Company. She is currently the deputy general manager of Jiangsu Expressway Company Limited. Ms. Yan has been engaging in the field of management of expressway enterprises and she is well-experienced in corporate management.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Other explanations

Applicable N/A

1. During the Reporting Period, none of the directors, supervisors and members of senior management of the Company (including their spouse or children and 30%-controlled companies or trusts) held any shares or shares options of the Company or was granted restricted shares or debentures of the Company.
2. There was no related party/connected relationship between the directors and members of senior management of the Company (including the relationships set out in paragraph 12 of Appendix 16 to the Hong Kong Listing Rules).
3. Apart from the remuneration listed above, the Company did not make any other payments to its directors or supervisors. During the Reporting Period, there was no arrangement under which a director waived or agreed to waive any remuneration. The remuneration of members of senior management included salaries, performance bonus, and post-employment benefits and other benefits paid by the Company to them.
4. Other benefits included housing provident fund and non-monetary benefits paid by the Company, as well as medical insurance premium, work injury insurance premium and maternity insurance premium handed over to relevant social insurance authorities.
5. Post-employment benefits included annuities paid by the Company, as well as pension insurance premium and unemployment insurance premium handed over to relevant social insurance authorities.

(II) The equity incentives granted to the directors and senior management during the Reporting Period

Applicable N/A

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

II. Details of current and resigned directors, supervisors and members of senior management of the Company during the Reporting Period

(I) Details of service in shareholders' entities

Applicable N/A

Name of employee	Name of shareholders' entity	Position held in shareholders' entity	Date of commencement of appointment	Date of termination of appointment
Gu De Jun	Jiangsu Communications Holding Company Limited	General manager		
Chen Yanli	Jiangsu Communications Holding Company Limited	Chief Economist, Director of Human Resources Department		
Chen Yongbing	Jiangsu Communications Holding Company Limited	Director of Investment and Development Department	January 2018	
Yu Lan Ying	Jiangsu Communications Holding Company Limited	Director of Audit and Risk Control Department	March 2018	
Ding Guozhen	Jiangsu Communications Holding Company Limited	Chief Legal Advisor, Director of Corporate Management and Legal Department and Tendering and Procurement Management Department	January 2018	
Wu Xinhua	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Deputy general manager, secretary to the board of directors	August 2019	July 2022
Hu Yu	China Merchants Expressway Network & Technology Holdings Co., Ltd.	General manager of Financial Department	March 2009	–
Pan Ye	China Merchants Expressway Network & Technology Holdings Co., Ltd.	Senior manager of Capital Operation Department	January 2020	–
Explanation of service in shareholders' entities		Nil		

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

(II) Details of service in other entities

Applicable

N/A

Name of employee	Name of other entity	Position held in other entities	Date of commencement of appointment	Date of termination of appointment
Gu Dejun	Jiang Su Highway and Transportation Society	The executive director of the seventh session	March 2017	–
	Jiangsu Expressway Network Operation Management Co., Ltd.	Chairman	June 2018	–
	Jiangsu Railway Group Co., Ltd.	Director	March 2020	–
Sun Xibin	Eastern Airports Group Co., Ltd.	Director	March 2020	–
	Jiangsu Suxichang South Expressway Co., Ltd.	Chairman	–	–
Chen Yanli	Nanjing Lukou International Airport	Supervisor	March 2017	–
Chen Yongbing	Jiangsu Jinghu Expressway Co., Ltd.	Director	May 2018	–
	Jiangsu Financial Leasing Co. Ltd.	Chairman of the supervisory committee	April 2018	–
	Jiangsu Railway Group Co., Ltd.(江蘇省鐵路集團有限公司)	Director	May 2018	–
	Jiangsu Port Group Co., Ltd.(江蘇省港口集團有限公司)	Director	July 2018	–
	Huatai Securities Co., Ltd.	Director	October 2018	–
	Jiangsu United Credit Information Co., Ltd.(江蘇省聯合征信有限公司)	Director	June 2019	–
Wu Xinhua	Successful Road Corporation (S) Pte. Ltd.	General manager	February 2011	–
	Beilun (Hong Kong) Investment Co., Ltd. (北侖(香港)投資有限公司)	General manager	November 2012	–
	Guijin Expressway Co., Ltd.(貴金高速公路有限公司)	General manager	February 2011	–
	Guiyun Expressway Co., Ltd.(貴雲高速公路有限公司)	General manager	February 2011	–
	Guogao Cyberspace Information Technology Co., Ltd.(國高網路宇信息技術有限公司)	Director, general manager	October 2015	–
	Guogao Cyberspace Information Technology Co., Ltd.(國高網路宇信息技術有限公司)	Chairman	November 2016	–
	Xingyun Shuju (Beijing) Technology Co., Ltd.(行雲數聚(北京)科技有限公司)	Chairman of the supervisory committee	August 2017	–
	Hunan Quanlutong Network Technology Co., Ltd.(湖南全路通網路科技有限公司)	Director	February 2019	–
	Sanming Shao San Expressway Co., Ltd. (三明邵三高速公路有限公司)	Director	December 2017	–
	Southwest Expressway Co., Ltd.(西南高速公路有限公司)	General manager	February 2011	–
	Xiong'an China Merchants Investment Development Co., Ltd.(雄安招商局投資發展有限公司)	Director	November 2018	–
	China National Radio Media Limited Liability Company	Chairman	September 2016	–
	China Merchant Hainan Development Investment Co., Ltd.	Director	December 2018	–
	China Merchants Traffic Information Technology Co., Ltd. (招商局交通信息技術有限公司)	Director, general manager	June 2016	–
	China Merchants New Intelligence Technology Company Limited	Director	April 2017	–

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name of employee	Name of other entity	Position held in other entities	Date of commencement of appointment	Date of termination of appointment
Hu Yu	Tibet China Merchants Construction Electronic Information Co., Ltd.(西藏招商交建電子資訊有限公司)	Director	August 2019	–
	Fujian Expressway Development Co. Ltd.	Vice Chairman	May 2018	May 2021
	Transportation and Logistics Branch of China Highway and Transportation Society (中國公路學會運輸與物流分會)	vice president	November 2018	–
	Guizhou Yunguan Highway Co., Ltd.	Director	March 2019	–
	Guizhou Pantao Highway Co., Ltd.	Director	March 2019	–
	Guizhou Jinguan Highway Co., Ltd.	Director	March 2019	–
	Guizhou Jinhua Highway Co., Ltd.	Director	March 2019	–
	Southwest Yangping Expressway Co., Ltd.(西南陽平高速公路有限公司)	Supervisor	March 2017	–
	Southwest Guixing Expressway Co., Ltd. (西南桂興高速公路有限公司)	Supervisor	March 2017	–
	Southwest Guiyang Expressway Co., Ltd. (西南桂陽高速公路有限公司)	Supervisor	March 2017	–
	HKC Guilin Expressway Limited	Supervisor	March 2017	–
	China Merchants New Intelligence Technology Company Limited	Chairman of the supervisory committee	July 2017	–
	China Merchants Traffic Information Technology Co., Ltd. (招商局交通信息技術有限公司)	Chairman of the supervisory committee	June 2016	–
	Guogao Cyberspace Information Technology Co., Ltd.(國高網路宇資訊技術有限公司)	Director	July 2019	–
Pan Ye	Jiangsu Guangjing Xicheng Expressway Co., Ltd.	Director	May 2019	–
	Shanxi Communications Industry Development Group Co., Ltd.(山西交通實業發展集團有限公司)	Chairman of the supervisory committee	August 2018	–
	Jiangsu Guangjing Xicheng Expressway Co., Ltd.	Supervisor	May 2019	May 2021
Ma Chung Lai, Lawrence	Heilongjiang Transport Development Co., Ltd.	Supervisor	February 2020	February 2023
	Taching Petroleum Co., Ltd.	General manager	–	–
Chen Liang	Wing Hing Enterprise Company	vice president	–	–
	Jiangsu Guoxin Company Limited (江蘇國信股份有限公司)	Independent director	December 2019	December 2022
	Changshu Automotive Decoration Co., Ltd.(常熟汽車飾品股份有限公司)	Independent director	August 2017	August 2020
	Nantong Haixing Electronic Limited Liability Company	Independent director	June 2018	June 2021
Lin Hui	Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (江蘇通行寶智慧交通科技有限公司)	Independent director	December 2019	December 2022
	Donghua Energy Co., Ltd.(東華能源股份有限公司)	Independent director	June 2019	June 2022
	Jiangsu Sunrain Solar Energy Co., Ltd. (日出東方太陽能股份有限公司)	Independent director	August 2016	August 2022
Liu Xiaoxing	China Design Group Co., Ltd. (中設設計集團股份有限公司)	Independent director	January 2017	January 2023
	Jiangsu HopeRun Software Co., Ltd	Independent director	February 2020	February 2023
	Focus Technology Co., Ltd	Independent director	March 2020	March 2023

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name of employee	Name of other entity	Position held in other entities	Date of commencement of appointment	Date of termination of appointment
Yu Lanying	Jiangsu Re-guarantee Group Co., Ltd. (江蘇省信用再擔保集團有限公司)	Supervisor	May 2018	–
	Huatai Securities Co., Ltd.	Supervisor	October 2018	–
	Jiangsu Salt Industry Group Co., Ltd. (江蘇省鹽業集團有限責任公司)	Chairman of the supervisory committee	December 2018	–
	Jiangsu Jinsu Securities Investment Development Co., Ltd. (江蘇金蘇證投資發展有限公司)	Director	December 2018	–
Yu Guozhen	Jiangsu Financial Leasing Co., Ltd.	Supervisor	April 2018	
	Jiangsu Yangtze Bridge Co., Ltd.	Chairman of the supervisory committee	September 2018	
Explanation for service in other entities		Nil		

III. Remuneration of directors, supervisors and senior management

Applicable N/A

Decision-making procedures for remuneration of the directors, supervisors and senior management	On behalf of the board of directors, the Remuneration and Appraisal Committee has prepared a remuneration scheme for non-executive directors and independent directors by setting benchmarks pursuant to the relevant rules of the domestic and overseas securities regulatory departments. Taking into account of the average remuneration levels in different markets and the actual circumstances of the Company, the committee proposed the remuneration scheme to the board of directors which was considered and approved at the general meeting of the Company. The Company enters into agreements with directors who receive remuneration from the Company, under which remuneration is paid annually.
Basis for determination of remuneration of the directors, supervisors and senior management	1 non-executive director and 5 independent directors engaged by the Company received directors' fees from the Company. The fee levels were set with reference to the average fee levels in Hong Kong and the PRC.
Remuneration actually paid to the directors, supervisors and senior management	1. In 2019, remuneration paid to 1 non-executive director in Hong Kong amounted to RMB348,200 (before tax); in 2019, remuneration paid to each of 5 independent directors engaged in the PRC was RMB107,900 (before tax); 2. 1 executive director, 4 non-executive directors and 3 supervisors who were nominated by shareholders' entities received remuneration therefrom. The Company no longer paid additional remuneration to such directors and supervisors. 3. 2 executive directors and 2 staff representative supervisors taking up management duties in the Company received management remunerations in line with their specific management positions. The Company no longer paid additional fees to such directors and supervisors. 4. The senior management of the Company includes various deputy general managers, assistants to general manager and the financial controller. The senior management received management remunerations in line with their respective positions. The total amount of remuneration received consists of, namely, salary, performance-based bonus, as well as the Company's contribution to pension scheme and other benefits.
Total remuneration actually received by all directors, supervisors and members of senior management at the end of the Reporting Period	RMB7.7108 million

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

IV. Changes of directors, supervisors, and senior management of the Company

Applicable N/A

Name	Position held	Change	Reasons for change
Chen Wei	Employee supervisor	Resignation	Change in work arrangements
Lu Zhengfeng	Employee supervisor	Election	Election of trade union committee
Gu Dejun	Chairman, Executive Director	Resignation	Change in work arrangements
Sun Xibin	Chairman, Executive Director	Election	Election of the Board
Sun Xibin	General Manager	Resignation	Change in work arrangements
Cheng Xiaoguang	General Manager	Appointment	Appointment by the Board
Li Jie	Deputy General Manager	Resignation	Change in work arrangements
Xu Keqiang	Assistant to General Manager	Resignation	Change in work arrangements
Xu Zhongning	Deputy General Manager	Appointment	Appointment by the Board
Zhu Zhiwei	Deputy General Manager	Appointment	Appointment by the Board
Cheng Xiaoguang	Executive Director	Appointment	Appointment by the Shareholders at the general meeting

V. Explanation of Punishment Imposed by Securities Regulator in Recent Three Years

Applicable N/A

VI. Details of staff of the parent company and its major subsidiaries

(I) Staff profile

Number of current staff in the parent company	3,283
Number of current staff in the major subsidiaries	2,279
Total number of current staff	5,562
Number of resigned and retired staff whose expenses shall be borne by the parent company and its major subsidiaries	35

Composition of professional team

Category of professional team	Headcount of professionals
Production staff	4,754
Sales staff	7
Technicians	83
Financial staff	88
Administrative staff	630
Total	5,562

Education level

Category of education level	Headcount (Persons)
University or above	1,513
Tertiary	2,062
Vocational or below	1,987
Total	5,562

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

(II) Remuneration Policy

Applicable N/A

Based on the characteristics of road-and-bridge enterprises, the Group determines the employees' salaries according to their specific positions and their performance. In 2019, by adhering to the goal of "being in line with other listed road and bridge companies and serving as a gateway to Jiangsu's highway market", we continued to innovate the cadre management mechanism, to improve the performance appraisal system, to promote steady adjustment of employee positions and to actively implement the caring employee policy. Through the attraction of the positions, matching of salaries, incentive-oriented assessment, improvement of welfare, the Company has created a harmonious and friendly team atmosphere and an aggressive work style, further stimulating the enthusiasm of our employees to work and encouraging them to contribute for the realization of the Group's goals. During the Reporting Period, the total remuneration for the employees amounted to approximately RMB1,029,063,000.

In 2019, focusing on the strategic goals and work highlights for the year, the Group strictly carried out the administrative measures on performance appraisal and implementation rules. Based on natural conditions and different personnel characteristics, etc. and to further balance various indicators, the Company regularly conducted appraisals and assessments on the performance of employees and departments. The Company continued to carry out brand-building and encouraged staff to improve their performance based on their positions. The Group nurtured skilful business professionals, carried forward the spirit of craftsmanship and improved all staff members' performance by ways of the brand-building of "Jasmine Flower", selection of "Star Toll Collectors" among toll collectors, certification of the qualifications and grades of maintenance and hindrance clearance workers and appraisal on management staff according to their positions, etc. During the year, the Company selected a total of 127 outstanding staff members, toll collection staff members and service staff members and 18 outstanding teams. The company vigorously promoted past role models, gave material rewards in a timely manner, and encouraged a learning trend for advocating efficiency and excellence by "learning from such exemplars and honoring the role models".

(III) Training Programs

Applicable N/A

Staffs are the primary productive force of business development. Training is an important link in human resource management of the company. The Group always attaches importance to the education and training of staffs at all levels as an important way to improve skills, enhance performance, tap potential, inherit the culture, and strengthen cohesion and establish a learning organization.

Training fees incurred during the Reporting Period amounted to approximately RMB7,725,900. The number of attendances at the programs was 7,100. The participating staff ranged from junior front-line staff members to the senior management.



DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

During the Reporting Period, the Group closely combined development goals, talent needs and the status of the staffs, and formulated multi-dimensional, step-wise comprehensive literacy and competency training programs, including senior management, middle-level and supervisors, newly-appointed managers and front-line young backbone employees. The secondary units of the Group combined production needs with job requirements, etc., to formulate more detailed training programs, such as skill upgrading and work innovation, and implement training in accordance with actual conditions to form a better complement to the Group's training program.

During the Reporting Period, the employee training comprising five contents. First, actively participated in the training programs of transportation holding and industry competent departments, organized the management of the Group to participate in the "Entrepreneurs Walk into Huawei" theme training in batches, to learn innovative ideas and management concepts of Huawei; organized the head of the human resources department to participate in human resources practice improvement classes of Tsinghua University; organized professional and technical staff in engineering, operations, finance and other positions to participate in professional training to enhance the professional capabilities and professionalism of employees; organized training for safety management personnel and special operations personnel to ensure that the employment rate of certificates is 100%. Secondly, established "Jasmine Scent • Young Employee Training Course", and chose "personal self-recommendation + organization recommendation" to select and recruit 83 outstanding employees under the age of 35 with a bachelor's degree, and according to the principles of easy to difficult, simple to complex, to carry out general trainings such as management thinking and management psychology monthly for the personal growth of employees. Thirdly, carried out competency training for middle-level personnel and newly-appointed personnel, to guide trainee' thinking model through scenario-based, progressive sand table simulation training, and improve training effectiveness. Fourth, combined with the transformation of the national highway tolling model, to conduct special trainings in toll inspection, leakage prevention and mechanical and electrical maintenance, to study the "special" form under the new tolling model and find corresponding disposal methods, and to maintain the seriousness of the charging policy during the transition period and the stable operation of the electromechanical system. Fifth, focusing on the theme of "Where do people go" of Transportation Holdings, we have carried out front-line employees' positive psychological construction training to help employees dispel doubts, master the key points of personal emotion management, be good at looking at problems with rational thinking, establish a personal career plan that is in line with reality, and maintain the stability of workforce. At the same time, various secondary units carry out targeted and special training based on actual situations, such as employee team development training, tolling etiquette training, "Green Optimal" car disposal training, quality management training and maintenance equipment maintenance training; carry out service brand training, service area operation training, chef skills training, gas station safety training, the systematic training has enhanced awareness and capabilities of employees and provided guarantee for the high-quality development of the enterprise.

During the reporting period, the training work of the Group as a whole is well-oriented, focused and effective. Starting from the root cause, stressing transformation, and seeking practical results, through the accurate development of power, deep tapping potentials, classified strategies, and building a loyal and multi-professional talent echelon, it further improves the Group's talent echelon empowerment and construction, reserves power sources and provides talent support for the sustainable and rapid development of the Group.

(IV) Outsourcing of labour

Applicable N/A

Total working hours of outsourced labour
Total remuneration paid to outsourced labour

1year
RMB38,970,800



DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

VII. Others

Applicable N/A

1. Contracts with directors and supervisors

Apart from entering into service contracts with the executive directors, the Company has also entered into engagement letters with each of the other directors and supervisors. The contents of such contracts were the same in all material respects. The term of such contracts commenced from the date of convening the 2018 annual general meeting (or the appointment date) until the date of convening the 2020 annual general meeting. The Company, the directors or the supervisors may terminate the contracts by giving not less than three months of prior notice in writing. Save as the abovementioned, none of the directors or supervisors has entered into or intends to enter into any service contracts with the Company determinable by the employer within one year with payment of compensation (other than statutory compensation). The Company was not required to pay compensation for the reason that the directors' service contracts remained unexpired and they intended to be re-elected at the next annual general meeting.

2. Interests of directors and supervisors in contracts

There was no transaction, arrangement or contract of significance to the Group in which any director or supervisor or any entity related with a director or a supervisor is or was, either directly or indirectly, materially interested; or there was no transaction, arrangement or contract of the Group in which a director, directly or indirectly, has material interests.

3. Declaration and undertaking of directors, supervisors and members of senior management

During the Reporting Period, the directors, supervisors and members of senior management of the Company have signed the letters of declaration and undertaking in accordance with the requirements of Listing Rules of the SSE.

4. Loan or loan guarantee granted to directors, supervisors and members of senior management

During the Reporting Period, the Company did not directly or indirectly grant any loan or quasi-loan to the directors or supervisors of the Company or its Controlling Shareholder, bodies corporate controlled by such directors or supervisors or entities related with such directors or supervisors, or did not enter into credit transactions with them or provide guarantee or security to them; and there was no such transaction entered into by any subsidiaries of the Company for their directors or supervisors.

5. Model Code for Securities Transactions by directors

After the Company has made enquiries with all of the directors and supervisors, directors of the Company have complied with the provisions on securities transactions under the "Model Code for Securities Transactions by Directors of Listed Issuers" under Appendix 10 of the Hong Kong Listing Rules during the Reporting Period. The Company has also formulated the "Model Code for Securities Transactions by Directors, Supervisors, Senior Management and Relevant Employees" to ensure the relevant personnel's compliance with this Code in carrying out securities transactions.

6. Securities transactions entered into by the directors, supervisors and members of senior management of the Company

During the Reporting Period, there was no record showing that any directors, supervisors, chief executives or key members of senior management of the Company or any of their respective related parties held any interests in the registered capital of the Company and its subsidiaries or associated companies subject to disclosure under the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers.

During the Reporting Period, the Company and its subsidiaries and associated companies did not make any arrangements to grant to any of the directors, supervisors or members of senior management, or any of their respective related parties (including their spouses and children under 18 years of age) any rights to subscribe for the equity or debenture of the Company, its subsidiaries or its associated corporations to acquire benefits.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

7. Training for directors, supervisors and members of senior management

To promote awareness of corporate governance among directors, supervisors and members of senior management, the secretary to the board of directors of the Company continuously focused on the governance requirements of securities regulatory authorities and timely relayed such requirements to the directors, supervisors and members of senior management. Meanwhile, the secretary to the board of directors also arranged the relevant directors, supervisors and members of senior management to participate in seminars and training programmes, including telephone video conferences held by the CSRC and topical training programmes arranged by the local securities regulatory bureaux, so as to facilitate their continuous professional development.

During the Reporting Period, the directors participated in the following trainings to update and develop their expertise and knowledge:

Name	Director's responsibilities/ environmental, social and corporate governance (Hours)	Laws, regulations and listing rules (Hours)	The Group's operations (Hours)	Total
Executive directors				
Sun Xibin (current)	3	5	3	11
Yao Yongjia (current)	8	7	3	18
Non-executive directors				
Chen Yanli (current)	4	4	1.5	9.5
Chen Yongbing (current)	5	3.5	1.5	10
Wu Xinhua (current)	3	4	1.5	8.5
Hu Yu (current)	3	3.5	1.5	8
Ma Chung Lai, Lawrence (current)	5	3	1.5	9.5
Independent non-executive directors				
Zhang Zhuting (current)	4	3	1.5	8.5
Chen Liang (current)	3	4	1.5	8.5
Lin Hui (current)	4	3	1.5	8.5
Zhou Shudong (current)	3	4	1.5	8.5
Liu Xiaoxing (current)	4	4	1.5	9.5
Retired director				
Gu Dejun	4	5	3	12

8. Directors and supervisors' interests in competitive businesses

None of the directors and supervisors has interests as stipulated in Rule 8.10 of the Hong Kong Listing Rules. Such interests refer to the interests either in the Company's businesses or another business which competes or is likely to compete with the Company's businesses.

9. Permitted indemnity provision of directors and supervisors

There is no permitted indemnity provision in favor of one or more (former and existing) directors of the Company (or the Company's associated company(ies)) or of his/their associated company(ies).

CORPORATE GOVERNANCE

I. Details of Corporate Governance of the Company

Applicable N/A

The Group adheres to the corporate philosophy of integrity and diligence, is committed to excellent corporate governance, and continuously improves the corporate governance mechanism of "clear powers and responsibilities, separate functions, effective balancing and coordinated operation" for the general meeting, the Board of directors and Supervisory Committee and the management in accordance with the laws and regulations of the two places and the listing rules and other regulations. It continuously optimizes the corporate governance operating mechanism of "scientific decision-making, firm execution, effective supervision, and stable operation" among power institutions, decision-making institutions, executive agencies, and supervisory agencies to increase the initiative and timeliness of information disclosure, and actively fulfill their responsibilities to stakeholders such as shareholders, customers, employees, and society.

During the reporting period, there was no difference between the actual status of corporate governance of the Group and the requirements of the Company Law and the regulatory documents issued by the China Securities Regulatory Commission on the governance of listed companies. The Company, the board of directors of the Company, Supervisory Committee as well as directors, supervisors, and senior management personnel have not been subject to administrative punishment, or notice of criticism, and public condemnation by the regulatory authorities.

During the reporting period, the corporate governance of the Group continued to be fully affirmed by the capital market and all sectors of society, and was awarded the "Best Corporate Governance Award" by China Finance, the "Two-Star Enterprise of Justice Fortune", and the "Gold Quality" of the Shanghai Securities News, Social Responsibility Award, New Fortune the 3rd New Fortune Best IR Hong Kong Stock Company (A + H Shares), etc., which fully embodied the Group's efforts in corporate governance and other aspects.

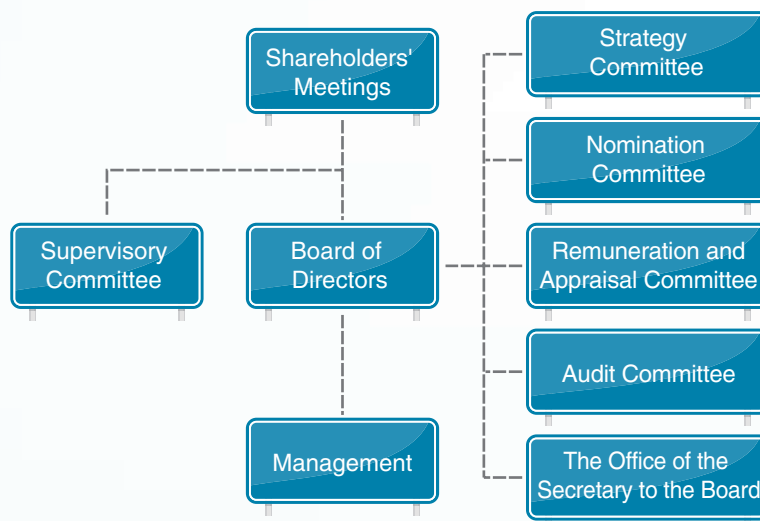
Whether there is any significant difference between the requirements of corporate governance and the relevant regulations of the China Securities Regulatory Commission; if there is a significant difference, the reason should be explained.

Applicable N/A



II. Shareholders' General Meeting

(I) Corporate governance structure and rules



The Company is listed on both the SSE and the Stock Exchange. In addition to the compliance with applicable laws and regulations, the Company is also required to comply with the following requirements in respect of corporate governance practice: the Corporate Governance Code for Listed Companies stipulated by the CSRC, the Corporate Governance Code under Appendix 14 to the Hong Kong Listing Rules and the requirements as imposed by SSE and the Hong Kong Listing Rules. Meanwhile, the Company has formulated various governance systems, including the “Rules of Procedures for General Meetings”, the “Rules of Procedure for the Board of Directors”, the “Rules of Procedures for the Supervisory Committee”, the “Rules of Procedures of Specialized Committees”, the “Terms of Reference of Independent Directors”, the “Terms of Reference of General Manager”, the “Model Code for Securities Transactions by Directors, Supervisors, Senior Management and Relevant Employees”, the “Administrative Measures for the Disclosure of Information”, the “Management Rules for Connected Transactions” and the “Investor Relations Management System”, and so forth. Each of the abovementioned systems was strictly followed in order to enhance the level of the Company’s corporate governance.

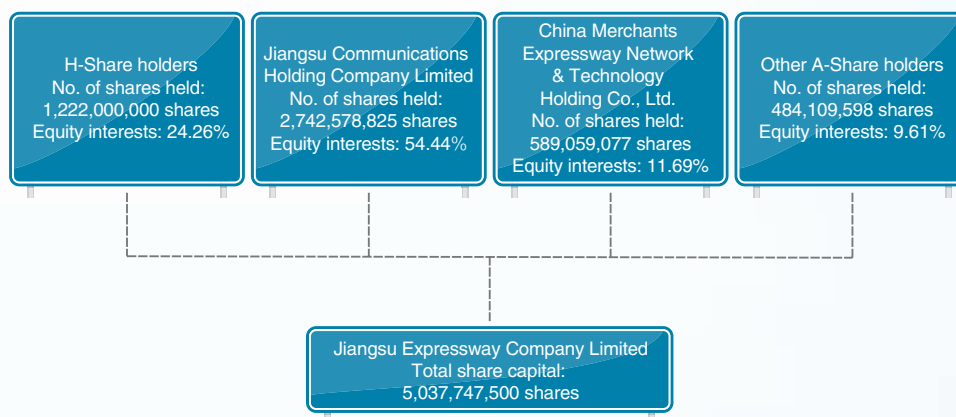
Please refer to the Articles of Association of the Company for the functions and powers of the “general meeting, the board of directors, the supervisory committee and management”.

During the Reporting Period, the company’s “general meeting, the board of directors, the supervisory committee and management” have clear powers and smooth operations. The general meeting exercises its powers in accordance with the law, and the Board, the Supervisory Committee, and management effectively performed their duties and were actively and effectively operated: in accordance with the Company’s “three major and one significant” (三重一大) decision-making system, improved all kinds of basic work involving “three major and one significant” (三重一大) decision-making matters, and standardized the decision-making behavior of the Company in major matters; made scientific decisions on daily business activities and important investment matters to ensure that all important matters were fulfilled the necessary statutory approval procedures and improved decision-making level to prevent decision-making risks and ensure the Company’s scientific and compliant development.

(II) Shareholders and shareholders' rights

The Company has been attaching great importance to the protection of interests of all Shareholders. By convening general meetings and establishment of investors' hotline and other ways, the Company establishes and maintains effective communication channel between the Company and all Shareholders, and ensures that all Shareholders are treated equally and have the right to know and participate in important matters of the Company and voting rights.

1. Substantial Shareholders



Communications Holding and China Merchants Expressway are substantial shareholders of the Company, holding approximately 54.44% and 11.69% of the shares of the Company respectively. These two shareholders have never bypassed general meetings to intervene directly or indirectly the decision-making process and the operations of the Company. The Company has independent and complete business and independent operation capabilities, and it is separated from Transportation Holdings, the controlling shareholder, in terms of business, personnel, assets, institutions and finance, and remains independent each other.

2. Shareholders' right

(1) Shareholders' right to propose convening of extraordinary general meetings and class meetings

In accordance with the Articles of Association, shareholders individually or in aggregate holding a total of 10% or more of the shares of the Bank have the right to request in writing to the board of directors to convene an extraordinary shareholders' meeting or a meeting of shareholders of different categories. Two or more shareholders holding a total of 10% or more of the shares carrying voting right of the Bank may sign one or more written requests of identical form and substance requesting the board of directors to convene a meeting of shareholders of different categories and stating the subject of the meeting. If the board of directors fails to issue a notice of such a meeting within 30 days after having received the written request of convening an extraordinary shareholders' meeting or a meeting of shareholders of different categories submitted by the Proposing Shareholders, the Proposing Shareholders may themselves convene the meeting within four months after the board of directors received the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' meetings are to be convened by the board of directors. Where the Proposing Shareholders convene and hold a meeting because the board of directors failed to convene such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Bank and shall be deducted from the sums owed by the Company to the negligent directors.

(2) *Right of and procedures for shareholders to put forward proposals at a general meeting*

In accordance with the Articles of Association, shareholders individually or collectively holding over 3% of the total voting Shares of the Company have the right to submit proposals to the Company. Shareholders individually or collectively holding over 3% of the total voting shares of the Company have the right to submit special proposals to the Company in writing 10 days prior to convening the general meeting to the convener (being the Board of Directors). (address: 6 Xianlin Avenue, Nanjing City, Jiangsu Province, the PRC; Addressee: Mr. Yao Yongjia (Company Secretary, Secretary to the board of directors). A supplemental notice shall be issued by the convener within 2 days after receipt of such proposals. Save as prescribed above, the convener shall not revise the proposals stated in the notice of general meetings nor add in new proposals after issuing the notice of general meeting. The Company shall place the proposal on the agenda for the said meeting if the said proposal falls within the functions and powers of general meetings.

(3) *Procedures for directing shareholders' enquiries to the Board*

Pursuant to the Article 8.3(3) of the Articles of Association, shareholders have the right to raise inquiries as to business and operational activities of the Company. The relevant members of the Board, the Supervisory Committee or the senior management shall attend the general meeting to receive the inquiries and make corresponding responses or explanations regarding the questions and recommendations of the shareholders.

Shareholders may at any time send their enquiries and opinions to the board of directors in writing through the Office of the Secretary to the board of directors whose contact details are as follows:

Address: 6 Xianlin Avenue, Nanjing City
E-mail: jsnh@jsexpwy.com
Telephone: 8625-84362700 ext. 301815
Facsimile: 8625-84207788

The Office of the Secretary to the board of directors of the Company handles queries made by shareholders of the Company via telephone and in writing from time to time. Where appropriate, the queries and opinions of shareholders will be forwarded to the board of directors and/or relevant committees under the board of directors of the Company to answer the queries raised by the shareholders.

Shareholders are entitled to obtain relevant information including the Articles of Association, all and any branch register of members, personal information of directors, supervisors, managers and other senior management members of the Company, share capital of the Company, total par value, quantity, the highest price and the lowest price of each class of shares repurchased by the Company since the previous accounting year and the report on the total cost paid by the Company therefor, and the minutes of general meetings.

(II) Shareholders' general meetings

The shareholders' general meetings are the highest authority of the Company which make important decisions and lawfully exercise duties and power. The Company formulated the "Rules of Procedures for General Meetings" which has been effectively implemented. The general meetings with well-defined powers and responsibilities, operate in compliance with prescribed procedures. The procedures of convening and holding every annual general meeting are in compliance with relevant rules, and the proposal and deliberation of resolutions at the meeting are in compliance with the statutory procedures. The annual general meetings and extraordinary general meetings provide a direct communication channel to the board of directors and the shareholders of the Company. Therefore, the Company attaches great importance to the shareholders' general meetings, and requires the directors and senior management personnel to attend the general meetings as far as possible. Meanwhile, it also arranges representatives of independent directors, chairmen of or representatives appointed by the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee to attend the annual general meetings and respond to questions from the shareholders. At the general meetings, all shareholders are entitled to make suggestions and queries to the attending directors/supervisors and senior management personnel as to the business activities and development strategies of the Group. Except for trade secrets which shall not be made known to the public, the directors, supervisors and senior management personnel shall give illustrations and explanations on the shareholders' suggestions and queries.

The Company encourages all shareholders to attend the general meetings. Notice of the meeting is issued at least 45 days before the meeting is convened. The relevant information about the resolutions to be considered will be posted on websites or sent to shareholders in the form of circulars in accordance with the regulatory requirements of the relevant stock exchange, for the benefit of the decision-making of shareholders. Information such as the procedures for shareholders to attend the meeting in person or by appointing a proxy as well as the communication methods for the acceptance of shareholders' enquiries is disclosed by the Company in detail in the notice of general meeting. Shareholders who are unable to attend the general meeting in person may rely on such information for his/her decision-making and appoint a proxy to attend the general meeting and vote at the meeting.

The general meeting is witnessed by the lawyer delegated by the legal counsel to the Company, who will issue a legal opinion. The representative appointed by the audit firm and shareholders' representatives also act as scrutineers to monitor the counting of votes and to ensure the legality, fairness and transparency of the meeting procedures.

Overview of general meetings

Session	Date	Designated website for publishing resolutions	Date of disclosure and publishing of resolutions
2018 Annual General Meeting	20 June 2019	www.sse.com.cn; www.hkexnews.hk; www.jsexpressway.com	21 June 2019
2019 First Extraordinary General Meeting	26 September 2019	www.sse.com.cn; www.hkexnews.hk; www.jsexpressway.com	27 September 2019

Such general meetings were convened and held in strict accordance with relevant laws and regulations and the listing rules in Shanghai and Hong Kong. The on-site voting method and online voting method at general meetings were provided for all shareholders to effectively protect all shareholders' rights to know and participate in and make decision, in particular interests of minority shareholders. According to the regulatory requirements of both places, the Company has confirmed that votes of small and medium investors have been separately counted and open solicitation of voting rights of shareholders has been taken place, etc. Directors, Supervisors and senior management attended the meetings and communicated with shareholders on matters concerned.

CORPORATE GOVERNANCE

Explanation of the general meetings

Applicable N/A

In accordance with regulatory requirements, the Company promptly released the resolution announcement and legal opinion of the above general meetings. The relevant resolutions can be found on the website of the SSE at www.sse.com.cn, the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.jsexpressway.com.

III. Directors' performance of duties

(I) Details of directors' attendance at Board meetings and general meetings

Name of director	Attendance at Board meetings							Attendance at general meetings
	Whether he is an independent director	Number of Board meetings required to attend during the year	Number of attendance in person	Number of attendance by way of telecommunication	Number of attendance by proxy	Number of absence	Whether he fails to attend two consecutive Board meetings in person	Number of attendance at general meetings
Gu De Jun*	NO	9	9	0	0	0	NO	2
Chen Yanli	NO	9	9	0	0	0	NO	2
Chen Yongbing	NO	9	9	0	0	0	NO	2
Sun Xibin	NO	9	9	0	0	0	NO	2
Yao Yongjia	NO	9	9	0	0	0	NO	1
Wu Xinhua	NO	9	3	0	6	0	NO	0
Hu Yu	NO	9	4	0	5	0	NO	0
Ma Chung Lai, Lawrence	NO	9	8	0	1	0	NO	2
Zhang Zhuting	YES	9	4	0	5	0	NO	1
Chen Liang	YES	9	8	0	1	0	NO	2
Lin Hui	YES	9	9	0	0	0	NO	2
Zhou Shudong	YES	9	8	0	1	0	NO	2
Liu Xiaoxing	YES	9	8	0	1	0	NO	2

* Note: The Board of the Company received a resignation letter from Chairman Mr. Gu Dejun on 2 March 2020. Mr. Gu Dejun tendered his resignation as Chairman, Chairman of the Strategy Committee of the Board, and a director of the Company due to other engagements.

During the Reporting Period, the board of directors of the Company had a total of 13 members, among which, 3 were executive directors, namely, Gu Dejun, Sun Xibin and Yao Yongjia; and 10 were non-executive directors, namely, Chen Yanli, Chen Yongbing, Wu Xinhua, Hu Yu and Ma Chung Lai, Lawrence as non-executive directors; and Zhang Zhuting, Chen Liang, Lin Hui, Zhou Shudong and Liu Xiaoxing as independent non-executive directors. 3 executive directors and 4 non-executive directors are nominated by shareholders' entities; and 6 external directors, including 1 non-executive director, who is a Hong Kong celebrity, and 5 independent non-executive directors, ensuring the Board's independence without affecting its decision-making as a result of Executive Directors's views.

The appointment of members of the Board of the Company is based on the skills and experience required for the overall good operation of the Board, and at the same time fully considers the goals and requirements of diversity of Board members in all aspects, including but not limited to regulatory requirements, directors' gender, age, culture and educational background, region, professional experience, skills, knowledge and term of office, etc., and the diversified policy requirements were reflected throughout the entire process of director election. The members of this session of the Board has professional experience in the highway, infrastructure, investment, financial accounting, finance and securities, economic management, business management, finance and insurance and other sectors. 2 of the directors possess professional accounting qualifications and financial management expertise as required by the regulatory authorities, and 1 director is female. The diversity in terms of experience, skills, judgment and other aspects will ensure the diversity of Board members and help the Board analyze and discuss issues from various perspectives and make the Board more prudent and considerate decisions.

Independent non-executive directors played a key role in various committees of the board of directors. A majority of members of the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee were independent non-executive directors, one of whom was the chairperson of each of such committees. The independent non-executive directors could play a good role in safeguarding the interests of the Company and the shareholders as a whole by promoting independence and checks and balances in the board of directors, which actively advanced the continuous improvement of corporate governance and risk management standards of the Company and fully leveraged their expertise to render professional guidance on the development and management of the Company.

During the Reporting Period, the Board of the Company fully implemented the resolutions reviewed and approved by the general meetings, carefully implemented the 2018 profit distribution plan approved by the general meeting, and appointment of external auditors for the year 2019.

Each of the independent non-executive directors has, upon his nomination, submitted to the board of directors a statement in respect of his independence. In addition, before convening the relevant board meeting for consideration of the annual results, the Company has received written confirmations from all independent non-executive directors in respect of their independence and considers that the relevant independent non-executive directors are independent according to the relevant guidelines under Rule 3.13 of the Hong Kong Listing Rules.

Explanation for absence of board of director meetings in person for two consecutive times

Applicable N/A

Number of board of director meetings convened during the year	9
Of which: Number of face-to-face meetings	9
Number of meetings convened by way of telecommunication	0
Number of face-to-face meetings convened by way of telecommunication	0

During the Reporting Period, the board of directors held a total of 9 meetings. Through appropriate means such as holding regular meetings or extraordinary meetings and signing board resolutions or authorizations, the board of directors conducted discussions and made decisions on major matters, such as business and financial performance, financing schemes, investment projects, connected transactions and governance structure of the Group. This ensures the realization of the Company's best interests in its operation, management, development and other aspects.

(II) Independent directors' objections to matters of the Company

Applicable N/A

(III) Others

Applicable N/A

CORPORATE GOVERNANCE

IV. Details of objections contained in important views and proposals raised by special committees under the board of directors in the performance of their duties during the Reporting Period subject to disclosure

Applicable N/A

V. Explanation on risks of the Company discovered by the Supervisory Committee

Applicable N/A

VI. Details of failure to ensure the Company's independence from the Controlling Shareholder in terms of operation, personnel, assets, structure and finance as well as to maintain capability to maintain independent operation

Applicable N/A

Based on the principle of "distinctive ownership, clearly defined powers and responsibilities and separation of government functions from enterprise management", the Company and Communications Holding, the Controlling Shareholder, are independent of each other in terms of operations, assets, personnel, organization and finance. The relationship between the Company and the Controlling Shareholder is defined as purely in relation to ownership. The aforesaid two entities maintain separate scopes of operation and do not relate to each other as upstream or downstream companies. Whilst the respective businesses of the Company and the Controlling Shareholder are to some extent similar to each other, which may objectively give rise to horizontal competition between them, there is no noticeable impact on the usual business operations of the Company. The Company's assets are strictly separated from those of the Controlling Shareholder. The Company possesses full ownership over its operating assets and operates the same with total independence. No employees are holding concurrent positions in both companies. The Company possesses the autonomy of appointment, removal and decision-making regarding labour, personnel and remuneration, while the Controlling Shareholder's nominations of director and supervisor candidates to the Company are conducted under lawful procedures. There is no question of one team operating in two companies. Offices and business places of the Company and the Controlling Shareholder are physically separated. The Company maintains its own financial department with separate accounts and makes its financial decisions independently. The Company's capital application is free from any interference of the Controlling Shareholder.

Plan for the Company's corresponding solutions, work progress and follow-up work if competition in the same industry

Applicable N/A

VII. Details of establishment and implementation of assessment mechanism for senior management and incentive mechanism during the Reporting Period

Applicable N/A

The management of the Company, comprising 1 general manager, 4 deputy general managers, 1 secretary to the Disciplinary Committee of the Communist Party, 1 financial controller and 1 deputy secretary of the Communist Party Committee, is in charge of the coordination and management of the businesses and operation of the Group, implementation of strategies formulated by the board of directors, and decision-making and control in respect of day-to-day business and operation management, financial management and human resources management.

The board of directors and the Remuneration and Appraisal Committee of the board of directors are responsible for the appraisal of the Company's management and setting of various performance targets in terms of operating revenue, operating costs, etc., profit indicators and business targets in terms of operation management. Upon consideration and approval of the board of directors at the beginning of each year, the Company assigns specific tasks to various functional departments for appraisal. The general manager of the Company signs annual responsibility letters with the persons-in-charge of the respective departments. At the end of each year, the board of directors assesses the management's performance based on the achievement rates of such targets.

VIII. Disclosure of self-evaluation reports on internal control

Applicable N/A

The board of directors of the Company has prepared the 2019 Self-Evaluation Report on Internal Control. During the Reporting Period, there was an absence of other information on risk management and internal control that might result in a significant impact on the investors' understanding of the risk management and internal control evaluation reports and risk management and internal control evaluation in making investment decisions. Disclosure of information on the Company's risk management and internal control performance for this year has been taken place. The full text of the 2019 Self-Evaluation Report on Internal Control has been published on the websites of the SSE (www.sse.com.cn), the Stock Exchange (www.hkexnews.hk) and the Company (www.jsexpressway.com).

Explanation of significant internal control errors during the Reporting Period

Applicable N/A

IX. Information on internal control audit report

Applicable N/A

Deloitte has issued an internal control audit report of the Company for 2019 and is of the view that the Company has kept effective internal control over financial reporting in all material aspects pursuant to the Basic Guidelines on Enterprise Risk Management and Internal Control and other relevant requirements as of 31 December 2019. The full text of the 2019 internal control audit report has been published on the websites of the SSE (www.sse.com.cn), the Stock Exchange (www.hkexnews.hk) and the Company (www.jsexpressway.com).

Whether or not to disclose the internal control audit report: YES

CORPORATE GOVERNANCE

X. Others

Applicable N/A

A total of four specialized committees were established under the board of directors of the Company, including the Strategy Committee, the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee. Each committee formulated its specific rules of procedures in order to define the scope of responsibility and power and procedures for the performance of duties. These committees assist the board of directors in enhancing standard management in aspects such as strategic development, project investment, financial reporting and human resources and assessment, thereby effectively improving the governance level and operational efficiency of the Company. Independent non-executive directors play major roles in these committees of the board of directors. The independent non-executive directors account for a majority of the composition in the Audit Committee, the Nomination Committee and the Remuneration and Appraisal Committee, and an independent non-executive director is the chairperson in each of these committees.

(I) Strategy Committee

The Strategy Committee was established in 2001. Its current members comprise 5 directors. The chairman is Mr. Sun Xibin*, an executive director. The members include Mr. Chen YongBing, Mr. Yao Yongjia, Mr. Ma Chung Lai, Lawrence and Mr. Zhang Zhuting. There are 2 executive directors, 2 non-executive directors and 1 independent non-executive director.

* On 2 March 2020, Mr. Gu De Jun applied for the resignation of the Chairman of the Strategy Committee of the Board of Directors and Mr. Sun Xibin, an Executive Director was elected as the chairman of the Company's the Strategy Committee of the Board of Directors approved by the Board of the Company at the 17th meeting of the 9th session on 2 March 2020.

The Strategy Committee is principally responsible for examining and reviewing the direction for strategic development of the Company, studying and making recommendations on substantial capital operations, asset operation projects and investment and financing proposals, determining the Company's strategic planning, supervising over the execution of strategies and enhancing the investment decision-making procedures, so as to strengthen scientific decision-making and to improve the efficiency of making substantial investment decisions and the quality of such decisions, and conduct independent review on the quality and efficiency of risk management work.

During the reporting period, the Strategy Committee held a total of 7 meetings to consider the registration and issuance of ultra-short-term financing bills, capital increase finance company, Suzhou Sujiahang Expressway Co., Ltd.. absorbed and merged Suzhou Sujiayong Expressway Co., Ltd., increased capital investment in Ninghu Investment Company, additional subscription of asset management scheme of Fuanda Fund, establishment of the second phase of the real estate investment parent fund, investment and construction of the Longtan River Channel Project, and establishment of Yangtze Management Company, increased shareholdings in A-share listed companies, signed pledge agreements for charging rights of specific asset, increased registered capital of Longtan Bridge Company, the Company's public issuance of corporate bonds, the acquisition of Turkish ICA company on road and bridge projects, etc. And it put forward opinions or suggestions to continue to optimize the asset structure, improve asset returns and capital returns, strengthen the Company's compliance awareness, enhance risk management and anti-fraud work, and enhance the ability to serve the real economy.

Name of director	Whether he/she is an independent non-executive director	Number of Strategy Committee meetings required to attend during the year	Number of attendance
Sun Xibin	NO	0	0
Chen Yongbing	NO	7	7
Yao Yongjia	NO	7	7
Ma Chung Lai, Lawrence	NO	7	6
Zhang Zhuting	YES	7	4
Gu Dejun	NO	7	7

(II) Nomination Committee

The Nomination, Remuneration and Appraisal Committee established by the Company in 2001 was split into the Nomination Committee and the Remuneration and Appraisal Committee in 2012 as required by the Stock Exchange. Its current members comprise 5 directors. The chairman is Mr. Zhou Shudong, an independent non-executive director. Members include Mr. Chen Yanli, Mr. Wu Xinhua, Mr. Chen Liang and Mr. Lin Hui. There are 2 non-executive directors and 3 independent non-executive directors.

The Nomination Committee is primarily responsible for devising the Company's human resources development strategies and plans; and conducting studies and making recommendations on candidates, selection criteria and procedures for the appointment of the Company's directors and senior management. It is accountable to the board of directors.

During the reporting period, the Nomination Committee held a total of 2 meetings. The Nomination Committee reviews the qualifications of directors, evaluates the structure, number and composition of the board of directors, and pays attention to the improvement of diversity. As of the date of this report, there are 13 members of the ninth board of directors of the Company, including 3 executive directors and 10 non-executive directors. Six of the executive directors are hired by the Company externally, including one director who is a well-known person in Hong Kong, and five independent non-executive directors, which guarantees sufficient independence of the board of directors; one of the non-executive directors is a female, which guarantees the diversity of the board members, which helps the board analyze and discuss issues from multiple perspectives. The Nomination Committee attaches great importance to the development and training of senior management personnel and reserve talents, comprehensively examines the changes of senior executives and some professional employees, and examines the academic qualifications, professional qualifications, experience, and independence of candidates, and performs relevant nomination procedures and submitted to the Company's board of directors for consideration. Candidate executives and professional employees will serve after being reviewed and approved by the board of directors.

Name of director	Whether he/she is an independent non-executive director	Number of Nomination Committee meetings required to attend during the year	Number of attendance
Zhou Shudong	YES	2	2
Chen Yanli	NO	2	2
Wu Xinhua	NO	2	2
Chen Liang	YES	2	2
Lin Hui	YES	2	2

(III) Remuneration and Appraisal Committee

The Nomination, Remuneration and Appraisal Committee established by the Company in 2001 was split into the Nomination Committee and the Remuneration and Appraisal Committee in 2012 pursuant to requirements of the Stock Exchange. Its current members comprise 5 directors. The chairman is Mr. Lin Hui, an independent non-executive director. Members include Mr. Chen Yanli, Ms. Hu Yu, Mr. Zhang Zhuting and Mr. Chen Liang. There are 2 non-executive directors and 3 independent non-executive directors.

The Remuneration and Appraisal Committee is principally responsible for studying and formulating the Company's remuneration policies and incentive mechanism, and devising the appraisal standards for the directors and members of senior management and the performance of appraisals thereof. It is accountable to the board of directors.

CORPORATE GOVERNANCE

During the reporting period, the Remuneration and Evaluation Committee held a total of 2 meetings. The Remuneration and Evaluation Committee makes recommendations to the Board of Directors on the remuneration of the Company's directors, supervisors and senior management in 2019. The committee has assessed and evaluated the discharge of duties by each of the directors and the management of the Company in the year of 2019. The committee is of the view that all directors of the Company have faithfully fulfilled their obligations of integrity and diligence and have dutifully fulfilled and discharged their duties under their respective service contracts, and that they have devoted the necessary attention and adequate time to the Company's businesses and have brought their professional experience and expertise into full play, thus helping the board of directors to make decisions in a scientific and efficient manner and ensuring the realization of the Company's best interests. The management of the Company has discharged its duty professionally and conscientiously and has satisfactorily achieved the Company's various operation and management objectives for the year which had been set by the board of directors in early 2019. The committee has examined the remuneration information of the directors, supervisors and senior management disclosed by the Company in this annual report and is of the view that the data disclosed is true and accurate. Besides, none of the directors, supervisors or senior management of the Company held any shares, share options or being granted restricted shares of the Company, and the Company has not adopted any share option incentive schemes currently.

The committee has approved the terms of the service contract of executive directors and ensured that none of the directors or any of their associates participated in the determination of their own remuneration.

Name of director	Whether he/she is an independent non-executive director	Number of Remuneration and Appraisal Committee meetings required to attend during the year	Number of attendance
Lin Hui	YES	2	2
Chen Yanli	NO	2	2
Hu Yu	NO	2	2
Zhang Zhuting	YES	2	2
Chen Liang	YES	2	2

(IV) Audit Committee

The Audit Committee was established in 2001. Its current members comprise 4 directors. The chairman is Mr. Chen Liang*, an independent non-executive director. Members include Mr. Zhou Shudong, Ms. Hu Yu and Mr. Liu Xiaoxing. There are 1 non-executive directors and 3 independent non-executive directors.

* Mr. Chen Liang, an independent non-executive director, ¹³³ possesses the appropriate professional qualifications or appropriate accounting or relevant financial management expertise as required under Rule 3.10(2) of Hong Kong Listing Rules.

The Audit Committee is principally responsible for reviewing and monitoring the quality and procedures of the Company's financial reporting and supervising the establishment and implementation of the Company's internal audit system; examining the financial information of the Company and its subsidiaries and its disclosure; reviewing the establishment of the Company's internal control system and supervising its implementation, including financial control and other aspects; auditing major related party/connected transactions of the Company; and communicating, supervising and reviewing the work of the internal and external auditors of the Company.

During the reporting period, the Audit Committee held a total of 8 meetings, including 6 periodic report meetings and 2 separate communication meetings with external audit institutions. It reviews the company's periodic reports; reviews related party/connected transactions, supervises and evaluates the external audit work, selects external auditors; reviews the internal control system, supervises and guides internal audits, promotes internal and external audit findings and rectification; strengthens internal control supervision and evaluation; reviews and monitors the Company's financial reporting quality and procedures. And it provides support for the board of directors' decision-making on the above matters, and puts forward important opinions and suggestions.

According to the working rules of the annual report, the audit committee reviews the Company's annual financial report. Before the external auditors enter the field, they fully communicate with the management and form written opinions; for the preliminary audit opinions issued by the external auditors, they strengthen communication with the external auditors. It reviews and communicates the annual financial report again; after the completion of the annual financial report they audit, review and vote, and submit to the board of directors for review.

In addition, the Audit Committee pays close attention to the achievements of the Company's operating performance improvement and benefit cost control, and effectively plays a role in assisting the board of directors to perform their duties.

Name of director	Whether he/she is an independent non-executive director	Number of Audit Committee meetings required to attend during the year	Number of attendance
Chen Liang	YES	8	8
Zhou Shudong	YES	8	8
Hu Yu	NO	8	4
Liu Xiaoxing	YES	8	8

(V) Supervisors and Supervisory Committee

During the reporting period, Mr. Chen Wei, employee representative supervisor, resigned from the position of Employee Supervisor of the Company on 14 May 2019 due to job changes. Mr. Lu Zhengfeng was elected as Employee Supervisor at the eighth meeting of the Fourth Trade Union Committee of the Company's Trade Union. Currently, the Supervisory Committee of the Company comprises five supervisors, of whom three are nominated by representatives of the shareholders and two are staff representatives of the Company. The number of members and composition of the Supervisory Committee is in compliance with the requirements under the relevant laws and regulations. As at the date of the report, the supervisors of the Company are Yu Lanying (Chairman of the Supervisory Committee), Ding Guozhen, Pan Ye, Shao Li and Lu Zhengfeng.

The Supervisory Committee is accountable to the general meetings and independently exercises its supervisory authority over the Company in a lawful manner, so as to prevent the infringement of the legitimate interests of the shareholders, the Company and its employees. Its main duties include examining the financial situation of the Company, supervising the Company's decision-making on and operational procedures for material business activities and related party/connected transactions, and supervising the discharge of duties of the directors and senior management of the Company to ensure the legality and compliance. The articles of association and the "Rules of Procedure for the Supervisory Committee" of the Company set out the powers and authorities of the Supervisory Committee in detail.

During the Reporting Period, the Supervisory Committee held eight meetings, and all supervisors were in attendance in each board meeting. In accordance with the PRC Companies Law, the Listing Rules and other relevant regulations as well as the Articles of Association and the Rules of Procedures for the Supervisory Committee and by observance of the principle of integrity, all members of the Supervisory Committee have faithfully discharged their duties. It examined the signing of written resolutions of the board of directors, exercised an effective supervision over the legality of the decision-making process of the Company, the implementation by the board of directors of the resolutions passed at the general meetings, and the performance of duties by the directors and the management of Company, as well as timely reminded the board of directors and the management of the Company of any potential risks; checked the Company's annual financial report; verified the financial information, such as financial report, business report, profit distribution scheme and etc., submitted to the general meeting by the board of directors; reviewed the periodical reports of the Company prepared by the board of directors and provided its written opinions after review; supervised the Company's decisionmaking and operational procedures on material business activities, such as project investment and asset restructuring, and whether the contracts signed for the above activities were legal, compliant and reasonable, whether related party/connected transactions were conducted on terms fair and reasonable to the shareholders.

Based on the above supervision, the Supervisory Committee is of the opinion that the Company has operated in strict compliance with relevant laws and regulations and that the directors and members of senior management of the Company have discharged their duties in the interests of both of the shareholders and the Company. During the reporting period, there was no violation of laws and regulations, nor was there any abuse of power or any act detrimental to the interests of the Company, the shareholders and employees of the Company. The Company's risk management and internal control systems were adequate and the implementation was basically sound and effective, and no risk or material defects were found thereof to be inherent in the operation and management of the Company.

CORPORATE GOVERNANCE

(VI) Corporate Governance Report

As at the date of this report, the Board has reviewed the daily governance of the Company with reference to the Corporate Governance Code, and is of the view that the Company fully adopted all code provisions in the Corporate Governance Code and strived to fulfill the recommended best practices other than the code provisions A2.7, A4.2 and A6.7 stated below, the Company has been in compliance with all the code provisions under the Corporate Governance Code and no material deviation or breach of the provisions of the Corporate Governance Code was found.

Code provision	Compliance	Corporate governance procedures
A2.7 The chairman should hold a meeting annually with non-executive directors, in the absence of the executive directors	No	During the Reporting Period, the Board has 13 members, of whom 3 are executive directors and the rest are non-executive directors. 10 directors were appointed externally. This ensures adequate independence of the board of directors and safeguards the decisions of the board of directors from being prejudiced by the opinions of executive directors.
A4.2 Directors appointed to fill casual vacancies should be subject to election by shareholders at the first general meeting after appointment. Every director should be subject to retirement by rotation at least once every three years	No	All directors were elected or replaced at general meetings. The Company has introduced the cumulative voting system for the election of directors. According to the Company Law and the Articles of Association, each session of the board of directors is for a term of three years, with each director appointed for a term of three years, and all directors should retire upon the expiry of the three-year term, instead of retirement by rotation. Any re-appointment is subject to re-election at a general meeting.
A6.7 Independent non-executive Directors and other non-executive Directors should regularly attend Board meetings, meetings of committees and shareholders' general meetings, and develop a balanced understanding of the views of the shareholders	No	All independent non-executive directors and other non-executive directors have attended board meetings and meetings of various committees regularly and contributed their skills and expertise to the Company's decision-making process. Except for Mr. Wu Xinhua and Madam Hu Yu, non-executive directors, who were unable to attend the annual general meeting for 2018 and the 2019 first extraordinary general meeting and Mr. Zhang Zhuting, independent non-executive director, who was not able to attend the 2019 first extraordinary general meeting, due to their business reasons, all the other non-executive directors and independent non-executive directors have attended the general meetings of the Company held during the year.

(VII) Others

1. On management of inside information

With respect to the management of inside information, the Company has strictly implemented the Model Code for Securities Transactions by Directors, Supervisors, Senior Management and Relevant Employees, Management System Governing Insiders and Management System Governing External Information Users to regulate the acts of such insiders in dealing in the shares of the Company and prevent them from abusing the right to access insider information, leak insider information or conduct insider trading, so as to safeguard the interests of the Company and uphold the principle of fairness on information disclosure. During the Reporting Period, the Company carried out project investment. The Company strictly complied with regulatory requirements and the system formulated by the Company under which internal insiders and external insiders of the Company were required to sign a confidentiality agreement and a registration form before the commencement of the project investment. This effectively prevented insider dealings and there was an absence of abnormal share price fluctuations or insider trading as a result of information leakage.

2. On internal audit management and internal control and risk management

Currently, the Company has established the risk management and internal control systems. During the year, the Company's internal audit department, Strategy Committee and external independent auditor conducted preliminary review, rectification, audit and evaluation of the effectiveness of the establishment and implementation of the risk management and internal control systems respectively, and ensured that a comprehensive audit covering all businesses and management activities under risk management and internal control was carried out each year.

The board of directors of the Company acknowledges that it shall be responsible for the risk management and internal control systems and reviewing their effectiveness annually. The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failure to achieve business goals. There is only reasonable but not absolute assurance that material misrepresentations or losses can be avoided. The board of directors (including independent non-executive directors) has considered the opinions offered by the Strategy Committee, reviewed the risk management and internal control systems of the Group and is of the view that such systems are effective and adequate.

The Company has taken into consideration the resources, staff qualifications and experience in corporate accounting and internal auditing in reviewing the risk management and internal control matters. The Company has sufficient resources to support financial reporting. The relevant employees also possess the qualifications and experience required for their positions and have the opportunity to receive targeted professional trainings each year.

The Company has established a special audit department to audit the risk management and internal control systems of the Company. In addition, the Company's internal audit department and external independent auditor also conducts a comprehensive audit each year to recognize, assess and manage material risks, review the effectiveness of the Company's risk management and internal control systems and resolve material internal control errors. Save as described in paragraph 1 headed "On the management of inside information" above, the Company also deals with and publishes inside information and internal control measures through the board secretary's office from time to time during the year.

CORPORATE GOVERNANCE

3. On investor relations management and dividend policy

Investor relations serve as a window of a listed company to the market. The Company has been emphasizing investor relations work by focusing on coordinating the relationship between the Company and investors, holding a prudent and calm attitude towards various investors' calls, and extending our great hospitality to the media from different parties. The Company liaises with investors in a timely, accurate and detailed manner via the network information platform, keeps positive interaction with investors and the media and maintains close contact with the analysts of various securities brokers and research institutions by phone during working hours, so that investors can accurately grasp the information of the Company which can also have an understanding of the investors' concerns for enabling us to make future decisions about the capital market.

The Company has established a positive and stable dividend policy in the Articles, formulated a reasonable dividend mechanism, and promoted more active returns to shareholders, thus creating a harmonious and win-win investment, financing and value investment atmosphere. 20 years of adoption of the cash dividend distribution policy since the Company's listing has laid a solid foundation for us to establish a healthy image of compliance and transparency.

Returns to shareholders have been treated as the primary responsibility of the Company. Taking into account the long-term interests of investors and current revenue, the Company will maintain a stable dividend policy in the coming years.

During the Reporting Period, the Company actively carried out track audit on financial revenue, budgetary plans and major projects; we also conscientiously conducted off-office audit and commenced economic liabilities audit. The Company actively arranged and put in place the evaluation of internal control and defect rectification in order to ensure the effective implementation of internal control policies. As to the review on standard compliance, the Company reviewed the propriety, adequacy and effectiveness of quality, environmental and occupational health and safety management systems to identify defects, reinforce management standards and safeguard the sustainable and healthy development of the Company through internal review on standard compliance together with external professional institutions' review.

4. On social responsibilities

As a listed company principally engaged in the investment, construction, operation and management of toll roads and bridges in the transport infrastructure sector, the Company, in active and strict compliance with the laws and regulations of China and relevant corporate governance requirements of the Articles of Association, Shanghai Stock Exchange and Stock Exchange, is committed to increasing our presence in the industry, performing our basic social responsibility to meet public demand for transport services and promote the community's economic development, creating good investment returns to shareholders on an ongoing basis and striving to generate returns to stakeholders including employees, customers and business partners.

Guided by the principle of people-oriented and scientific development and by deploying resources in a more efficient way, the Company strives for the maximization of the economic, social and environmental benefits and achieving comprehensive, sustainable and balanced development of the economy, society and environment. In terms of environmental protection, the Company strictly abides by the relevant laws and regulations, exercises caution from the very outset in various stages, such as production, management and service, and endeavors to develop as an environmentally friendly and resource conservative enterprise of low energy consumption, low carbon emission, environmental conservation and intelligence.

During the Reporting Period, the Company has complied with the relevant laws and regulations that have material implications on the Company and have undertaken various social responsibilities for our stakeholders, including for shareholders, employees, consumers, the community and the environment. For details, please refer to the 2019 Corporate Environmental and Social Responsibility Report, the full text of which has been published on the websites of Shanghai Stock Exchange (www.sse.com.cn), Stock Exchange (www.hkexnews.hk) and the Company (www.jsexpressway.com).



PARTICULARS OF CORPORATE BONDS

Applicable

N/A

AUDITOR'S REPORT

De Shi Bao (Shen) Zi (20) No P02470

TO THE SHAREHOLDERS OF JIANGSU EXPRESSWAY CO., LTD.

1. OPINION

We have audited the financial statements of Jiangsu Expressway Co., Ltd (the "Company"), which comprise the consolidated and Company's balance sheets as at 31 December 2019, and the consolidated and Company's income statements, the consolidated and Company's cash flow statements, the consolidated and Company's statements of changes in shareholders' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements are prepared and present fairly, in all material respects, the consolidated and Company's financial position as of 31 December 2019, and the consolidated and Company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

2. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Chinese Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters identified in our audit is as follows.

Amortization of road operation right

1. Description

As at 31 December 2019, the net amount of the operation rights of the Company was RMB18,453,649,014.61, and the amortization amount of highway operation right in 2019 was RMB1,274,234,633.53. The toll road operation rights of the Company are amortized using traffic volume method, namely, the amortized amount of the toll road operation rights for a month is calculated at a proportion of the actual traffic volume occupying the sum of the actual traffic volume and the estimated remaining future traffic volume at that month. The estimated remaining future traffic volume, which refers to an estimate to the total traffic volume of the Company in the remaining operation period in the future, is a significant accounting estimate.

Therefore, we identify the amortization accuracy and the valuation of the toll road operating rights of the Company as key audit matters.

AUDITOR'S REPORT

3. KEY AUDIT MATTERS (CONTINUED)

Amortization of road operation right (Continued)

2. Audit response

We have performed the following audit procedures in response to the aforementioned key audit matters:

- For actual traffic volume data provided by the external service entity, use internal computer experts to understand the logic of the model that generates such data;
- Check whether the actual traffic volume data received by the Company from the external service entity is consistent with the actual traffic volume applied in the amortization of toll road operation rights, and verify such data through confirmation with external service entities;
- Assess the independence and professional capability of the third party agency employed by the Company to estimate traffic volume;
- Understand the approach to estimate future traffic volume of the remaining operation period in the future which is adopted in the traffic volume estimate report issued by the third-party agency, and assess the reliability of such report by comparing the estimated traffic volume in previous years and the corresponding actual traffic volume in those years;
- Re-measure the amortization of the toll road operation right to verify the accuracy of its amount in the financial statements.

4. OTHER INFORMATION

The management of the Company is responsible for the other information. The other information comprises the information included in the annual report for the year 2019, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in other information, we are required to report that fact. We have nothing to report in this regard.

5. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of the financial statements that give a true and fair view in accordance with Accounting Standards for Business Enterprises, and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

6. CERTIFIED PUBLIC ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with China Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with China Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

AUDITOR'S REPORT

6. CERTIFIED PUBLIC ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

- (5) Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Touche Tohmatsu Certified Public Accountants LLP
Shanghai, China

Chinese Certified Public Accountant:
(Engagement Partner)

Chinese Certified Public Accountant:

24 April 2020

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. In case the English version does not conform to the Chinese version, the Chinese version prevails.

CONSOLIDATED BALANCE SHEET

For the year ended 31 December 2019

Unit: RMB

Item	Note	31 December 2019	31 December 2018	Item	Note	31 December 2019	31 December 2018
Current Assets:				Current Liabilities:			
Cash and bank balances	VI-1	503,443,740.45	649,761,590.81	Short-term borrowings	VI-20	1,972,708,495.84	1,583,480,020.00
Held-for-trading financial assets	VI-2	676,935,184.62	683,326,861.55	Accounts payable	VI-21	1,262,414,819.54	1,090,607,320.09
Notes receivable	VI-3	-	1,681,264.79	Receipts in advance	VI-22	10,698,899.04	73,454,894.44
Accounts receivable	VI-4	224,285,157.62	321,158,726.81	Contract liabilities	VI-23	1,134,150,940.01	962,200,983.00
Prepayments	VI-5	26,865,058.19	29,060,041.15	Employee benefits payable	VI-24	1,563,119.99	2,917,979.68
Other receivables	VI-6	51,199,899.50	37,833,950.83	Taxes payable	VI-25	225,458,836.37	271,704,889.95
Inventories	VI-7	4,164,567,305.10	4,045,555,775.53	Other payables	VI-26	261,048,444.02	177,369,478.16
Other current assets	VI-8	379,340,961.34	130,656,170.75	Non-current liabilities due within one year	VI-27	3,161,145,193.63	471,310,306.40
				Other current liabilities	VI-28	5,092,083,748.87	2,212,191,672.00
Total Current Assets		6,026,637,306.82	5,899,034,382.22	Total Current Liabilities		13,121,272,497.31	6,845,237,543.72
Non-current Assets:				Non-current Liabilities:			
Investments in other equity instruments	VI-9	5,655,468,613.24	3,035,293,679.55	Long-term borrowings	VI-29	8,335,475,444.12	7,688,853,901.58
Other non-current financial assets	VI-10	1,446,175,745.21	1,111,415,422.02	Bonds payable	VI-30	997,460,933.93	3,980,548,107.70
Long-term equity investments	VI-11	6,939,251,518.62	5,702,454,036.17	Deferred income	VI-31	41,177,151.42	43,109,915.64
Investment properties	VI-12	18,394,459.79	19,207,033.69	Provisions	VI-32	30,211,590.82	461,700.00
Fixed assets	VI-13	1,907,362,713.72	1,814,133,322.70	Deferred tax liabilities	VI-18	416,613,871.66	250,660,722.29
Construction in progress	VI-14	14,501,734,494.95	10,087,826,331.47				
Intangible assets	VI-15	18,927,999,470.50	20,280,055,628.63	Total Non-current Liabilities		9,820,938,991.95	11,963,634,347.21
Right-of-use assets	VI-16	637,434.33	-				
Long-term prepaid expenses	VI-17	11,418,643.58	1,654,145.11	TOTAL LIABILITIES		22,942,211,489.26	18,808,871,890.93
Deferred tax assets	VI-18	175,012,653.99	197,447,059.09				
Other non-current assets	VI-19	14,955,570.00	14,207,791.50	Shareholders' Equity			
				Share capital	VI-33	5,037,747,500.00	5,037,747,500.00
Total Non-current Assets		49,598,411,317.93	42,263,694,449.93	Capital reserve	VI-34	10,501,913,183.87	10,428,388,234.50
				Other comprehensive income	VI-35	1,291,748,071.42	837,827,667.08
TOTAL ASSETS		55,625,048,624.75	48,162,728,832.15	Surplus reserve	VI-36	3,551,167,000.42	3,411,194,284.79
				General risk reserve	VI-37	141,891.32	-
				Retained profits	VI-38	8,164,265,960.12	6,422,040,045.25
				Total shareholders' equity attributable to equity holders of the Company		28,546,983,607.15	26,137,197,731.62
				Minority interests		4,135,853,528.34	3,216,659,209.60
				TOTAL SHAREHOLDERS' EQUITY		32,682,837,135.49	29,353,856,941.22
				TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		55,625,048,624.75	48,162,728,832.15

The accompanying notes form part of the financial statements.

The financial statements on pages 145 to 295 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

BALANCE SHEET OF THE COMPANY

For the year ended 31 December 2019

Unit: RMB

Item	Note	31 December 2019	31 December 2018	Item	Note	31 December 2019	31 December 2018
Current Assets:				Current Liabilities:			
Cash and bank balances	XIV-1	72,993,232.97	100,931,394.05	Short-term borrowings	XIV-16	2,022,320,888.89	1,692,008,770.34
Held-for-trading financial assets	XIV-2	370,000,000.00	193,000,000.00	Accounts payable	XIV-17	589,591,720.53	491,880,234.54
Accounts receivable	XIV-3	158,693,671.56	218,353,102.99	Receipts in advance		4,679,590.76	68,061,948.61
Prepayments	XIV-4	5,983,721.61	8,598,093.67	Employee benefits payable	XIV-18	1,023,753.28	2,242,393.12
Other receivables	XIV-5	13,182,864.41	13,731,085.53	Taxes payable	XIV-19	26,068,004.78	135,467,755.03
Inventories	XIV-6	12,961,862.11	11,305,004.19	Other payables	XIV-20	154,434,539.62	108,067,295.33
Non-current assets due within one year	XIV-15	30,284,152.78	30,580,763.90	Non-current liabilities due within one year	XIV-21	3,055,176,013.26	61,472,214.11
Other current assets	XIV-7	404,998,605.25	7,009,304.17	Other current liabilities		4,998,884,246.00	2,212,191,672.00
Total Current Assets		1,069,098,110.69	583,508,748.50	Total Current Liabilities		10,852,178,757.12	4,771,392,283.08
Non-current Assets:				Non-current Liabilities:			
Investments in other equity instruments	XIV-8	4,188,311,013.24	1,933,153,679.55	Long-term borrowings	XIV-22	13,827,444.12	15,303,901.58
Long-term equity investments	XIV-9	17,437,162,898.62	14,290,944,294.10	Bonds payable		997,460,933.93	3,980,548,107.70
Fixed assets	XIV-10	1,010,379,375.99	948,663,656.43	Deferred tax liabilities	XIV-14	144,200,424.02	-
Construction in progress	XIV-11	78,110,869.95	50,503,852.20	Provisions		-	461,700.00
Intangible assets	XIV-12	9,394,393,034.42	10,087,165,531.09	Total Non-current Liabilities		1,155,488,802.07	3,996,313,709.28
Long-term prepaid expenses	XIV-13	5,660,377.22	-	TOTAL LIABILITIES		12,007,667,559.19	8,767,705,992.36
Deferred tax assets	XIV-14	-	45,120,214.51	Shareholders' Equity:			
Other non-current assets	XIV-15	1,901,079,653.58	2,604,419,551.51	Share capital		5,037,747,500.00	5,037,747,500.00
Total Non-current Assets		34,015,097,223.02	29,959,970,779.39	Capital reserve	XIV-23	7,401,175,276.67	7,327,650,327.30
TOTAL ASSETS		35,084,195,333.71	30,543,479,527.89	Other comprehensive income	XIV-24	730,095,757.57	289,485,951.71
				Surplus reserve	XIV-25	2,518,873,750.00	2,518,873,750.00
				Retained profits	XIV-26	7,388,635,490.28	6,602,016,006.52
				TOTAL SHAREHOLDERS' EQUITY		23,076,527,774.52	21,775,773,535.53
				TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		35,084,195,333.71	30,543,479,527.89

The accompanying notes form part of the financial statements.

The financial statements on pages 145 to 295 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

Unit: RMB

Item	Note	Amount for the current year	Amount for the prior year
I. Total operating income	VI-39	10,078,181,218.81	9,969,011,165.19
Including: Operating income		10,078,181,218.81	9,969,011,165.19
Less: Total operating costs		5,430,731,983.67	5,517,447,676.45
Including: Operating costs	VI-39	4,576,009,544.69	4,574,394,775.24
Taxes and levies	VI-40	126,990,737.26	168,977,540.49
Selling expenses	VI-41	35,971,797.28	37,740,440.75
Administrative expenses	VI-42	227,595,890.11	211,774,235.71
Financial expenses	VI-43	464,164,014.33	524,560,684.26
Including: Interest expenses		462,160,618.94	499,232,330.00
Interest income		9,466,560.13	8,735,205.12
Add: Other income	VI-44	7,257,958.52	1,974,865.99
Investment income	VI-45	886,313,895.55	1,056,795,788.01
Including: Income from investments in associates and joint ventures		649,050,248.68	575,193,240.34
Gains from changes in fair values	VI-46	71,295,344.11	158,299,349.44
Impairment reversals (losses) of credit	VI-47	(96,972.99)	(33,670.02)
Losses from disposal of assets	VI-48	(70,252,066.32)	(7,661,280.27)
II. Operating profit		5,541,967,394.01	5,660,938,541.89
Add: Non-operating income	VI-49	32,336,183.87	21,943,624.11
Less: Non-operating expenses	VI-50	52,532,595.64	30,241,722.55
III. Total profit		5,521,770,982.24	5,652,640,443.45
Less: Income tax expenses	VI-51	1,221,286,273.27	1,176,929,505.77
IV. Net profit		4,300,484,708.97	4,475,710,937.68
(I) Categorized by the nature of continuing operation:			
1. Net profit from continuing operations		4,300,484,708.97	4,475,710,937.68
2. Net profit from discontinued operations		-	-
(II) Categorized by ownership:			
1. Net profit attributable to owners of the Company		4,199,704,371.82	4,376,603,924.73
2. Profit or loss attributable to minority interests		100,780,337.15	99,107,012.95
V. Other comprehensive income, net of tax		453,657,154.34	550,433,417.58
Other comprehensive income attributable to owners of the Company, net of tax		453,920,404.34	456,918,743.98
(I) Other comprehensive income that cannot be reclassified to profit or loss		453,920,404.34	456,918,743.98
1. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		54,156,057.60	155,637,000.59
2. Changes in fair value of investments in other equity instruments		399,764,346.74	301,281,743.39
(II) Other comprehensive income that will be reclassified to profit or loss		-	-
Other comprehensive income attributable to minority interests, net of tax		(263,250.00)	93,514,673.60
VI. Total comprehensive income		4,754,141,863.31	5,026,144,355.26
Total comprehensive income attributable to owners of the Company		4,653,624,776.16	4,833,522,668.71
Total comprehensive income attributable to minority interests		100,517,087.15	192,621,686.55
VII. Earnings per share			
(I) Basic earnings per share		0.8336	0.8688
(II) Diluted earnings per share		N/A	N/A

The accompanying notes form part of the financial statements.

The financial statements on pages 145 to 295 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

INCOME STATEMENT OF THE COMPANY

For the year ended 31 December 2019

Unit: RMB

Item	Note	Amount for the current year	Amount for the prior year
I. Operating income	XIV-27	6,503,679,553.49	6,388,622,505.28
Less: Operating costs	XIV-27	2,745,731,550.65	2,742,132,352.37
Taxes and levies	XIV-28	43,572,302.44	45,540,161.03
Administrative expenses	XIV-29	159,859,940.91	151,455,278.36
Financial expenses	XIV-30	317,318,217.33	384,009,421.74
Including: Interest expenses		334,156,934.67	365,442,551.95
Interest income		27,786,583.43	2,320,068.55
Add: Other income	XIV-31	5,239,608.13	–
Investment income	XIV-32	774,960,616.85	581,747,312.15
Including: Income from investments in associates and joint ventures		440,817,991.51	367,113,800.36
Impairment reversals (losses) of credit	XIV-33	8,218.87	(13,698.70)
Losses from disposal of assets	XIV-34	(65,199,120.58)	(5,582,053.45)
II. Operating profit		3,952,206,865.43	3,641,636,851.78
Add: Non-operating income	XIV-35	28,155,103.85	8,478,301.65
Less: Non-operating expenses	XIV-36	15,160,097.11	22,564,812.49
III. Total profit		3,965,201,872.17	3,627,550,340.94
Less: Income tax expenses	XIV-37	861,218,538.41	807,633,527.91
IV. Net profit		3,103,983,333.76	2,819,916,813.03
(I) Net profit from continuing operations		3,103,983,333.76	2,819,916,813.03
(II) Net profit from discontinued operations		–	–
V. Net other comprehensive income after tax	XIV-38	440,609,805.86	(72,997,739.75)
(I) Other comprehensive income that cannot be reclassified into profit or loss		440,609,805.86	(72,997,739.75)
1. Other comprehensive income that cannot be reclassified into profit or loss under the equity method		54,156,057.60	155,637,000.59
2. Changes in fair value of investments in other equity instruments		386,453,748.26	(228,634,740.34)
(II) Other comprehensive income that will be reclassified into profit or loss		–	–
VI. Total comprehensive income		3,544,593,139.62	2,746,919,073.28

The accompanying notes form part of the financial statements.

The financial statements on pages 145 to 295 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2019

Unit: RMB

Item	Note	Amount for the current year	Amount for the prior year
I. Cash Flows from Operating Activities:			
Cash receipts from the sale of goods and the rendering of services		10,740,094,571.66	10,133,907,007.75
Other cash receipts relating to operating activities	VI-53(1)	98,906,672.13	43,992,102.00
Sub-total of cash inflows from operating activities		10,839,001,243.79	10,177,899,109.75
Cash payments for goods purchased and services received		2,093,494,299.57	1,827,537,983.99
Cash payments to and on behalf of employees		1,030,417,771.51	991,255,808.16
Payments of various types of taxes		1,891,349,359.35	1,462,051,892.03
Other cash payments relating to operating activities	VI-53(2)	60,456,189.21	181,563,919.03
Sub-total of cash outflows from operating activities		5,075,717,619.64	4,462,409,604.21
Net Cash Flow from Operating Activities	VI-54(1)	5,763,283,624.15	5,715,489,506.54
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		8,594,275,554.38	4,789,670,000.00
Cash receipts from investment income		438,197,635.31	362,612,674.61
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		7,446,202.30	10,045,607.51
Other cash receipts relating to investing activities	VI-53(3)	-	369,000,000.00
Sub-total of cash inflows from investing activities		9,039,919,391.99	5,531,328,282.12
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		4,849,870,040.80	3,545,159,219.70
Cash payments to acquire investments		11,581,655,661.24	6,102,874,079.22
Net cash payments for acquisitions of subsidiaries and other business units		-	176,872,621.03
Other cash payments relating to investing activities	VI-53(4)	-	480,000,000.00
Sub-total of cash outflows from investing activities		16,431,525,702.04	10,304,905,919.95
Net Cash Flow from Investing Activities		(7,391,606,310.05)	(4,773,577,638.83)
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		834,062,829.33	664,482,752.00
Including: cash receipts from capital contributions from minority owners of subsidiaries		834,062,829.33	664,482,752.00
Cash receipts from borrowings		5,208,116,000.00	9,137,000,000.00
Cash receipts from issue of bonds		7,260,000,000.00	5,200,000,000.00
Sub-total of cash inflows from financing activities		13,302,178,829.33	15,001,482,752.00
Cash repayments of borrowings		8,985,750,460.46	12,784,979,796.77
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,739,766,873.66	2,889,845,890.28
Including: payments for distribution of dividends or profits to minority owners of subsidiaries		15,385,597.73	15,091,877.39
Other cash payments relating to financing activities	VI-53(5)	14,055,595.34	16,200,711.48
Sub-total of cash outflows from financing activities		11,739,572,929.46	15,691,026,398.53
Net Cash Flow generated from Financing Activities		1,562,605,899.87	(689,543,646.53)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		-	-
V. Net Increase (Decrease) in Cash and Cash Equivalents	VI-54(1)	(65,716,786.03)	252,368,221.18
Add: Opening balance of Cash and Cash Equivalents	VI-54(2)	515,126,921.66	262,758,700.48
VI. Closing balance of Cash and Cash Equivalents	VI-54(2)	449,410,135.63	515,126,921.66

The accompanying notes form part of the financial statements

The financial statements on pages 145 to 295 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

CASH FLOW STATEMENT OF THE COMPANY

For the year ended 31 December 2019

Unit: RMB

Item	Note	Amount for the current year	Amount for the prior year
I. Cash Flows from Operating Activities:			
Cash receipts from the sale of goods and the rendering of services		6,892,514,169.21	6,800,820,949.18
Other cash receipts relating to operating activities	XIV-40(1)	38,287,996.26	10,771,276.08
Sub-total of cash inflows from operating activities		6,930,802,165.47	6,811,592,225.26
Cash payments for goods purchased and services received		1,275,061,038.06	1,454,263,795.13
Cash payments to and on behalf of employees		668,573,154.95	643,688,909.43
Payments of various types of taxes		1,315,980,967.30	1,092,708,334.41
Other cash payments relating to operating activities	XIV-40(2)	49,162,687.53	53,635,353.63
Sub-total of cash outflows from operating activities		3,308,777,847.84	3,244,296,392.60
Net Cash Flow from Operating Activities	XIV-41(1)	3,622,024,317.63	3,567,295,832.66
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		5,385,000,000.00	5,365,980,000.00
Cash receipts from investment income		472,808,794.99	404,242,542.38
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		3,706,928.72	8,834,720.04
Other cash receipts relating to investing activities	XIV-40(3)	711,000,000.00	469,000,000.00
Sub-total of cash inflows from investing activities		6,572,515,723.71	6,248,057,262.42
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		319,273,946.66	113,557,351.07
Cash payments to acquire investments		7,944,685,669.35	4,338,980,000.00
Net cash payments for acquisitions of subsidiaries and other business units		2,032,453,170.00	527,019,800.00
Other cash payments relating to investing activities	XIV-40(4)	371,000,000.00	537,000,000.00
Sub-total of cash outflows from investing activities		10,667,412,786.01	5,516,557,151.07
Net Cash Flow from Investing Activities		(4,094,897,062.30)	731,500,111.35
III. Cash Flows from Financing Activities:			
Cash receipts from borrowings		4,120,000,000.00	6,770,000,000.00
Cash receipts from issue of bonds		7,260,000,000.00	5,200,000,000.00
Sub-total of cash inflows from financing activities		11,380,000,000.00	11,970,000,000.00
Cash repayments of borrowings		8,291,782,689.14	13,644,629,796.77
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,629,227,131.93	2,644,685,196.65
Other cash payments relating to financing activities	XIV-40(5)	14,055,595.34	13,675,235.64
Sub-total of cash outflows from financing activities		10,935,065,416.41	16,302,990,229.06
Net Cash Flow from Financing Activities		444,934,583.59	(4,332,990,229.06)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
		-	-
V. Net Increase (Decrease) in Cash and Cash Equivalents			
Add: Opening balance of Cash and Cash Equivalents	XIV-41	(27,938,161.08)	(34,194,285.05)
	XIV-41	100,931,394.05	135,125,679.10
VI. Closing balance of Cash and Cash Equivalents			
	XIV-41	72,993,232.97	100,931,394.05

The accompanying notes form part of the financial statements.

The financial statements on pages 145 to 295 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2019

Unit: RMB

Item	Amount for the current year												Total owners' equity
	Attributable to owners of the Company												
	Other equity instruments				Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained profits	Minority interests	
Share capital	Preferred shares	Perpetual debts	Others										
I. Closing balance as at 31 December 2018	5,037,747,500.00	-	-	-	10,428,388,234.50	-	837,827,667.08	-	3,411,194,284.79	-	6,422,040,045.25	3,216,659,209.60	29,353,856,941.22
II. Changes for the year	-	-	-	-	73,524,949.37	-	453,920,404.34	-	139,972,715.63	141,891.32	1,742,225,914.87	919,194,318.74	3,328,980,194.27
(i) Total comprehensive income	-	-	-	-	-	-	453,920,404.34	-	-	-	4,199,704,371.82	100,517,087.15	4,754,141,863.31
(ii) Owners' contributions and reduction in capital	-	-	-	-	73,524,949.37	-	-	-	-	-	-	834,062,829.33	907,587,778.70
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	834,062,829.33	834,062,829.33
2. Capital reserve of investee under equity method	-	-	-	-	73,524,949.37	-	-	-	-	-	-	-	73,524,949.37
(iii) Profit distribution	-	-	-	-	-	-	-	-	139,972,715.63	141,891.32	(2,457,478,456.95)	(15,385,597.74)	(2,332,749,447.74)
1. Transfer to surplus reserve	-	-	-	-	-	-	-	-	139,972,715.63	-	(139,972,715.63)	-	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-	-	-	141,891.32	(141,891.32)	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	(2,317,363,850.00)	(15,385,597.74)	(2,332,749,447.74)
III. Closing balance as at 31 December 2019	5,037,747,500.00	-	-	-	10,501,913,183.87	-	1,291,748,071.42	-	3,551,167,000.42	141,891.32	8,164,265,960.12	4,135,853,528.34	32,682,837,135.49

The financial statements on pages 145 to 295 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2019

Unit: RMB

Item	Amount for the prior year												Total owners' equity
	Attributable to owners of the Company												
	Other equity instruments				Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained profits	Minority interests	
Share capital	Preferred shares	Perpetual debts	Others										
I. Closing balance as at 31 December 2017	5,037,747,600.00	-	-	-	10,428,388,234.50	-	380,906,923.10	-	3,273,492,298.90	-	4,399,747,006.41	2,374,646,648.95	25,894,930,611.86
II. Changes for the year	-	-	-	-	-	-	456,918,743.98	-	137,701,985.89	-	2,022,293,038.84	842,012,560.65	3,458,926,329.36
(i) Total comprehensive income	-	-	-	-	-	-	456,918,743.98	-	-	-	4,376,603,924.73	192,621,686.55	5,026,144,355.26
(ii) Owners' contributions and reduction in capital	-	-	-	-	-	-	-	-	-	-	-	664,482,752.00	664,482,752.00
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	664,482,752.00	664,482,752.00
(iii) Profit distribution	-	-	-	-	-	-	-	-	137,701,985.89	-	(2,354,310,885.89)	(15,081,877.90)	(2,231,700,777.90)
1. Transfer to surplus reserve	-	-	-	-	-	-	-	-	137,701,985.89	-	(137,701,985.89)	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	(2,216,608,900.00)	(15,081,877.90)	(2,231,700,777.90)
III. Closing balance as at 31 December 2018	5,037,747,600.00	-	-	-	10,428,388,234.50	-	837,827,667.08	-	3,411,194,284.79	-	6,422,040,045.25	3,216,659,209.60	29,353,856,941.22

The financial statements on pages 145 to 295 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

For the year ended 31 December 2019

Unit: RMB

Item	Amount for the current year											Total owner's equity
	Other equity instruments				Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General Risk Provision	Retained profits	
Share capital	Preferred shares	Perpetual debts	Others									
I. Closing balance as at 31 December 2018	5,037,747,500.00	-	-	-	7,327,650,327.30	-	289,485,951.71	-	2,518,873,750.00	-	6,602,016,006.52	21,775,773,535.53
II. Changes for the year	-	-	-	-	73,524,949.37	-	440,609,805.86	-	-	-	786,619,483.76	1,300,754,238.99
(i) Total comprehensive income	-	-	-	-	-	-	440,609,805.86	-	-	-	3,103,983,333.76	3,544,593,139.62
(ii) Owners' contributions and reduction in capital	-	-	-	-	73,524,949.37	-	-	-	-	-	-	73,524,949.37
1. Capital reserve of investee under equity method	-	-	-	-	73,524,949.37	-	-	-	-	-	-	73,524,949.37
(iii) Profit distribution	-	-	-	-	-	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
1. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
III. Closing balance as at 31 December 2019	5,037,747,500.00	-	-	-	7,401,175,276.67	-	730,095,757.57	-	2,518,873,750.00	-	7,388,635,490.28	23,076,527,774.52

The financial statements on pages 145 to 295 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF THE COMPANY

For the year ended 31 December 2019

Unit: RMB

Item	Amount for the prior year											
	Other equity instruments				Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General Risk Provision	Retained profits	Total owner's equity
	Share capital	Preferred shares	Perpetual debts	Others								
I. Closing balance as at 31 December 2017	5,037,747,500.00	-	-	-	7,327,650,327.30	-	362,483,691.46	-	2,518,873,750.00	-	5,998,708,093.49	21,245,463,362.25
II. Changes for the year	-	-	-	-	-	-	(72,997,739.75)	-	-	-	603,307,913.03	530,310,173.28
(i) Total comprehensive income	-	-	-	-	-	-	(72,997,739.75)	-	-	-	2,819,916,813.03	2,746,919,073.28
(ii) Profit distribution	-	-	-	-	-	-	-	-	-	-	(2,216,608,900.00)	(2,216,608,900.00)
1. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	(2,216,608,900.00)	(2,216,608,900.00)
III. Closing balance as at 31 December 2018	5,037,747,500.00	-	-	-	7,327,650,327.30	-	289,485,951.71	-	2,518,873,750.00	-	6,602,016,006.52	21,775,773,535.53

The financial statements on pages 145 to 295 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

I. BASIC INFORMATION ABOUT THE COMPANY

1. General

Jiangsu Expressway Co., Ltd. (the "Company") is a joint-stock limited company incorporated in Nanjing, Jiangsu province on 1 August 1992, with headquarter located in Nanjing. The principal activities of the Company and its subsidiaries (collectively referred it as the "Group") mainly include: construction, operation and management of the Jiangsu section of Shanghai-Nanjing Expressway (the "Shanghai-Nanjing Expressway") and other toll roads in Jiangsu Province PRC, and the provision of passenger transport services and other supporting services along the toll roads.

The Company issued 1,222,000,000 shares on the Stock Exchange of Hong Kong Limited ("H shares") and 150,000,000 shares on the Shanghai Stock Exchange ("A shares") with par value of RMB1 in June 1997 and December 2000 respectively.

The parent company and ultimate shareholder of the Company is Jiangsu Communications Holding Company Limited ("Communications Holding").

2. Scope of consolidated financial statements

The Company and the consolidated financial are approved by the Board of Directors on 24 April 2020.

Subsidiaries consolidated in the financial statements are listed in Note VII "Equity in other entities".

II. BASIS OF PREPARATION OF FINACIAL STATEMENTS

Basis of preparation

The Group has adopted the Accounting Standards for Business Enterprises ("ASBE") issued by the Ministry of Finance ("MOF") and related rules. The Group has disclosed relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting (Revised in 2014). In addition, the Group also disclosed relevant disclosure in accordance with the disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Going concern

As at 31 December 2019, the Group had total current liabilities in excess of total current assets of RMB7,094,635,190.49. As at 31 December 2019, the Group has available unutilized bank loan facilities with a time limit over one year of approximately RMB20,660,560,000.00 and authorized but not issued super short-term bonds with a time limit over one year of approximately RMB2,100,000,000.00. The Group's management believes the facilities above are to provide all necessary financial support to the Group in the foreseeable future so as to maintain the Group's ability to continue as a going concern, the financial statements have been prepared on a going concern basis.

Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONTINUED)

Basis of accounting and principle of measurement (Continued)

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash or cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and disclosure in the financial statements are determined according to the above basis.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group are principally engaged in toll road operation. The Group determines the specific accounting policies according to the toll road industry characteristics, shown mainly on the provision for credit impairment, depreciation for fixed assets, amortization for toll road operation rights and recognition timing of revenue. Refer to Note III 9, 13, 16 and 22 for detail specific accounting policies. For description of significant accounting judgments, estimation and assumption made by management, see Note IV.

1. Statement of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with ASBE, and present truly and completely, the Company's and consolidated financial position as of 31 December 2019, the Company's and consolidated results of operations, the Company's and consolidated changes in shareholders' equity and the Company's and consolidated cash flows for the year then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

3. Business Cycle

Except for the real estate industry, the Group's business cycle is short, the determining criterion of asset-liability liquidity is 12 months. The real estate industry business cycle is from real estate development to sales realization, generally in more than 12 months, the specific period is determined according to the development conditions of the project, and its criterion of asset-liability liquidity is based on the business cycle.

4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its subsidiaries operate. Therefore, the Company and its subsidiaries choose RMB as their functional currency. The Group adopts RMB to prepare its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

5.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained profits.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

5.2 Business combinations not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. For business combination not involving enterprises under common control realized through by steps multiple transaction, combination cost is the sum of the consideration paid at the purchase date and the fair value at the purchase date of the equity held by the acquiree prior to the purchase date. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current period.

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control exists when the investor has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes of the above elements of the definition of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control or the party being absorbed under merger by absorption are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period or from the date when they first came under the common control of the ultimate controlling party are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

The effects of all intra-group transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "minority interests" in the consolidated income statement below the "net profit" line item.

When minority shareholders' share of loss of the subsidiary exceeds their share of opening owners' equity of the subsidiary, the excess amount are still allocated against minority interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess are adjusted against retained profits.

For the stepwise acquisition of equity interest till acquiring control after a few transactions and leading to business combination not involving enterprises under common control, this should be dealt with based on whether this belongs to 'package deal': if it belongs to 'package deal', transactions will be dealt as transactions to acquire control. If it does not belong to 'package deal', transactions to acquire control on acquisition date will be under accounting treatment, the fair value of acquirees' shares held before acquisition date will be revalued, and the difference between fair value and book value will be recognized in profit or loss of the current period; if acquirees' shares held before acquisition date involve in changes of other comprehensive income and other equity of owners under equity method, this will be transferred to income of acquisition date.

When the Group loses control over a subsidiary due to disposal of certain equity interest or other reasons, any retained interest is re-measured at its fair value at the date when control is lost. The difference between (i) the aggregate of the consideration received on disposal and the fair value of any retained interest and (ii) the share of the former subsidiary's net assets cumulatively calculated from the acquisition date according to the original proportion of ownership interest is recognized as investment income in the period in which control is lost, and at the same time adjusted against goodwill. Other comprehensive income associated with investment in the former subsidiary is reclassified to investment income in the period in which control is lost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

7. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term (normally due within 3 months since purchase date), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Translation of transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that (i) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (ii) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (iii) exchange differences arising from changes in the carrying amounts (other than the amortized cost) of monetary items that are classified as at fair value through comprehensive income are included in other comprehensive income.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

9. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

All regular way purchases or sales of financial assets are recognized for acquired assets and assumed liabilities and derecognized for sold assets on a trade date basis.

Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts. For accounts receivable excluding significant financing components or regardless of financing components of contracts less than one year recognized based on Accounting Standard for Business Enterprises No.14 – Revenue ("Standards for Revenue"), accounts receivable initially recognized shall be measured at transaction price defined based on the Standards for Revenue on initial recognition.

Effective interest method is the method that is used in the calculation of the amortized cost of a financial asset or a financial liability and in the allocation and recognition of the interest income or interest expense in profit or loss over the relevant year.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability to the net carrying amount of the financial asset or financial liability. When determining the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (i.e. repayment in advance, term extension, call options or other similar options etc.), but does not consider future credit losses.

The amortized costs of financial assets or financial liabilities are calculated as the initial recognized amounts of financial assets or financial liabilities less repaid principals, plus or less the cumulative amortization amount generated from amortization of differences between initial recognized amounts and amounts at maturity date, as well as deducting provision for accumulative losses (only for financial assets).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

9.1 Classification, recognition and measurement of financial assets

After initial recognition, the Group shall measure a financial asset at amortized cost, fair value through other comprehensive income or fair value through profit or loss.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows, the Group shall classify the financial asset into the financial asset measured at amortized cost. Such financial assets mainly include cash and bank balances, notes receivable and accounts receivable and other receivables.

If the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, the Group shall classify the financial asset into the financial assets at FVTOCI.

On initial recognition, the Group, based on an individual financial assets, can irrevocably designate non-tradable investments in equity instrument recognized as financial assets at FVTOCI, other than contingent considerations recognized in business combination not involving common control. Such financial assets are presented as investments in other equity instruments.

The Group's purpose of holding the financial assets is for trading if one of the following conditions is satisfied:

- The purpose of acquiring the financial assets is to sell the assets in the near future.
- The relevant financial assets are, on initial recognition, a part of the centrally-managed identifiable financial instrument portfolio, and the objective evidence indicates that short-term profit model exists in the near future.

Financial assets at FVTPL include financial assets at FVTPL and those designated as at FVTPL is presented in held-for-trading financial assets.

Financial assets at FVTPL is presented in held-for-trading financial assets. Financial assets due over one year and expected to be held for over one year (or without fixed term) since balance sheet date are presented in other non-current financial assets.

The financial assets held by the Group include financial assets measured at amortized cost, at FVOCI and at FVTPL.

9.1.1 Financial assets classified as at amortized cost

The financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from derecognition, impairment or amortization is recognized in profit or loss.

For financial assets measured at amortized cost, the Group recognizes interest income using effective interest method. The Group calculates and recognizes interest income through book value of financial assets multiplying effective interest, except for the following circumstances:

- Purchased or originated credit-impaired financial assets. For those financial assets, the Group shall apply the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

9.1 Classification, recognition and measurement of financial assets (Continued)

9.1.2 Financial assets at FVTPL

Financial assets at FVTPL include financial assets classified as at FVTPL and those designated as at FVTPL.

9.1.3 Financial assets at FVTOCI

For financial assets classified as at FVTOCI, the impairment losses or gains, interest income calculated using effective interest method and exchange gains or losses are included in profit or loss for the period, except for fair value changes which are included in other comprehensive income. The amount included in profit or loss for each period equals to the amount recognized in profit or loss for each period as if the financial assets has been measured at amortized cost. Upon derecognition of the financial assets, the accumulated gains or losses previously included in other comprehensive income are transferred to profit or loss for the period.

For equity instrument investments not held for trading and designated as financial assets at FVTOCI, the fair value changes are recognized in other comprehensive income. Upon derecognition of the financial assets, accumulated gains or losses previously recognized in other comprehensive income are transferred to retained profits. During the period in which the Group holds the equity instrument investments not held for trading, the Group recognizes dividends income in profit or loss for the period when (1) the Group's rights to receive the dividends has been established; (2) it is probable that the economic benefits associated with the dividends will flow to the Group; and (3) the amount of the dividends can be reliably measured.

9.2 Impairment of financial assets

The Group shall recognize a loss allowance for expected credit losses on financial assets at amortized cost, a lease receivable and a financial guarantee contract.

The Group makes a loss allowance against amount of expected credit losses during the whole life of all accounts receivable arising from transactions conducted in accordance with Standards for Revenue and lease receivable arising from transactions conducted in accordance with the Accounting Standards for Business Enterprises No. 21 – Lease.

For other financial instrument, other than purchased or originated credit-impaired financial assets, the Group assesses changes in credit risks of the relevant financial asset since initial recognition at each balance sheet date. If the credit loss of the financial instrument has been significantly increased since initial recognition, the Group will make a loss allowance at an amount of expected credit loss during the whole life; if not, the Group will make a loss allowance for the financial instrument at an amount in the future 12-month expected credit losses. Increase in or reversal of credit loss allowance is included in profit or loss as loss/gain on impairment, except for financial assets classified as at fair value through other comprehensive income. The Group recognizes credit loss allowance for financial assets at FVOCI in other comprehensive income and recognizes loss/gain on impairment in profit or loss for the period, without reducing the carrying amount of the financial assets presented in the balance sheet.

The Group has made a loss allowance against amount of expected credit losses during the whole life in the prior accounting period. However, at the balance sheet date, the credit risk on a financial instrument has not increased significantly since initial recognition; the Group will measure the loss allowance for that financial instrument at an amount in the future 12-month expected credit losses. Reversed amount of loss allowance arising from such circumstances shall be included in profit or loss as impairment gains.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

9.2 Impairment of financial assets (Continued)

9.2.1. Significant increase in credit risk

The Group will make use of reasonable and supportable forward-looking information that is available to determine whether credit risk has increased significantly since initial recognition through comparing the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment shall be considered to be the date of initial recognition for the purposes of applying the impairment requirements.

The Group will take the following factors into consideration when assessing whether credit risk has increased significantly:

- (1) Significant changes in internal price indicators of credit risk as a result of a change in credit risk.
- (2) An actual or expected internal credit rating downgrade for the borrower.
- (3) Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations.
- (4) An actual or expected significant change in the operating results of the borrower.
- (5) A significant adverse change in the regulatory, economic, or technological environment of the borrower.
- (6) Significant changes that are expected to reduce the borrower's economic incentive to make scheduled contractual payments.
- (7) Changes in the Group's credit management approach in relation to the financial instrument.

Regardless of whether the credit risk has increased significantly after the above assessment, when the financial instrument contract payment has been overdue for more than 30 days (inclusive), it indicates that the credit risk of the financial instrument has increased significantly.

The Group may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. If the risk of default on financial instrument is low, the borrower's ability to meet its contractual cash flow obligations in short term is strong, and even if the economic situation and operating environment are adversely changed over a long period of time, it may not necessarily reduce the borrower's performance of its contractual cash obligations. Then the financial instrument is considered to have a lower credit risk.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

9.2 Impairment of financial assets (Continued)

9.2.2. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (1) Significant financial difficulty of the issuer or the borrower;
- (2) A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- (3) The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting a concession to the debtor;
- (4) It becoming probable that the debtor will enter bankruptcy or other financial reorganizations

Based on the Group's internal credit risk management, when the internally recommended or externally obtained information indicates that the financial instrument debtor is unable to fully repay the creditor including the Group (regardless of any guarantees obtained by the Group), the Group believes that the default has occurred.

Due to historical experience in cooperation between the Group and the debtor and commitments for overdue payments from the customer, the Group has not constructed that the financial instrument is impaired in case of overdue 90 days (inclusive). The Group is of the opinion that default may incur when the debtor has had the aforementioned observable data.

9.2.3. Recognition of expected credit losses

The Group recognizes the credit loss on lease receivable on an individual basis, and recognizes the credit loss on related financial instruments of accounts receivable with impairment matrix on a collective basis. The Group can group financial instruments on the basis of shared credit risk characteristics. Examples of shared credit risk characteristics may include, but are not limited to, the instrument type; credit risk ratings; date of initial recognition.

The Group determines expected credit losses of relevant financial instruments using the following methods:

- For financial assets, a credit loss is the present value of the difference between: (a) The contractual cash flows that are due to the Group under the contract; and (b) the cash flows that the Group expects to receive.
- For lease receivable, a credit loss is the present value of the difference between: (a) The contractual cash flows that are due to the Group under the contract; and (b) the cash flows that the Group expects to receive.
- For a financial guarantee contract, credit loss is the present value of difference between the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.
- For a financial asset that is credit-impaired at the reporting date, but that is not a purchased or originated credit-impaired financial asset, the Group shall measure the expected credit losses as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The factors reflected in methods of measurement of expected credit losses include an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; time value of money; reasonable and supportable information about past events, current conditions and forecasts on future economic status at balance sheet date without unnecessary additional costs or efforts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

9.2 Impairment of financial assets (Continued)

9.2.4. *Written-off of financial assets*

The Group shall directly reduce the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Such write-off constitutes derecognition of relevant financial asset.

9.3 Transfer of financial assets

The Group shall derecognize a financial asset when: (1) the contractual rights to the cash flows from the financial asset expire, (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, the Group will recognize the financial asset to the extent of its continuing involvement in the transferred financial asset and recognize an associated liability. Relevant liabilities are measured using the following methods:

- If the transferred financial asset is measured at amortized cost, the carrying amount of relevant liabilities is the carrying amount of continuing involvement in the transferred financial asset less the amortized cost of the rights retained by the Group (if the Group retains rights for the transfer of the financial asset) plus the amortized cost of the obligations undertaken by the Group (if the Group undertakes relevant obligations for the transfer of the financial asset), and the relevant liabilities are not designated as financial liabilities at fair value through profit or loss.
- If the transferred financial asset is measured at fair value, the carrying amount of relevant liabilities is the carrying amount of continuing involvement in the transferred financial asset less the fair value of the rights retained by the Group (if the Group retains rights for the transfer of the financial asset) plus the fair value of the obligations undertaken by the Group (if the Group undertakes relevant obligations for the transfer of the financial asset), and the fair value of the rights and liabilities is measured on a stand-alone basis.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, for financial assets classified as at amortized cost and financial assets at FVTOCI, the difference between the carrying amount of the financial asset transferred and the sum of the consideration received from the transfer and accumulated amount originally recognized in changes in fair value of other comprehensive income is recognized in profit or loss. For the non-tradable equity instrument designated as financial assets at FVTOCI, cumulative gain or loss that has been recognized in other comprehensive income should be removed from other comprehensive income but be recognized in retained profits.

For a part of transfer of a financial asset that satisfies the derecognition criteria, the carrying amount of the transferred financial asset is allocated between the part that is derecognized and the part that is continuously involved, based on the respective fair values of those parts on transfer date. The difference between (1) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income; and (2) the carrying amount allocated to the part derecognized on derecognition date; is recognized in profit or loss. If the transferred assets are equity instrument investments not held for trading and designated as at FVTOCI, the accumulated gains or losses previously included in other comprehensive income are transferred to retained profits.

For a transfer of a financial asset in its entirety that does not satisfy the derecognition criteria, the Group will continuously recognize the transferred financial asset in its entirety. Considerations received due to transfer of assets should be recognized as a financial liability upon receipts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

9.4 Classification and measurement of financial liabilities and equity instrument (Continued)

Financial instruments issued by the Group are classified into financial liabilities or equity instruments on the basis of the substance of the contractual arrangements and the economic nature not only its legal form, together with the definition of financial liability and equity instruments on initial recognition.

9.4.1 Classification, recognition and measurement of financial liabilities

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

All financial liabilities held by the Group are other financial liabilities.

9.4.1.1 Other financial liabilities

Other financial liabilities, other than financial liabilities arising from financial assets of which the transfer does not meet the conditions for derecognition or continue to be involved in transferred financial assets, financial guarantee contracts, are classified as financial liabilities subsequently measured at amortized cost, with gain or loss arising from derecognition or amortization recognized in profit or loss.

That the Group and its counterparty modify or renegotiate the contract does not result in derecognition of a financial liability subsequently measured at amortized cost but result in changes in contractual cash flows, the Group will recalculate the carrying amount of the financial liability, with relevant gain or loss recognized in profit or loss. The Group will determine carrying amount of the financial liability based on the present value of renegotiated or modified contractual cash flows discounted at the financial liability's original effective interest rate. For all costs or expenses arising from modification or renegotiation of the contract, the Group will adjust the modified carrying amount of the financial liability and make amortization during the remaining term of the modified financial liability.

9.4.1.2 Financial guarantee contracts

A financial guarantee contract is a contract by which the issuer is required to compensate specific amount to the contract holder suffering losses in case the specific debtor fails to settle the debt in accordance with the initial or revised terms of debt instrument when the debt falls due. Financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are measured at the higher of: (i) amount of loss allowance; and (ii) the amount initially recognized less cumulative amortization recognized in accordance with related terms of Standards for Revenue.

9.4.2 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing debtor) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

9.4 Classification and measurement of financial liabilities and equity instrument

9.4.3 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The issuance (including refinancing), repurchase, selling or cancellation of these instruments are treated as change in equity. The enterprise should not recognize changes in the fair value of the equity instruments. The related transaction costs are deducted from equity.

The Group recognizes the distribution to holders of the equity instruments as distribution of profits, and dividends paid do not affect total amount of shareholders' equity.

9.5 Offsetting a financial asset and a financial liability

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

10. Inventories

10.1. Categories of inventories

The Group's inventories mainly include spare parts for repairs and maintenance of toll roads infrastructure, petrol for sales and real estate under development etc. Inventories are initially measured at cost. Cost of real estate under development include payments for land acquisition, costs for infrastructure, construction and installation costs, borrowing costs capitalized before project is ready for intended use, and other relevant costs during development. Cost of other inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

10.2 Valuation method of inventories upon delivery

The actual cost of real estate under development is calculated using the specific identification method. Other inventories are calculated using the first-in-first-out method.

10.3 Basis for determining net realizable value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

For large quantity and low value items of inventories, provision for decline in value is made based on categories of inventories. Provision for decline in value of other inventories is made based on the excess of cost of inventory over its net realizable value on an item-by-item basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10. Inventories (Continued)

10.4 Inventory count system

The perpetual inventory system is maintained for stock system.

10.5. Amortization method for low value and short-lived consumable items

Low value and short-lived consumable items are amortized using the immediate write-off method.

11. Long-term equity investments

11.1 Basis for determining joint control and significant influence over investee

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

11.2. Determination of initial investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree at the date of combination in the consolidated financial statements of the ultimate controlling party. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained profits. If the consideration of the combination is satisfied by the issue of equity securities, the initial investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree in the consolidated financial statements of the ultimate controlling party. The aggregate face value of the shares issued is accounted for as share capital. The difference between the initial investment cost and the aggregate face value of the shares issued is adjusted to capital reserve. If the balance of capital reserve is not sufficient, any excess is adjusted to retained profits.

For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost of the long-term equity investment is the cost of acquisition at the date of combination.

The intermediary fees incurred by the absorbing party or acquirer such as audit, legal, valuation and consulting fees, etc. and other related administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost. When the entity is able to exercise significant influence or joint control (but not control) over an investee due to additional investment, the cost of long-term equity investments is the sum of the fair value of previously-held equity investments determined in accordance with Accounting Standard for Business Enterprises No.22 – Financial Instruments: Recognition and Measurement (ASBE No.22) and the additional investment cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investments (Continued)

11.3. Subsequent measurement and recognition of profit or loss

11.3.1 Long-term equity investment accounted for using the cost method

Long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. When additional investment is made or the investment is recouped, the cost of the long-term equity investment is adjusted accordingly. Investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

11.3.2 Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence; a joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profit or loss and other comprehensive income made by the investee as investment income and other comprehensive income respectively, and adjust the carrying amount of the long-term equity investment accordingly; The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is distributed to the Group; the share of the changes in owners' equity of the investee other than those arising from net profit or loss, other comprehensive income and profit distribution are recognized in the capital reserve and the carrying amount of the long-term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profit or loss after making appropriate adjustments based on the fair value of the investee's individual separately identifiable assets, etc. at the acquisition date. Where the accounting policies and accounting period adopted by the investee are not consistent with those of the Group, the Group shall adjust the financial statements of the investee to conform to its own accounting policies and accounting period, and recognize investment income and other comprehensive income based on the adjusted financial statements. For the Group's transactions with its associates and joint ventures where assets contributed or sold does not constitute a business, unrealized intra-group profits or losses are recognized as investment income or loss to the extent that those attributable to the Group's proportionate share of interest are eliminated. However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11. Long-term equity investments (Continued)

11.4 Disposal of long-term equity investments

On disposal of a long-term equity investment, the difference between the proceeds actually received and the carrying amount is recognized in profit or loss for the period. For long-term equity investments accounted for using the equity method, if the remaining interest after disposal is still accounted for using the equity method, other comprehensive income previously recognized for using the equity method is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; owners' equity recognized due to changes in other owners' equity of the investee (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis. For long-term equity investments accounted for using the cost method, if the remaining interest after disposal is still accounted for using the cost method, other comprehensive income previously recognized for using the equity method or in accordance with the standards for the recognition and measurement of financial instruments before obtaining the control over the investee, is accounted for on the same basis as would have been required if the investee had directly disposed of related assets or liabilities, and transferred to profit or loss for the period on a pro rata basis; changes in other owners' equity in the investee's net assets recognized under the equity method (other than net profit or loss, other comprehensive income and profit distribution) is transferred to profit or loss for the period on a pro rata basis.

12. Investment Properties

Investment property is property held to earn rentals or for capital appreciation or both. It includes a building that is leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortization policy for the investment property which is consistent with that for buildings or land use rights.

An investment property is derecognized upon or when the investment property is permanently withdrawn from use and no economic benefits are expected from the disposal.

When an investment property is sold, transferred, retired or damaged, the Group recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

13. Fixed assets

13.1. Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Fixed assets (Continued)

13.2 Depreciation of each category of fixed assets

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

Category	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings	10-30	0	3.33-10
Safety equipment	10	3	9.7
Communication and surveillance equipment	8	3	12.1
Toll and ancillary equipment	8	3	12.1
Machine and equipment	10	3	9.7
Electronic equipment	5	3	19.4
Motor vehicles	8	3	12.1
Furniture and others	5	3	19.4

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

13.2.1. Other explanations

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

14. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use.

15. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16. Intangible assets

Intangible assets include land use rights, toll road operation rights and software, etc.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. If the Group has right to charge users of the public service in certain period but the amounts is not determined when relevant infrastructure completed, the Group measures the intangible asset initially at fair value of received or receivable consideration. The right to operate the road is amortized in accordance with the traffic flow method, and the monthly amortization amount is calculated by the ratio of the actual traffic flow of the month to the sum of the actual traffic flow of the month and the estimated future traffic flow. When there is significant difference between actual and estimated traffic volume, the Group will re-evaluate the total traffic volume and calculate the amortization amount. The amortization method, years of useful life and net residual value are as follows:

Category	Amortization method	Useful life (year)	Net residual value (%)
Land use rights	Straight-line method	22-30	0
Toll road operation rights	Traffic volume method	25-35	0
Software	Straight-line method	5	0

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the period, and makes adjustments when necessary.

17. Impairment of long-term assets

The Group assesses at each balance sheet date whether there is any indication that the long-term equity investment, investment property measured at cost method, fixed assets, construction in progress and intangible assets with a finite useful life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

Recoverable amount is estimated on individual basis. If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset or asset group is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset or asset group.

If such recoverable amount is less than its carrying amount, a provision for impairment losses in respect of the deficit is recognized in profit or loss for the period.

Once the impairment loss of such assets is recognized, it is not be reversed in any subsequent period.

18. Long-term prepaid expenses

Long-term prepaid expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term prepaid expenses are amortized over the expected periods in which benefits are derived.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

19. Employee benefits

19.1 Accounting method for short-term employee benefits

Actually occurred short-term employee benefits are recognized as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognized in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when it actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as union running costs and employee education costs provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

19.2 Accounting method for post – employment benefits

Post-employment benefits are all defined contribution plans.

The contribution payable to the defined contribution plan is recognized as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group.

19.3 Accounting method for termination benefits

When the Group provides termination benefits to employees, employee benefit liabilities are recognized for termination benefits, with a corresponding charge to the profit or loss for the period at the earlier of: (1) when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; and (2) when the Group recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

20. Provisions

Accrued liabilities are recognized when obligations relevant to contingencies such as expected defaults are present obligations that the Group shall undertake, fulfilling the obligation is likely to result in the outflow of economic benefits and the amount of the obligations can be reliably measured.

As at the balance sheet date, considering factors that are relevant to contingency such as risks, uncertainties and time value of money, accrued liabilities are measured in accordance with best estimate needed to be paid to fulfill relevant present obligations. If the impact of time value of money is significant, best estimate is then determined by the discounted amount of estimated future cash flow.

21. Contract liabilities

Contract liabilities refer to the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer. Contract assets and contract liabilities under a common contract is presented as net amount.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Revenue

Revenue of the Group is mainly from the following business:

(1) Toll road income

Toll road income is the income from operating toll roads, and is recognized in accordance with the amount collected and receivable when a vehicle is passing through.

(2) Ancillary service income

Ancillary service income is mainly from petroleum products, and is recognized when refueling services are provided and the amount can be reliably measured.

(3) Income from other business, such as trouble shooting and advertisement

Income from other business such as troubleshooting and advertisement is recognized when the service has been performed, the amount of the obligation can be measured reliably and it is probable that the associated economic benefits will flow to the enterprise.

(4) Income from real estate development

As specified in the contract, income from real estate development is recognized after the related property procedures are completed and transferred to the customer.

The Group shall recognize revenue based on transaction price allocated to the performance obligation when the Group satisfies a performance obligation in the contract, namely, when the customer obtains control over relevant goods or services. Performance obligation is a commitment that the Group transfers a distinct good or service to a customer in the contract. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be refunded to a customer.

It is a performance obligation satisfied during a period of time if one of the following conditions is met: (i) the customer obtains and consumes economic benefits at the same time of the Group's performance; (ii) the customer is able to control goods or services in progress during the Group's performance; (iii) goods or services generated during the Group's performance have irreplaceable utilization, and the Group is entitled to collect amounts of cumulative performance part which have been done up to now. Otherwise, the Group recognizes revenue at the time points when the customer obtains the ownership of related products or service.

For performance obligations satisfied during a period of time, the Group will recognize revenue according to progress of performance within such period. The Group adopts the output method to determine the progress of performance according to the value of products or services transferred to customers. When the performance progress cannot be reliably determined and the incurred cost can be expected to be made up, revenue is recognized according to incurred cost until the performance progress can be reasonably determined.

In case of the existence of a significant financing component in the contract, the Group shall determine the transaction price on the assumption that the customer has paid the amount payable by cash when obtaining the control over the goods or services. Differences between transaction price and contract consideration are amortized using effective interest method during the contract life. At contract inception, if the Group expects that the interval between the customer's obtaining the control over the goods or service and payment for the goods or service will not exceed one year, the Group will not consider the significant component in the contract.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

23. Types and accounting treatments of government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

23.1 Basis of judgment and accounting methods for assets-related government grant

Compensation for the construction of Ningchang Expressway from the Group's government grant is relevant to the construction of Ningchang Expressway. This grant is classified as assets-related government grant.

A government grant related to an asset is recognized as deferred income, and recorded in profit or loss over the useful life of the related asset with the traffic volume method in installment.

23.2 Basis of judgment and accounting methods for income-related government grant

Subsidies for working steadily from the Groups' government grant are used as a compensation for incurred relevant costs. This grant is classified as income-related government grant.

For a government grant related to income, if the grant is a compensation for related costs or losses to be incurred in subsequent periods, it is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs or losses are recognized. If the grant is a compensation for related costs or losses already incurred, it is recognized immediately in profit or loss for the period. Government grants that are difficult to tell the nature are wholly classified as income-related government grant.

A government grant related to the Group's daily activities is recorded in other income according to the nature of economic business. A government grant not related to the Group's daily activities is recorded in non-operating income and expenses.

24. Deferred tax assets/deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

24.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

24.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24. Deferred tax assets/deferred tax liabilities (Continued)

24.2 Deferred tax assets and deferred tax liabilities (Continued)

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

The Group recognizes the impact of income tax on the right-of-use assets and related lease liabilities incurred in relevant lease transactions, and does not recognize deferred income tax assets or liabilities for temporary differences related to initial recognition.

24.3. Offsetting of income taxes

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Leases

A lease is a contract whereby the lessor conveys to the lessee in return for a consideration the right to use an asset for an agreed period of time.

At the inception of the contract, the Group assesses whether the contract is or contains a lease. The Group will not reassess whether the contract is or contains a lease, unless the terms and conditions of the contract are subsequently changed.

25.1. The Group as a lessee

25.1.1. Separation of a lease

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group separates the individual lease component and non-lease component of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

25.1.2. Right-of-use assets

Except for short-term leases, the Group recognizes right-of-use assets at the commencement date of the lease. The commencement date of a lease is the date that the underlying asset leased out by the lessor is available for use by the Group. Right-of-use assets are initially measured at cost, which includes the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received (if any);
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, exclusive of the cost incurred for production of inventories.

Right-of-use assets is depreciated by the Group in accordance with relevant regulations on depreciation in Accounting Standard for Business Enterprises No.4 – Fixed Assets. Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated over the remaining useful life of the leased assets. Otherwise, right-of-use assets are depreciated over the shorter of lease term and the remaining useful life of the leased assets.

The Group determines whether a right-of-use asset is impaired and makes accounting treatments in accordance with relevant regulations in Accounting Standard for Business Enterprises No.8 – Impairment of Assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Leases (Continued)

25.1. The Group as a lessee (Continued)

25.1.3. Lease liabilities

At the commencement date of a lease, except for short-term lease, the Group initially measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease as the discount rate. The Group uses the incremental borrowing rate if the interest rate implicit in the lease is not readily determinable.

Lease payments refers to payments relating to the right to use leased assets during the lease term which are made by the Group to the lessor, including:

- fixed payments and in substance fixed payments, less any lease incentives receivable(if any);
- variable lease payments that depend on an index or a rate;
- the exercise price of a purchase option reasonably certain to be exercised by the Group;
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate the lease; and
- amounts expected to be paid under residual value guarantees provided by the Group;

After the commencement date of a lease, the Group calculates interest expenses of lease liabilities for each period of the lease term based on fixed periodic rate and recognizes the expenses in profit or loss or cost of related assets.

After the commencement date of the lease, the Company remeasures the lease liability and adjusts the corresponding right-of-use assets if the lease terms or the evaluation results of purchase options change. If the book value of the right-of-use assets has been reduced to zero, but the lease liability still needs to be further reduced, the Company includes the difference into profit or loss of the current period.

25.1.4. Short-term leases

The Group applies the short-term lease recognition exemption to short-term leases of buildings and motor vehicles. Short-term lease is the lease that has a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognized in profit or loss for the current period or costs of relevant assets on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Leases (Continued)

25.1. The Group as a lessee (Continued)

24.1.5. Lease modification

If the lease modified and meets the following conditions at the same time, the Group will account for the lease modification as a separate lease:

- The lease modification expands the scope of the lease by adding one or more rights to use leased assets:
- The increased consideration is equivalent to the separate price of the expanded part of the lease adjusted for the contract.

If the lease modification is not accounted for as a separate lease, on the effective date of the lease modification, the Group reallocates the consideration of the contract, re-determines the lease period, and recalculates the lease liability according to the present value calculated based on the lease payment after the change and the revised discount rate.

If the lease change results in a reduction in the scope of the lease or a shortened lease period, the Group will reduce the book value of the right-of-use assets accordingly, and include the gains or losses related to the lease partially or completely terminated in profit or loss of the current period. If other lease changes cause the remeasurement of lease liabilities, the Group adjusts the book value of the right-of-use assets accordingly.

25.2. The Group as a lessor

25.2.1. Separating components of a lease

For a contract that contains lease and non-lease components, the Group allocates the consideration in the contract in accordance with the regulations related to allocation of transaction price of *Accounting Standards for Business Enterprises No.14 – Revenue* on the basis of the relative stand-alone price of the lease components and the non-lease components.

25.2.2. Classification of leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

25.2.2.1. The Group as lessor under operating leases

Receipts of lease under operating leases are recognized as rental income on a straight-line basis over the term of the relevant lease. Initial direct costs related to operating leases incurred by the Group are capitalized when incurred, and are recognized in profit or loss for the current period on the same basis as recognition of rental income over the lease term.

The variable receipts of lease received by the Group that are related to operating leases and not included in receipts of lease are recognized in profit or loss for the period when they are incurred.

25.2.3. Lease modification

The Group accounts for a modification to an operation lease as a new lease from the effective date of the modification, considering any receipts in advance or lease receivable relating to the original lease as part of the lease receivable for the new lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

26. Changes in significant accounting policies and accounting estimates

New lease standard

Since 1 January 2019 (date of initial application), the Group applied *Accounting Standard for Business Enterprises No.21 – Lease* (hereinafter referred to as “New lease standard”, referred to as “Original lease standard” prior to the revision) revised by Ministry of Finance in 2018. The New lease standard improved the definition of leases, added contents of identification, separation and combination of leases, cancelled the classification of operating leases and financial leases by lessee and required recognition of right-of-use assets and lease liabilities for all leases (except for short-term leases and leases of low-value assets) at the commencement date of a lease. It also improved the subsequent measurement of leases by lessee, added accounting treatment in the case of options revaluation and lease changes, and increased relevant disclosure requirements. Subsequent to the revision, the accounting policies of the Group as lessee and lessor for the recognition and measurement of leases are described in Note III. 25.

For a contract that already existed prior to the date of initial application, the Group chooses not to reassess whether such contract is, or contains leases.

The Group as a lessee

For the cumulative effect of initial application of New lease standard, the Group adjusts the retained profits and amount of relevant items in the financial statements at the date of initial application, without adjusting information in comparable periods.

For operating leases prior to the date of initial application, the Group chooses one or more following simplified methods on the basis of each lease:

- Leases that have similar characteristics shall use the same discount rate for measurement of lease liabilities;
- Measurement of right-of-use assets excludes initial direct costs.

At the date of initial application, adjustments adopted by the Group due to the implementation of New lease standard are as follows:

- For operating leases existed prior to the date of initial application, the Group initially measures lease liabilities at the present value of the remaining lease payments discounted at the lessee’s incremental borrowing rate on the date of initial application and measures right-of-use assets for each lease at the amount equivalent to lease liabilities, which is adjusted for any prepaid lease payments as necessary.

The Group recognized lease liabilities and right-of-use assets of RMB5,526,084.17 and RMB7,419,400.84 respectively as at 1 January 2019. For operating leases existed prior to the date of initial application, the Group initially measures lease liabilities at the present value of the remaining lease payments discounted at the lessee’s incremental borrowing rate on the date of initial application. The weighted average rate for such incremental borrowing rate is 4.75%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Changes in significant accounting policies and accounting estimates (Continued)

New lease standard (Continued)

Impact of application of New lease standard on relevant items recognized in the Group's consolidated balance sheet at 1 January 2019 is as follows:

Unit: RMB

Item	31 December 2018	Adjustment	1 January 2019
Current assets			
Prepayments	29,060,041.15	(1,893,316.67)	27,166,724.48
Non-current assets:			
Right-of-use assets	–	7,419,400.84	7,419,400.84
Current liability:			
Non-current liabilities due within one year	471,310,306.40	3,231,042.24	474,541,348.64
Non-current liabilities:			
Lease liabilities	–	2,295,041.93	2,295,041.93

Differences between the lease liabilities recognized by the Group as at 1 January 2019 and significant operating lease commitment disclosed in the 2018 financial statements are as follows:

Unit: RMB

Item	1 January 2019
I. Operating lease commitment at 31 December 2018	8,298,735.00
Lease liabilities discounted at the incremental borrowing rate on the date of initial application	5,979,209.17
Less: recognition exemption – short-term leases	453,125.00
Lease liabilities recognized under new lease standards and related to original operating leases	5,526,084.17
II. Lease liabilities at 1 January 2019	5,526,084.17
Presented as:	
Current liabilities	3,231,042.24
Non-current liabilities	2,295,041.93

Book value of right-of-use assets as at 1 January 2019 comprises the following:

Unit: RMB

Item	1 January 2019
Right-of-use assets:	
Right-of-use assets recognized for operating leases existed prior to the date of initial application	5,526,084.17
Reclassification of prepaid lease payment (Note 1)	1,893,316.67
Total	7,419,400.84

Note 1: The Group's prepaid lease payments for leases of office and sales office are presented as prepayments at 31 December 2018. Such payments are reclassified to right-of-use assets at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Changes in significant accounting policies and accounting estimates (Continued)

New lease standard (Continued)

Disclosure of right-of-use assets by category as at 1 January 2019 is as follows:

Unit: RMB

Item	At 1 January 2019
Buildings	7,419,400.84
Total	7,419,400.84

The Company as a lessee

The application of New lease standard has no significant impact on the Company's balance sheet as at 1 January 2019.

The Group as a lessor

The Group does not make adjustments to leases as lessors in accordance with the convergence regulations, but makes accounting treatment in accordance with the New lease standard since the initial application date. The application of New lease standard has no significant impact on the Group's consolidated balance sheet as at 1 January 2019.

The Company as a lessor

The application of New lease standard has no significant impact on the Company's balance sheet as at 1 January 2019.

Format of the financial statements for general enterprises

The Group has prepared the annual financial statements for the year 2019 in accordance with the Notice of the Revised Format of 2019 Financial Statements for General Business Enterprises (Cai Kuai (2019) No. 6, hereinafter referred to as the "Cai Kuai No.6 Document") released by the Ministry of Finance on 30 April 2019. Cai Kuai No.6 Document split "Notes and accounts receivable" to be "Notes receivable" and "Accounts receivable", and "Notes and accounts payable" to be "Notes payable" and "Accounts payable", added line items of "Financing with receivables", "Use-right assets", "Contract liabilities" and "Special reserve" and specified the presentation of line items of "Other receivables", "Non-current assets due within one year", "Other payables", "Deferred income" and "Other equity instruments". It also specified the presenting requirements on loss allowance provided for items such as loan commitment and financial guarantee contract. Cai Kuai No.6 Document added line item of "Income from derecognition of financial assets measured at amortized cost" under "Investment income" and further specified or revised the presentation of line items of "Research and development expenses", "Interest income" under "Financial expenses", "Other income", "Non-operating income" and "Non-operating expenses" and adjusted the presenting location of "Impairment losses of credit" and "Impairment losses of assets".

IV. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES

In the application of the Group's accounting policies, which are described in Note III, the Group is required to make judgments, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainty of the operating activities. These judgments, estimates and assumptions are based on historical experiences of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

IV. CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES (CONTINUED)

– Key assumptions and uncertainties in accounting estimates

Amortization of toll road operation rights

The toll road operation rights are amortized using traffic volume method, namely, the amortized amount of the toll road operation rights for a month is calculated at a proportion of the actual traffic volume occupying the sum of the actual traffic volume and the estimated remaining future traffic volume at that month.

The Group's management shall estimate the total traffic volume in the remaining operation period in the future. When there is a large difference between the actual traffic volume and the estimated traffic volume, the management will exercise their judgment in the accuracy of the estimated traffic volume of the remaining operation period to determine if a re-estimation is required and adjust the amortization per traffic volume provided for future years.

Estimated impairment of toll road operation rights

Determining whether toll road operation rights are impaired requires an estimation of the recoverable amount.

In measuring the recoverable amount of the toll road operation rights, the Group has looked at the value in use based on the following factors: the current and expected future traffic volume, current and expected future toll fee level, length of operating rights, maintenance costs and discount rate.

In arriving at the recoverable amount of the toll road operation rights, the management exercised their judgment with reference to these Relevant Factors in estimating the recoverable amounts of the toll road operation rights. As a result, the management considered that the recoverable amounts are above their carrying amounts and no impairment was made accordingly.

Deferred tax assets

The benefit of the deferred tax assets may depend on the future taxable profits and the expected tax rate when associated deductible temporary differences is realized. If future taxable profits or actual tax rate is less than expected, the carrying amounts of deferred tax assets will be reduced and the reduction will be reversed to profits or losses in the corresponding period. For the deductible losses that can be carried forward for the year, due to the uncertainty of the amount of taxable income in the future, deferred tax assets is not fully recognized. The detail information for deductible tax losses and deductible temporary differences recognized or not recognized as deferred tax assets of the Group please refer to note VI, 18.

Measurement and valuation procedures of fair value

In estimating the fair value of the Group's financial assets and financial liabilities, the Group adapts the market observable data available to determine the fair value. If there is no input value at level 1, the management assesses the fair value of the financial instrument based on the discounted cash flow or the transaction price of the over-the-counter market. At the end of the reporting period, the management will establish a pricing model based on the historical experience using appropriate valuation technology and input values. If there is a significant change in fair value, the reason for the fluctuation will be reported to the board of directors of the Company. The valuation techniques, input value and key assumptions used in determining the fair value of the Group's financial assets and liabilities are disclosed in Note IX.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

V. TAXES

Major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate (percentage charges)
Value Added Tax ("VAT")	General taxation method	Other taxable business income other than those determined by using simple taxation method
	Simple taxation method	Toll income
		Revenue from catering, troubleshooting, advertisement and other businesses
		Real estate rental income and real estate sales income
City maintenance and construction tax	Actual paid turnover taxes	5%–7%
Educational surtax and surcharge	Actual paid turnover taxes	3%
Local educational surtax and surcharge	Actual paid turnover taxes	2%
Land appreciation tax	Value added of real estate transfer	Progressive rates ranging from 30%–60%
Enterprise income tax (Note 2)	Taxable income	25%/20%

Note 1: According to Document No.39 issued by Ministry of Finance, the State Taxation Administration and the General Administration of Customs in 2019, the Group's applicable tax rate for sales of goods changed from 16% and 10% to 13% and 9% respectively since 1 April 2019. The Document No. 39 also stipulates that, from 1 April 2019 to 31 December 2021, the taxpayers of production and life services are allowed to deduct the taxable amount by adding 10% to the deductible input tax for the current period. The Group's toll revenue of the expressways belongs to modern service and it enjoys the preferential policy for deductible input taxes.

Note 2: According to Document [2019] No.13 issued by Ministry of Finance and the State Taxation Administration, from 1 January 2019 to 31 December 2021, for small enterprises with low profits, the first RMB1,000,000.00 of taxable income shall be reduced to 25% for calculation of taxable income and the enterprise income tax is paid at the tax rate of 20%; the portion above RMB1,000,000.00 but not exceeding RMB3,000,000.00 shall be reduced to 50% for calculation of taxable income and the enterprise income tax is paid at the tax rate of 20%.

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Unit: RMB

Item	31 December 2019			31 December 2018		
	Foreign currency	Exchange rate	Amount in RMB	Foreign currency	Exchange rate	Amount in RMB
Cash:						
RMB			254,597.41			286,176.78
Bank balances:						
RMB			424,019,850.60			490,874,932.61
HKD	840,163.83	0.8958	752,601.96	839,214.05	0.8763	735,374.27
Other monetary funds:						
RMB			78,416,690.48			157,865,107.15
Total	840,163.83		503,443,740.45	839,214.05		649,761,590.81

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. Cash and bank balances (Continued)

Other explanations:

As at 31 December 2019, Other monetary funds of the Group includes security deposits for certain mortgage loans to customers RMB2,523,103.19 and supervised advance from customers RMB51,510,501.63 (31 December 2018: security deposits for certain mortgage loans to customers RMB1,305,296.56, supervised advance from customers RMB133,329,372.59). According to the requirements of some local authorities (such as Nanjing, Suzhou, Jurong, Kunshan etc.) in China, real estate developers need to open supervised bank account when applying for pre-sale permit for new commercial properties. All the advances received from property customers should be transferred to such account which are supervised by regulator and all cash payment from such account should coincide with the construction progress in order to ensure the cash being used for property construction on a priority basis.

2. Held-for-trading financial assets

Unit: RMB

Item	31 December 2019	31 December 2018
Held-for-trading financial assets	36,585,184.62	32,088,053.22
Including: Fund investment (Note 1)	22,890,626.48	15,081,095.08
Gold investment (Note 2)	13,694,558.14	17,006,958.14
Financial products	640,350,000.00	651,238,808.33
Total	676,935,184.62	683,326,861.55

Other explanations:

Note 1: The market price of investments above at the end of the period and related information is originated from public data of net value of related funds.

Note 2: The market price of investments above at the end of the period and related information is originated from public data of net value of related gold.

3. Notes receivable

(1) Disclosure of notes receivable by categories:

Unit: RMB

Category	31 December 2019	31 December 2018
Bank acceptances	-	1,681,264.79

(2) The Group has no pledged notes receivable at the end of the year.

(3) There is no endorsed or discounted notes receivable that is not yet due at the end of the year.

(4) There is no notes receivable transferred to accounts receivable due to the default of the drawers.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable

(1) Disclosure of accounts receivable by aging:

Unit: RMB

Aging	31 December 2019			
	Amount	Proportion (%)	Provision for credit impairment	Book value
Within 1 year	219,377,833.86	97.01	159,723.23	219,218,110.63
More than 1 year but not exceeding 2 years	5,067,046.99	2.24	-	5,067,046.99
More than 3 years	1,699,980.00	0.75	1,699,980.00	-
Total	226,144,860.85	100.00	1,989,703.23	224,285,157.62

(2) Disclosed according to the classification of bad debt provision method:

Unit: RMB

Category	Amount	Proportion (%)	31 December 2019		Book value
			Provision for credit impairment	Proportion (%)	
All accounts receivable formed by transactions regulated by standards for revenue	159,262,688.80	70.43	1,859,703.23	100.00	157,402,985.57
Lease receivable	66,882,172.05	29.57	-	-	66,882,172.05
Total	226,144,860.85	100.00	1,859,703.23	100.00	224,285,157.62

Category	Amount	Proportion (%)	31 December 2018		Book value
			Provision for credit impairment	Proportion (%)	
All accounts receivable formed by transactions regulated by standards for revenue	323,058,841.49	100.00	1,900,114.68	100.00	321,158,726.81
Total	323,058,841.49	100.00	1,900,114.68	100.00	321,158,726.81

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(3) Provision for credit impairment

Unit: RMB

Provision for credit impairment	Not credit-	Credit-	Total
	impaired Lifetime expected credit loss	impaired Lifetime expected credit loss	
At 1 January 2019	200,134.68	1,699,980.00	1,900,114.68
Provisions	1,772.99	130,000.00	131,772.99
Reversals	(42,184.44)	–	(42,184.44)
Transfer-out upon derecognition of financial assets	–	(130,000.00)	(130,000.00)
At 31 December 2019	159,723.23	1,699,980.00	1,859,703.23

(4) Top five entities with the largest balances of accounts receivable

Unit: RMB

Name of entity	Amount	Provision for credit impairment	Proportion of total accounts receivable (%)
Jiangsu Expressway Network Operation and Management Co., Ltd. ("Network Operation Company")	105,525,209.30	–	46.66
Jiaxing City Kaitong Investment Co., Ltd.	34,233,046.56	–	15.14
Dinuo Fangmaoshan Business Management Co., Ltd.	13,150,478.56	–	5.82
Jiangsu Expressway Petroleum Development Co., Ltd. ("Jiangsu Petroleum Company")	11,387,692.48	–	5.04
Jiangsu Zhiyun Technology Development Co., Ltd.	8,290,003.14	–	3.67
Total	172,586,430.04	–	76.33

(5) Other explanations

Majority toll road and ancillary services income are settled by cash, others are settled by receipts in advance. The accounts receivable mainly represent the receivables due from other toll operation companies by toll network internal income reallocation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Prepayments

(1) The aging analysis of prepayments is as follows:

Unit: RMB

Aging	31 December 2019		31 December 2018	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	10,349,713.39	38.52	23,999,526.75	82.59
More than 1 year but not exceeding 2 years	13,775,744.80	51.28	5,060,514.40	17.41
More than 2 years but not exceeding 3 years	2,739,600.00	10.20	–	–
Total	26,865,058.19	100.00	29,060,041.15	100.00

(2) Top five balances of prepayments categorized by receivers:

Unit: RMB

Name of entity	Proportion of the amount to the total prepayments (%)	
	Amount	(%)
State Grid Jiangsu Electric Power Co., Ltd. Kunshan Power Supply Company	10,096,544.37	37.58
Jiangsu Expressway Information Engineering Co., Ltd.	3,550,000.00	13.21
Suzhou Water Supply Co., Ltd.	2,439,600.00	9.08
Kunshan Litong Natural Gas Co., Ltd	1,441,800.00	5.37
Jiangsu Hailing Intelligent System Technology Co., Ltd	1,102,384.19	4.10
Total	18,630,328.56	69.34

6. Other receivables

Unit: RMB

Item	Note	31 December 2019	31 December 2018
			(%)
Dividends receivable	(1)	4,989,960.00	4,989,960.00
Others	(2)	46,209,939.50	32,843,990.83
Total		51,199,899.50	37,833,950.83

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(1) Dividends receivable

Unit: RMB

Item	31 December 2019	31 December 2018
Jiangsu Kuailu Motor Transport Co., Ltd. ("Kuailu Company")	4,989,960.00	4,989,960.00

(2) Others

<1> Disclosure of other receivables by aging:

Unit: RMB

Aging	31 December 2019			Book value
	Amount	Proportion (%)	Provision for credit impairment	
Within 1 year	24,465,317.56	39.37	46,892.82	24,418,424.74
More than 1 year but not exceeding 2 years	11,934,291.08	19.21	57,882.60	11,876,408.48
More than 2 years but not exceeding 3 years	874,758.76	1.41	11,121.08	863,637.68
More than 3 years	24,864,987.37	40.01	15,813,518.77	9,051,468.60
Total	62,139,354.77	100.00	15,929,415.27	46,209,939.50

<2> Disclosure of other receivables by nature

Unit: RMB

Nature	31 December 2019	31 December 2018
Amounts of investment clearance	15,812,140.02	15,812,140.02
Landlord maintenance funds	12,637,931.05	4,568,903.35
Project funds borrowed in advance	11,528,425.90	12,461,078.50
Petty cash	4,968,493.24	5,047,959.54
Mortgage deposits for housing fund loan	3,950,000.00	1,012,000.00
Others	13,242,364.56	9,863,940.25
Total	62,139,354.77	48,766,021.66

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(2) Others (Continued)

<3> Analysis of provision for credit impairment

Unit: RMB

Provision for credit impairment	Stage I	Stage II	Stage III	Total
	12-month expected credit losses	Lifetime expected credit loss (Not credit impaired)	Lifetime expected credit loss (Credit impaired)	
At 1 January 2019	109,890.81	–	15,812,140.02	15,922,030.83
Provisions	8,286.51	–	–	8,286.51
Reversal	(902.07)	–	–	(902.07)
At 31 December 2019	117,275.25	–	15,812,140.02	15,929,415.27

<4> Top five entities with the largest balances of other receivables:

Unit: RMB

Name of entity	Nature of other receivables	Amount	Aging	Proportion of the amount to total other receivables (%)	Provision for credit impairment
Jiangsu Yixing Highway Administration Department	Amount of investment clearance	15,812,140.02	Over 3 years	25.45	15,812,140.02
China Construction Eighth Engineering Division Corp. Ltd.	Project funds borrowed in advance	9,010,664.30	Over 3 years	14.50	–
Suzhou Housing Property Guarantee Co., Ltd.	Deposit	2,842,000.00	Within 1 year	4.57	–
Jiangsu Assets and Equity Exchange	Others	2,000,000.00	Within 1 year	3.22	–
Nanjing Jin Zhong Jian Curtain Decoration Co., Ltd.	Project funds borrowed in advance	1,723,356.10	1-2 years	2.77	–
Total		31,388,160.42		50.51	15,812,140.02

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

Categories of inventories

Unit: RMB

Item	31 December 2019			31 December 2018		
	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount
Properties under development	2,691,720,662.45	-	2,691,720,662.45	2,522,432,283.97	-	2,522,432,283.97
Properties for sale	1,458,769,418.10	-	1,458,769,418.10	1,510,415,438.28	-	1,510,415,438.28
Spare parts for repair and maintenance	7,262,826.01	-	7,262,826.01	7,852,952.35	-	7,852,952.35
Petrol	6,814,398.54	-	6,814,398.54	4,855,100.93	-	4,855,100.93
Total	4,164,567,305.10	-	4,164,567,305.10	4,045,555,775.53	-	4,045,555,775.53

Details of properties under development are as follows:

Unit: RMB

Project name	Commencement date	Estimated completion date	Estimated total investment	31 December 2018	31 December 2019
Baohua Hongyan Community A Project	September 2018	Note 1	2,455,800,000.00	316,629,081.32	324,211,226.67
Huaqiao Urban Core Project	December 2012	Note 2	3,089,100,000.00	663,146,331.42	383,548,006.05
Suzhou Nanmen Road G25 Project (Note 3)	December 2019	June 2021	1,146,300,000.00	78,850,451.14	92,861,564.62
Hanrui Center	October 2016	June 2020	2,202,654,200.00	1,463,806,420.09	1,891,099,865.11
Total			8,893,854,200.00	2,522,432,283.97	2,691,720,662.45

Note 1: Baohua Hongyan Community Plot A Project comprises phase 1 and phase 2 of Tongchengshijia project which are expected to be completed in December 2022 and October 2024 respectively.

Note 2: Huaqiao Town Core Area Project includes Huaqiao Town Core Area C5 Yufuhao Project and Huaqiao Town Core Area B18 Project which are expected to be completed in October 2021 and July 2024 respectively.

Note 3: For Suzhou Nanmen Road G25 Project, it is planned to build ten high-rise and small-sized high-rise residential buildings, among which eight buildings at Phase I have been completed, accepted and transferred into properties for sale in January 2018. The remaining two buildings at Phase II were still at the construction preparation stage at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

Categories of inventories (Continued)

Details of properties for sale are as follows:

Unit: RMB

Project Name	Completion date	31 December 2018	Increase	Decrease	31 December 2019
Suzhou Qingyuan	December 2013	540,219,078.24	-	109,474,541.02	430,744,537.22
Baohua Hongyan Community B1 Tongchengshijia Project	April 2014	107,034,473.42	-	14,365,763.69	92,668,709.73
Baohua Hongyan Community B2 Tongchengshijia Project	November 2016	222,613,820.62	-	65,356,646.18	157,257,174.44
Huaqiao Urban Core C4 Tongcheng Hongqiao Mansion Project	August 2012	11,573,340.44	-	-	11,573,340.44
Huaqiao Urban Core C7 Pujiang Building Project	June 2014	252,179,129.48	118,185,530.60	34,699,223.17	335,665,436.91
Huaqiao Urban Core B4 Guangmingjiezuo Project	June 2015	43,664,783.85	-	4,839,778.47	38,825,005.38
Huaqiao Urban Core B19 Guangmingxinzuo Project	December 2016	18,541,007.35	-	938,188.44	17,602,818.91
Huaqiao Urban Core C3 Langqiaojiaoyuan	December 2019	-	263,442,957.70	31,931,817.00	231,511,140.70
Suzhou Nanmen Road G25 Project -Phase I	January 2018	314,589,804.88	-	171,668,550.51	142,921,254.37
Total		1,510,415,438.28	381,628,488.30	433,274,508.48	1,458,769,418.10

Detailed information of properties under development are as follows:

Project Name	Address	Purpose	Attributable equity interest of the Group	Stage of completion	Projected completion date
Baohua Hongyan Community A1 Tongchengshijia Project	Jurong Baohua Hongyan Community Xianlin East Road No. 8	House	100.00	Preparing for construction	December 2022
Baohua Hongyan Community A2 Tongchengshijia Project	Jurong Baohua Hongyan Community Xianlin East Road No. 8	House	100.00	Preparing for construction	October 2024
Huaqiao Urban Core C5Yufuhao Project	Kunshan Huaqiao business core area	Business	100.00	Under decoration	October 2021
Huaqiao Urban Core B18 Project	Kunshan Huaqiao business core area	House	100.00	Not commenced	July 2024
Suzhou Nanmen Road G25 Project Phase II	Suzhou Nanmen Road	House	100.00	Preparing for construction	June 2021
Hanrui Center	Nanjing Yuhuatai District Dingqiang Road Mingfa Business Plaza east side	Business/office/service apartment	100.00	Main body under construction	June 2020

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

Categories of inventories (Continued)

Detailed information of properties held for sale are as follows:

Project Name	Address	Purpose	Attributable equity interest of the Group	Stage of completion	Completion date
Suzhou Qingyuan	Suzhou Xinshi Road No. 298	House	100.00	Completed	December 2013
Baohua Hongyan Community B1 Tongchengshijia Project	Jurong Baohua Hongyan Community Xianlin East Road No. 8	House	100.00	Completed	April 2014
Baohua Hongyan Community B2 Tongchengshijia Project	Jurong Baohua Hongyan Community Xianlin East Road No. 8	House	100.00	Completed	November 2016
Huaqiao Urban Core C4 Hongqiao Mansion Project	Kunshan Huaqiao business core Xiqiao Road No. 158	House	100.00	Completed	August 2012
Huaqiao Urban Core C7 Pujiang Building	Kunshan Huaqiao business core Yunqiao Road No. 118	Office building	100.00	Completed	June 2014
Huaqiao Urban Core B4 Tongcheng Guangmingjiezuo	Kunshan Huaqiao business core Xiqiao Road No. 188	House	100.00	Completed	June 2015
Huaqiao Urban Core B19 Guangmingxinzuo Project	Kunshan Huaqiao business core area	House	100.00	Completed	December 2016
Huaqiao Urban Core C3 Langqiaojayuan	Kunshan Huaqiao business core area	House	100.00	Completed	December 2019
Suzhou Nanmen Road G25 Project - Phase I	Suzhou Nanmen Road	House	100.00	Completed	January 2018

8. Other current assets

Unit: RMB

Item	31 December 2019	31 December 2018
Enterprise income tax in advance	31,061,822.17	–
Prepaid taxes and levies related to pre-sale of real estate	126,701,364.63	97,094,346.77
Input VAT to be deducted	219,804,084.27	33,561,823.98
Others	1,773,690.27	–
Total	379,340,961.34	130,656,170.75

9. Investments in other equity instruments

(1) Investments in other equity instruments

Unit: RMB

Item	31 December 2019	31 December 2018
Investments in other equity instruments Measured at fair value	5,655,468,613.24	3,035,293,679.55
Total	5,655,468,613.24	3,035,293,679.55

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Investments in other equity instruments (Continued)

(2) Analysis of non-tradable investments in other equity instruments:

Unit: RMB

Item	Dividend income recognized in the current period	Cumulative gain	Reasons for those designated as at FVTOCI
Listed Companies			
Bank of Jiangsu (<i>Note 1</i>)	159,177,968.64	608,161,808.53	Non-tradable equity instrument investment
Jiangsu Financial Leasing (<i>Note 2</i>)	46,800,000.00	828,901,543.11	Non-tradable equity instrument investment
Total	205,977,968.64	1,437,063,351.64	

Note 1: This represents the ordinary shares of A-share listed company Bank of Jiangsu Co., Ltd. held by the Group. Bank of Jiangsu was listed in 2016, with the measurement of such investment at cost changed to measurement at fair value. As at 2 August 2019, the shares of Bank of Jiangsu held by the Group were released from restrictions and were listed for circulation. The Group designated it as a financial asset measured at fair value through other comprehensive income ("FVTOCI"), and subsequent changes in fair values are included in other comprehensive income.

Note 2: It is a restricted outstanding shares of A-share listed companies Jiangsu Financial Leasing Co., Ltd. held by the Group. Jiangsu Leasing was listed in 2018, the Group designated it as a financial asset measured at fair value through other comprehensive income ("FVTOCI"), and subsequent changes in fair values are included in other comprehensive income.

10. Other non-current financial assets

Unit: RMB

Item	31 December 2019	31 December 2018
Other non-current financial assets		
Measured at FVTPL	1,446,175,745.21	1,111,415,422.02
Including: Equity interest investment in partnerships (<i>Note</i>)		
Suzhou Industrial Park Guochuang Kaiyuan Phase II Investment Center LLP	1,107,666,005.47	933,328,469.65
Nanjing Luode Dening Real Estate Investment LLP	38,413,503.57	178,086,952.37
Nanjing Luode Zhongbei Zhiyuan Equity Investment LLP	300,096,236.17	–
Total	1,446,175,745.21	1,111,415,422.02

Note: The equity investment in the limited partnership invested by the Group. Under the limited partnership agreement, the Group participates as a limited partner and has no control, joint control and significant influence on the daily operation and decision-making of the related partnership. Therefore, equity investment in the Partnership is measured fair value. The subsequent changes in its fair value are included in the current profits and losses.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments

Unit: RMB

Investee (Note 1)	1 January 2019	Changes in the current year						31 December 2019	Impairment provision at 31 December 2019
		Increase	Investment income (loss) under the equity method	Adjustment of other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment losses		
Associates									
Kuailu Co., Ltd.	57,348,841.94	-	(1,978,644.09)	-	-	-	-	55,370,197.85	-
Jiangsu Yangtze Bridge Co., Ltd. ("Yangtze Bridge Company")	1,509,241,381.90	-	205,467,567.10	54,156,057.60	-	(68,380,279.20)	-	1,700,484,727.40	-
Suzhou Expressway Management Co., Ltd. (Former name: Suzhou Sujiahang Expressway Co., Ltd. ("Sujiahang Company")) (Note 2)	1,311,886,135.31	-	214,443,333.30	-	73,524,949.37	(47,353,500.00)	-	1,955,145,243.61	-
Suzhou Sujiaiyong Expressway Co., Ltd. ("Sujiaiyong Company") (Note 2)	407,830,720.96	-	(5,186,395.33)	-	-	-	(402,644,325.63)	-	-
Jiangsu Xiexin Ninghu Gas Co., Ltd. ("Xiexin Ninghu Company")	11,360,140.69	-	(576,160.15)	-	-	-	-	10,781,980.54	-
Suzhou Nanlin Hotel Co., Ltd. ("Nanlin Hotel")	172,245,082.82	-	(1,641,317.83)	-	-	-	-	170,603,764.99	-
Jiangsu Yanjiang Expressway Co., Ltd. ("Yanjiang Company")	2,117,190,861.84	-	176,573,647.61	-	-	(82,938,209.23)	-	2,210,826,300.22	-
Jiangsu Luode Equity Investment Fund Management Co., Ltd. ("Luode Fund Company")	19,573,316.04	-	4,328,470.69	-	-	(2,262,000.00)	-	21,639,786.73	-
Xiandai R&B Company	47,762,985.23	-	28,037,969.80	-	-	-	-	75,800,955.03	-
Jiangsu Expressway Network Toll Technology Service Co., Ltd.	25,534,747.16	-	13,705,369.72	-	-	-	-	39,240,116.88	-
Jiangsu Communication Culture and Media Co. Ltd. ("Media Company") (Note 3)	22,479,822.28	36,000,000.00	4,007,609.39	-	-	-	-	62,487,431.67	-
Jiangsu Communications Holding Group Finance Co., Ltd. ("Group Finance Company") (Note 4)	-	625,000,215.23	11,870,798.47	-	-	-	-	636,871,013.70	-
Total	5,702,454,036.17	661,000,215.23	649,050,248.68	54,156,057.60	73,524,949.37	(200,933,988.43)	-	6,939,251,518.62	-

Note 1: The foregoing companies are all unlisted company registered in PRC.

Note 2: Sujiahang Company and Sujiaiyong Company entered into "Agreement of Suzhou Sujiaiyong Expressway Co., Ltd Merging with Suzhou Sujiaiyong Expressway Co., Ltd", which stipulated that the merger shall be conducted through capital increase based on same shares and rights. After the merger, Sujiahang Company survives and Sujiaiyong Company is cancelled. And the assets of the Sujiaiyong Company are consolidated into the existing Sujiahang Company. As at 8 August 2019, the State-owned Assets Supervision and Administration Commission of the Suzhou Municipal Government issued Su Guo Zi Gai [2019] No. 32 document, which approved the merge of Sujiaiyong Company by Sujiahang Company. Shareholders of the former Sujiaiyong Company and the former Sujiahang Company signed the capital increase and share expansion agreement, specifying that 31 December 2018 is the basis date of the merger, and shareholders' investments in original Sujiaiyong Company were converted into equity investments in Sujiahang Company. After the merge, Shareholders of former Sujiaiyong Company and Sujiahang Company will jointly be shareholders of existing Sujiahang Company, jointly sharing the rights and obligations of the company without profits and losses allocated based on the principle of same share and right. As at 23 August 2019, as shareholder of the former Sujiaiyong Company and Sujiahang Company, the Company reviewed and approved the capital increase and share expansion agreement at the 12th session of the ninth meeting of the Board of Directors, with the Company's interest in Sujiahang Company adjusted from 31.55% to 30.01% subsequent to the merger. As at 28 October 2019, Sujiahang Company was renamed to Suzhou Expressway Management Co., Ltd ("Suzhou Expressway Management").

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments (Continued)

Note 3: Pursuant to resolution of the 25th session of the eighth meeting of the Board of Directors of the Company on 4 June 2018, the Company and holding shareholders Jiangsu Communications Holding Co., Ltd. ("Communications Holding"), Jiangsu Jinghu Expressway Co., Ltd., Jiangsu East Expressway Operation Management Co., Ltd. and Jiangsu East Road & Bridge Construction Maintenance Co., Ltd. jointly invested to establish Media Company, with registered capital of RMB200 million. The Company invested RMB60 million with initial investment of RMB24 million, accounting for 30% equity interest. In August 2018, Media Company introduced strategic shareholder Jiangsu Xinhua Daily Media Group Co., Ltd. ("Xinhua Media"), and Xinhua Media increased capital of RMB68 million; all original shareholders of Media Company agreed to waive the pre-emption right to purchase for this capital increase. After capital increase of Media Company, the registered capital increased from RMB200 million to RMB268 million, and the Company accounts for 22.39% of Media Company's equity interest. Each shareholder of Media Company sends a director to the board of directors, and the chairman is appointed by the Communications Holding. The increase in investment for the current period represents the Company's payment of remaining subscribed capital contribution of RMB36 million. As at the end of the year, the Company has paid up the subscribed capital contribution of RMB60 million.

Note 4: Pursuant to resolution of the 11th session of the ninth meeting of the Board of Directors of the Company on 30 July 2019, the Company and the Company's holding shareholder Communications Holding jointly increased capital investment in Group Finance Company. The Company increased investment by cash of RMB606.8 million. After the capital increase, the Company accounts for 25% of Group Finance Company's total share capital. As at 26 September 2019, the Company held the 1st extraordinary general meeting and approved the subscription of Group Finance Company's registered capital of RMB606.8 million. Subsequent to the capital increase, Group Finance Company's registered capital increased to RMB1.6 billion, of which the Company accounted for 25%.

12. Investment properties

- (1) Investment properties measured at cost

Unit: RMB

Item	Buildings
I. Total original carrying amount	
1. 31 December 2018 and 31 December 2019	25,079,440.37
II. Accumulated amortization	
1. 31 December 2018	5,872,406.68
2. Increase in the current year	812,573.90
(1) Amount accrued or amortized	812,573.90
3. 31 December 2019	6,684,980.58
III. Total book value of investment properties	
1. 31 December 2019	18,394,459.79
2. 31 December 2018	19,207,033.69

- (2) Detailed information of investment properties are as follows:

Name	Address	Purpose	Term of lease
Kunshan Huijie office building A, B floor stores and 5 offices	Kunshan People's South Road No. 888	Commercial	Medium-term

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Fixed assets

(1) Fixed assets

Unit: RMB

Item	Communication and surveillance equipment								Total
	Buildings	Safety equipment	Toll and ancillary equipment	Machinery and equipment	Electronic equipment	Motor vehicles	Furniture and others		
I. Total original carrying amount									
1. 31 December 2018	1,982,351,540.59	918,473,555.23	520,844,793.27	430,277,000.57	569,883,662.98	67,363,491.85	60,939,339.29	43,019,850.02	4,583,153,233.80
2. Increase in the current year	40,839,181.36	35,490,397.49	10,946,447.49	223,967,552.23	57,558,158.18	7,147,712.55	1,354,005.08	3,846,109.24	381,149,563.62
(1) Purchase	1,311,744.73	2,571,323.81	1,151,782.57	2,213,477.11	30,721,873.38	7,140,433.55	1,354,005.08	3,843,909.24	50,308,549.47
(2) Transferred from construction in progress	36,934,714.53	32,601,740.89	8,740,260.56	221,573,078.12	20,537,177.64	-	-	-	320,386,971.74
(3) Reclassification	2,592,722.10	317,332.79	1,054,404.36	180,997.00	6,299,107.16	7,279.00	-	2,200.00	10,454,042.41
3. Decrease in the current year	61,130,597.97	2,120,029.46	155,473,227.23	168,167,635.67	71,598,159.54	9,066,114.31	1,440,877.30	2,317,144.45	471,313,785.93
(1) Disposal or retirement	53,640,628.46	2,120,029.46	152,872,958.13	168,106,172.30	71,422,509.54	8,979,624.54	1,408,941.04	2,308,880.05	460,859,743.52
(2) Reclassification	7,489,969.51	-	2,600,269.10	61,463.37	175,650.00	86,489.77	31,936.26	8,264.40	10,454,042.41
4. 31 December 2019	1,962,060,123.98	951,843,923.26	376,318,013.53	486,076,917.13	555,843,661.62	65,445,090.09	60,852,467.07	44,548,814.81	4,502,989,011.49
II. Total accumulated depreciation									
1. 31 December 2018	870,577,250.02	767,118,697.49	358,557,643.43	284,722,712.51	380,014,260.36	43,381,345.51	42,851,507.85	31,796,493.93	2,779,019,911.10
2. Increase in the current year	84,283,024.08	18,678,569.65	33,565,156.13	31,076,974.78	29,373,174.13	7,190,726.37	4,781,543.19	2,855,022.60	211,804,190.93
(1) Provision	82,712,640.67	18,635,048.17	33,438,573.50	30,900,519.86	28,521,328.27	7,186,531.57	4,781,543.19	2,855,022.60	209,031,207.83
(2) Reclassification	1,570,383.41	43,521.48	126,582.63	176,454.92	851,845.86	4,194.80	-	-	2,772,983.10
3. Decrease in the current year	29,060,737.75	1,798,053.04	142,312,281.72	144,184,697.70	66,239,283.18	7,957,282.31	1,372,979.96	2,272,488.60	395,197,804.26
(1) Disposal or retirement	28,051,774.90	1,798,053.04	140,739,153.02	144,172,570.62	66,065,573.55	7,956,836.15	1,372,665.16	2,268,194.72	392,424,821.16
(2) Reclassification	1,008,962.85	-	1,573,128.70	12,127.08	173,709.63	446.16	314.80	4,293.88	2,772,983.10
4. 31 December 2019	925,799,536.35	783,999,214.10	249,810,517.84	171,614,989.59	343,148,151.31	42,614,789.57	46,260,071.08	32,379,027.93	2,595,626,297.77
III. Provision for impairment									
1. 31 December 2018	-	-	-	-	-	-	-	-	-
2. 31 December 2019	-	-	-	-	-	-	-	-	-
IV. Total net book value of fixed assets									
1. 31 December 2019	1,036,260,587.63	167,844,709.16	126,507,495.69	314,461,927.54	212,695,510.31	22,830,300.52	14,592,395.99	12,169,786.88	1,907,362,713.72
2. 31 December 2018	1,111,774,290.57	151,354,857.74	162,287,149.84	145,554,288.06	189,869,402.62	23,982,146.34	18,087,831.44	11,223,356.09	1,814,133,322.70

(2) Fixed assets leased out under operating leases

Unit: RMB

Item	31 December 2019	31 December 2018
Buildings	140,064,242.93	169,024,781.06

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Fixed assets (Continued)

(3) Fixed assets of which certificates of title have not been obtained

Unit: RMB

Item	Book value	Reasons for not obtained certificates
Shanghai-Nanjing Expressway Lujia toll station	5,855,766.20	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Kunshan toll station	5,634,804.36	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Huaqiao toll station	7,151,806.34	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Xuejia toll station	7,383,127.24	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Suzhou management offices and maintenance center building	25,750,887.77	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Changzhou Luoshuwan buildings	3,138,888.05	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Changzhou roll station and maintenance center building	2,209,798.57	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Changzhou ETC customer service branch buildings	772,647.74	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Jingfa Service zone office buildings	39,677,997.16	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway South Network Centre and project management center houses	16,161,882.49	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Buildings in Wuxi management areas and Xidong toll station	41,543,141.96	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Wuxi airport toll station	3,766,458.72	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Heyang roll station	6,776,901.78	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Zhenjiang toll station	7,960,257.69	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Danyang toll station	1,072,647.75	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Living buildings of Ningzhen management areas	10,054,584.73	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Nanjing toll station	9,357,512.41	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Tangshan toll station	4,661,307.56	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Danyang toll station	10,594,080.45	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Jurong toll station	5,070,695.26	Incorporated into communication facilities and cannot obtain certification at present
Guangjing Expressway, Xicheng Expressway service zone houses	32,719,181.51	Incorporated into communication facilities and cannot obtain certification at present
Xiyi Expressway roll administration and service zone houses	22,698,503.19	Incorporated into communication facilities and cannot obtain certification at present
Ningchang Expressway and Zhenli Expressway roll administration and service zone houses	130,069,596.90	Incorporated into communication facilities and cannot obtain certification at present
Zhendao Expressway – buildings	54,805,316.64	Incorporated into communication facilities and cannot obtain certification at present
Total	454,887,792.47	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Construction in progress

(1) Details of construction in progress

Unit: RMB

Item	31 December 2019			31 December 2018		
	Carrying amount	Provision for impairment losses	Net book value	Carrying amount	Provision for impairment losses	Net book value
Connection Project for Southern and Northern Roads besides Wufengshan Bridges	6,296,640,554.20	-	6,296,640,554.20	3,903,885,194.48	-	3,903,885,194.48
Highway Project of Wufengshan Road & Railway Bridge	2,710,661,042.20	-	2,710,661,042.20	2,572,706,472.22	-	2,572,706,472.22
Construction Project of Changyi Expressway	2,895,558,691.00	-	2,895,558,691.00	2,057,146,967.07	-	2,057,146,967.07
Construction Project of Yichang Expressway	1,993,785,437.26	-	1,993,785,437.26	1,420,206,236.97	-	1,420,206,236.97
Longtan Yangtze River Bridge Project	371,077,085.89	-	371,077,085.89	-	-	-
Housing projects of Toll stations and service zones	82,046,656.46	-	82,046,656.46	67,734,537.51	-	67,734,537.51
Software renovation of provincial boundary toll station	26,564,059.04	-	26,564,059.04	467,239.00	-	467,239.00
Three big system construction project	24,200,760.88	-	24,200,760.88	7,342,203.00	-	7,342,203.00
Construction Project of acoustic barrier	9,374,503.56	-	9,374,503.56	10,628,672.76	-	10,628,672.76
Double tank renovation project	8,999,122.63	-	8,999,122.63	-	-	-
Information project	6,762,306.43	-	6,762,306.43	3,816,141.43	-	3,816,141.43
Others	76,064,275.40	-	76,064,275.40	43,892,667.03	-	43,892,667.03
Total	14,501,734,494.95	-	14,501,734,494.95	10,087,826,331.47	-	10,087,826,331.47

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Construction in progress (Continued)

(2) Changes in significant construction in progress

Unit: RMB

Project	Budget amount	31 December 2018	Increase in current year	Transfer to fixed assets	Transfer to intangible assets	Transfer to others	31 December 2019	Amount injected	Construction progress	Amount of accumulated capitalized interest	Including: capitalized interest for the year	Interest rate for the year	Interest capitalization Source of funds
								as a proportion of budget amount (%)					
Connection Project for Southern and Northern Roads besides Wufengshan Bridges	9,357,863,100.00	3,903,885,194.48	2,392,755,359.72	-	-	-	6,296,640,554.20	67.29	In progress	211,084,013.82	128,249,513.85	4.90	Own funds & Loans from financial institutions
Highway Project of Wufengshan Road & Railway Bridge	2,937,210,000.00	2,572,706,472.22	137,954,569.98	-	-	-	2,710,661,042.20	92.29	In progress	148,261,042.20	75,554,569.98	4.90	Own funds & Loans from financial institutions
Construction Project of Changyi Expressway	3,799,615,000.00	2,057,146,967.07	838,411,723.93	-	-	-	2,895,568,691.00	76.21	In progress	86,338,760.33	54,843,988.48	4.90	Own funds & Loans from financial institutions
Construction Project of Yichang Expressway	3,978,702,200.00	1,420,206,236.97	573,579,200.29	-	-	-	1,993,785,437.26	50.11	In progress	58,269,103.33	34,239,207.73	4.90	Own funds & Loans from financial institutions
Longtan Yangtze River Bridge Project	6,253,905,000.00	-	371,077,085.89	-	-	-	371,077,085.89	5.93	In progress	-	-	-	Own funds
Housing projects of Toll stations and service zones	148,418,995.87	67,734,537.51	48,729,623.31	34,417,504.36	-	-	82,046,656.49	78.47	In progress	-	-	-	Own funds
Software renovation of provincial boundary toll station	130,000,000.00	467,239.00	76,445,346.04	50,348,626.00	-	-	26,564,069.04	59.16	In progress	-	-	-	Own funds
Three big system construction project	34,542,000.00	7,342,203.00	16,858,557.88	-	-	-	24,200,760.88	70.06	In progress	-	-	-	Own funds
Construction Project of acoustic barrier	39,429,292.93	10,628,672.76	25,811,699.18	27,065,868.38	-	-	9,374,503.56	92.42	In progress	-	-	-	Own funds
Double tank renovation project	12,250,000.00	-	8,999,122.63	-	-	-	8,999,122.63	73.46	In progress	-	-	-	Own funds
Information project	8,695,000.00	3,816,141.43	2,946,165.00	-	-	-	6,762,306.43	77.77	In progress	-	-	-	Own funds
Renovation project of removal of Shanghai Nanjing provincial boundary toll station	153,982,283.76	-	153,982,283.76	153,982,283.76	-	-	-	100.00	Completed	-	-	-	Own funds
Others	275,249,058.05	43,892,667.03	144,631,488.74	54,572,789.24	49,034,001.20	8,853,089.92	76,064,275.40	68.49	In progress	-	-	-	Own funds
Total		10,087,826,331.47	4,792,182,226.35	320,386,971.74	49,034,001.20	8,853,089.92	14,501,734,494.95						

(3) The Group did not note any indicators of impairment; therefore, there is no provision for impairment losses for construction in progress

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Intangible assets

Unit: RMB

Item	Toll road operation rights	Land use rights	Software	Total
I. Total original carrying amount				
1. 31 December 2018	31,626,434,391.26	1,744,161,676.21	62,534,880.54	33,433,130,948.01
2. Increase in the current year	49,034,001.20	-	178,000.00	49,212,001.20
(2) Purchase	-	-	178,000.00	178,000.00
(3) Transferred from construction in progress	49,034,001.20	-	-	49,034,001.20
3. Decrease in the current year	448,200,000.00	-	-	448,200,000.00
(1) Disposal <i>(Note)</i>	448,200,000.00	-	-	448,200,000.00
4. 31 December 2019	31,227,268,392.46	1,744,161,676.21	62,712,880.54	33,034,142,949.21
II. Total accumulated amortization				
1. 31 December 2018	11,679,847,220.35	1,218,502,200.37	36,988,374.69	12,935,337,795.41
2. Increase in the current year	1,274,234,633.53	64,658,222.64	12,375,303.16	1,351,268,159.33
(1) Provision	1,274,234,633.53	64,658,222.64	12,375,303.16	1,351,268,159.33
3. Decrease in the current year	180,462,476.03	-	-	180,462,476.03
(1) Disposal	180,462,476.03	-	-	180,462,476.03
4. 31 December 2019	12,773,619,377.85	1,283,160,423.01	49,363,677.85	14,106,143,478.71
III. Provision for impairment losses				
1. 31 December 2018	217,737,523.97	-	-	217,737,523.97
2. Decrease in the current year	(217,737,523.97)	-	-	(217,737,523.97)
(1) Disposal <i>(Note)</i>	(217,737,523.97)	-	-	(217,737,523.97)
2. 31 December 2019	-	-	-	-
IV. Total net book value of intangible assets				
31 December 2019	18,453,649,014.61	461,001,253.20	13,349,202.69	18,927,999,470.50
31 December 2018	19,728,849,646.94	525,659,475.84	25,546,505.85	20,280,055,628.63

Note: The decrease in this year is due to the disposal of the right to operate the Ninglian Expressway by the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Right-of-use assets

Unit: RMB

Item	Right-of-use assets
I. Total original carrying amount	
1. 1 January 2019	7,419,400.84
2. Increase in the current year	–
3. Decrease in the current year	2,357,833.66
(1) Disposal	2,357,833.66
4. 31 December 2019	5,061,567.18
II. Total accumulated depreciation	
1. 1 January 2019	–
2. Increase in the current year	4,424,132.85
(1) Provision	4,424,132.85
3. Decrease in the current year	–
4. 31 December 2019	4,424,132.85
III. Total net book value of right-of-use assets	
31 December 2019	637,434.33
1 January 2019	7,419,400.84

Other instructions:

The Group leased a building with the lease term of 2 years.

The simplified short-term lease expenses included in the profit or loss of current period were RMB407,886.88, and the total cash outflows related to the lease were RMB4,789,323.76.

17. Long-term prepaid expenses

Unit: RMB

Item	31 December 2018	Increase in the year	Amortization for the year	31 December 2019
Decorations for buildings	1,654,145.11	15,306,575.96	5,542,077.49	11,418,643.58

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Deferred tax assets/Deferred tax liabilities

(1) Deferred tax assets that are not offset

Unit: RMB

Item	31 December 2019		31 December 2018	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment losses of assets	17,789,118.50	4,447,279.62	235,559,669.48	58,889,917.37
Unrealized profits through internal transactions	328,183,117.91	82,045,779.48	311,199,377.17	77,799,844.29
Deductible losses	-	-	71,257,941.12	17,814,485.27
The profit of real estate pre-sale approved under the tax law	329,691,153.76	82,422,788.45	215,155,528.72	53,788,882.18
Accrued project management fee	11,964,753.44	2,991,188.36	9,988,821.79	2,497,205.45
Provisions	30,211,590.82	7,552,897.70	461,700.00	115,425.00
Difference between tax policies and that under accounting policies for service zone lease income	-	-	19,379,059.64	4,844,764.91
Total	717,839,734.43	179,459,933.61	863,002,097.92	215,750,524.47

Other explanations

According to the Group's future profit forecast, the Group believes that it is probable that sufficient taxable profits will be available in future periods to offset the deductible temporary differences. Therefore, the related deferred tax assets are recognized.

(2) Deferred tax liabilities that are not offset

Unit: RMB

Item	31 December 2019		31 December 2018	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair values for held-for-trading financial assets	16,112,292.53	4,028,073.13	6,378,415.08	1,594,603.77
Changes in fair values for other equity instruments investment	1,437,063,351.64	359,265,837.91	904,395,222.67	226,098,805.67
Changes in fair values for other non-current financial assets	226,644,573.66	56,661,143.42	165,083,112.93	41,270,778.23
Difference between tax policies and that under accounting policies for service zone lease income	4,424,387.27	1,106,096.82	-	-
Total	1,684,244,605.10	421,061,151.28	1,075,856,750.68	268,964,187.67

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Deferred tax assets/Deferred tax liabilities (Continued)

(3) Net amount of deferred tax assets or liabilities after offset

Unit: RMB

Item	Closing offset amount of deferred tax assets and deferred tax liabilities	Closing amount of deferred tax assets or liabilities after offset	Opening offset amount of deferred tax assets and deferred tax liabilities	Opening amount of deferred tax assets or liabilities after offset
Deferred tax assets	4,447,279.62	175,012,653.99	18,303,465.38	197,447,059.09
Deferred tax liabilities	4,447,279.62	416,613,871.66	18,303,465.38	250,660,722.29

(4) Detailed information of unrecognized deferred tax assets

Unit: RMB

Item	31 December 2019	31 December 2018
Deductible losses	64,454,036.72	20,333,192.00
Total	64,454,036.72	20,333,192.00

(5) Deductible losses, for which no deferred tax assets are recognized, will expire in the following years

Unit: RMB

Item	31 December 2019	31 December 2018
2023	20,333,192.00	20,333,192.00
2024	44,120,844.72	–
Total	64,454,036.72	20,333,192.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

19. Other non-current assets

Unit: RMB

Item	31 December 2019	31 December 2018
Apartment procurement for talents	14,955,570.00	14,207,791.50
Total	14,955,570.00	14,207,791.50

20. Short-term borrowings

(1) Categories of short-term borrowings:

Unit: RMB

Item	31 December 2019	31 December 2018
Bank loans	1,060,000,000.00	630,000,000.00
Including: Unsecured loans	1,000,000,000.00	570,000,000.00
Entrusted loans (Note 1)	60,000,000.00	60,000,000.00
Non-bank financial institution loans	910,000,000.00	950,000,000.00
Including: Unsecured loans	810,000,000.00	950,000,000.00
Entrusted loans (Note 2)	100,000,000.00	–
Interest payable	2,708,495.84	3,480,020.00
Total	1,972,708,495.84	1,583,480,020.00

Note 1: Entrusted bank loans are provided by Jiangsu Far East Shipping Co., Ltd. ("Far East Shipping Company") through CITIC bank on 23 July 2019, for which the principal amount is RMB60,000,000.00, annual interest rate of 4.35%, and term of 1 year. The addition, repayment and balance of loans for the current period are RMB60,000,000.00, RMB60,000,000.00 and RMB60,000,000.00 respectively.

Note 2: Entrusted loans from non-bank financial institution are borrowings from Jiangsu Sutong Bridge Co., Ltd ("Sutong Bridge Company") via Jiangsu Communications Holding Group Finance Co., Ltd ("Group Finance Company") on 28 December 2019, with principal amount of RMB100,000,000.00, annual interest rate of 3.9% and term of 1 year.

(2) There are no short-term borrowings overdue but not yet repaid.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Accounts payable

(1) Details of accounts payable are as follows

Unit: RMB

Item	31 December 2019	31 December 2018
Construction payable	675,826,132.27	544,016,630.41
Construction payable for real estate project	495,168,721.84	363,766,072.68
Purchase of petroleum payable	7,591,687.90	11,980,779.34
Toll road fee payable	23,751,404.00	40,988,472.00
Deposit payable for rent	–	58,930,660.90
Others	60,076,873.53	70,924,704.76
Total	1,262,414,819.54	1,090,607,320.09

(2) The aging analysis of accounts payable according to invoice date (close to posting date):

Unit: RMB

Item	31 December 2019	31 December 2018
Within 1 year	956,748,644.72	793,933,626.37
More than 1 year but not exceeding 2 years	208,579,349.74	183,051,224.57
More than 2 years but not exceeding 3 years	25,156,000.45	77,563,871.28
More than 3 years	71,930,824.63	36,058,597.87
Total	1,262,414,819.54	1,090,607,320.09

(3) Significant accounts payable aging more than one year in the 31 December 2019:

Unit: RMB

Item	31 December 2019	Reasons for outstanding or not carrying forward
Construction payable	181,872,857.52	Long settlement procedure of the project
Construction payable for real estate project	82,380,355.05	Long settlement procedure of the real estate project
Total	264,253,212.57	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Receipts in advance

(1) Receipts in advance are shown as follows:

Unit: RMB

Item	31 December 2019	31 December 2018
Rental deposit received in advance	9,088,946.35	14,195,126.89
The transfer payment of Ninglian road operating rights received in advance	–	57,700,000.00
Others	1,609,952.69	1,559,767.55
Total	10,698,899.04	73,454,894.44

The aging analysis of receipts in advance is as follows:

Unit: RMB

Aging	31 December 2019		31 December 2018	
	RMB	%	RMB	%
Within 1 year	7,331,042.70	68.52	73,454,894.94	100.00
More than 1 year but not exceeding 2 years	3,367,856.34	31.48	–	–
Total	10,698,899.04	100.00	73,454,894.94	100.00

23. Contract liabilities

Unit: RMB

Item	31 December 2019	31 December 2018
Advertising release fee in advance	326,140.20	6,090,951.06
Sales of property in advance	1,133,824,799.81	956,110,031.94
Total	1,134,150,940.01	962,200,983.00

Note:

(1) Qualitative and quantitative analysis on contract liabilities

Revenue relative to advertising is recognized during a period, though customers have prepaid the advertising price in part or in whole. The Company recognizes the advertising payments initially received as a contractual liability and carries forward as revenue during the advertising period.

According to the contract, the income of real estate development can be confirmed until the relevant property procedures have been completed and transferred to the customers. The sales payment is recognized as contract liabilities at the time of the transaction and is converted into income when the relevant property procedures have been completed and transferred to the customer.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Contract liabilities (Continued)

Note: (Continued)

(2) Income recognized in the current period and included in book value at the beginning of the contract liability period.

The amount of the contract liabilities in the beginning of the year is RMB224,104,557.52, which has been recognized as income in the current year. Including advance sales contract liabilities of RMB218,113,449.00 and advertising release contract liabilities of RMB5,991,108.52.

Note: Based on judgement of "Accounting Standards for Business Enterprises No. 14 – Revenue", the Group transferred advance receipts from advertising and real estate development businesses from receipts in advance to contract liabilities.

Details of receipts in properties held for sales received in advance are as follows:

Unit: RMB

Project	31 December 2018	31 December 2019	Completion date	Proportion of advance sale (%)
Baohua Hongyan Community B1 Tongchengshijia Project	3,789,900.00	1,457,142.86	April 2014	76.23
Baohua Hongyan Community B2 Tongchengshijia Project	11,886,511.00	38,181,733.33	November 2016	87.12
Huaqiao Urban Core C4 Tongcheng Hongqiao Mansion	180,537.14	–	August 2012	96.61
Huaqiao Urban Core C3 Langqiao Jiayuan	19,752,807.00	84,568,102.75	December 2019	28.26
Suzhou Qingyuan	38,226,000.00	32,843,809.52	December 2013	45.40
Suzhou Nanmen Road G25 Project - Phase I	102,730,059.00	8,722,321.90	January 2018	85.64
Huaqiao Urban Core C7 Pujiang Mansions	41,728,172.00	–	June 2014	8.38
Hanrui Center	737,816,045.80	968,051,689.45	June 2020	34.65
Total	956,110,031.94	1,133,824,799.81		

24. Employee benefits payable

(1) Employee benefits payable are shown as follows:

Unit: RMB

Item	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
1. Short term compensation	2,917,979.68	876,499,299.81	877,854,159.50	1,563,119.99
2. Post-employment benefits – Defined contribution plan	–	152,348,523.38	152,348,523.38	–
3. Termination benefits	–	215,088.63	215,088.63	–
Total	2,917,979.68	1,029,062,911.82	1,030,417,771.51	1,563,119.99

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Employee benefits payable (Continued)

(2) Short term compensation

Unit: RMB

Item	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
I. Wages or salaries, bonuses, allowances and subsidies	285,257.45	652,773,127.89	653,058,385.34	-
II. Staff welfare	-	11,030,845.67	11,030,845.67	-
III. Social security contributions	-	85,181,688.95	85,181,688.95	-
Including: Medical insurance	-	78,503,594.20	78,503,594.20	-
Work injury insurance	-	2,365,738.90	2,365,738.90	-
Maternity insurance	-	4,312,355.85	4,312,355.85	-
IV. Housing funds	-	67,352,778.03	67,352,778.03	-
V. Union running costs and employee education costs	2,632,722.23	20,437,529.32	21,507,131.56	1,563,119.99
VI. Non-monetary welfare	-	33,540,346.69	33,540,346.69	-
VII. Others	-	6,182,983.26	6,182,983.26	-
Total	2,917,979.68	876,499,299.81	877,854,159.50	1,563,119.99

(3) Defined contribution plan

Unit: RMB

Item	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
1. Basic endowment insurance	-	98,206,617.65	98,206,617.65	-
2. Unemployment insurance	-	2,899,860.73	2,899,860.73	-
3. Enterprise annuity payment	-	51,242,045.00	51,242,045.00	-
Total	-	152,348,523.38	152,348,523.38	-

Note:

(1) Defined contribution plan

The Group participates in basic pension insurance, unemployment insurance plan established by government in accordance with the relevant requirements. According to the plan, the Group makes a monthly contribution equivalent to 19%-20% and 0.5%-1% of the employee's monthly basic wage based on last year's salary. The Group participates in annuity scheme which operated by an independent third party and makes a monthly contribution equivalent to 8.33% of the employee's monthly basic wage based on last year's salary. The Group no longer undertakes further payment obligation. The corresponding cost charges to the profit or loss for the current period or the cost of a relevant asset when occurs.

During the year, the Group should contribute RMB98,206,617.65, RMB51,242,045.00 and RMB2,899,860.73 (2018: RMB101,163,409.49, RMB48,147,925.00 and RMB2,568,744.35) to basic pension insurance, annuity scheme, unemployment insurance plan respectively. The Group has paid up the contribution payable as at 31 December 2019.

(2) Non-monetary welfare

For the current year, the Group provided employee with non-monetary benefits of RMB33,540,346.69 (2018: RMB34,601,025.12), which represents purchased non-monetary welfare goods and holiday gifts that distributed to employees etc. The calculation basis is the actual purchasing cost.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Taxes payable

Unit: RMB

Item	31 December 2019	31 December 2018
Enterprise income tax	121,064,597.99	181,115,218.63
Land appreciation tax	56,095,071.07	42,769,050.25
VAT	34,276,260.83	32,797,482.06
Property tax	3,290,667.33	2,340,227.93
Individual income tax	3,152,152.97	5,646,199.12
City construction and maintenance tax	2,130,511.35	1,997,158.44
Others	5,449,574.83	5,039,553.52
Total	225,458,836.37	271,704,889.95

26. Other payables

Item	Note	31 December 2019	31 December 2018
Dividends payable	(1)	97,197,529.87	88,979,103.17
Others	(2)	163,850,914.15	88,390,374.99
Total		261,048,444.02	177,369,478.16

(1) Dividends payable

Unit: RMB

Item	31 December 2019	31 December 2018
Ordinary shares dividends	97,197,529.87	88,979,103.17
Total	97,197,529.87	88,979,103.17

Note: the balance of dividends payable over 1 years is RMB88,979,103.17, which is not yet received by investors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Other payables (Continued)

(2) Others

① Details of other payables are as follows:

Unit: RMB

Item	31 December 2019	31 December 2018
Payable of daily procurement in service area	4,582,251.27	2,895,993.16
Amount of ETC prepaid cards collected on behalf of the internetwork settlement center	698,115.00	2,517,643.00
Construction quality warrantee fee payable	17,318,102.41	15,088,319.18
Earnest money of acquisition of properties	68,230,696.38	40,962,777.55
Lease deposit of service zone	31,571,000.00	–
Others	41,450,749.09	26,925,642.10
Total	163,850,914.15	88,390,374.99

② No significant other payables aged more than one year.

27. Non-current liabilities due within one year

Unit: RMB

Item	31 December 2019	31 December 2018
Long-term borrowings due within one year (Note VI 29)	67,444,430.43	381,700,433.43
Bonds payable due within one year (Note VI 30)	2,993,675,802.12	–
Interest payable	100,024,961.08	89,609,872.97
Total	3,161,145,193.63	471,310,306.40

28. Other current liabilities

Unit: RMB

Item	31 December 2019	31 December 2018
Super short term bonds payable	4,998,884,246.00	2,212,191,672.00
Output VAT to be transferred (Note)	93,199,502.87	–
Total	5,092,083,748.87	2,212,191,672.00

Note: Output VAT to be transferred mainly represents output VAT that has been collected together with the house payment in advance during real estate sales and will be transferred upon recognition of real estate sales.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Other current liabilities (Continued)

Changes of short-term bonds payable

Unit: RMB

Name of bond	Par value	Issue date	Duration of the bond (days)	Issue amount	31 December 2018	Issue in the current year	Interest accrued according to par value	Repayment in the current year	31 December 2019
Super short term bonds payable									
18 Ninghu Gao SCP006	600,000,000.00	26 October 2018	175	600,000,000.00	603,883,562.00	-	5,178,083.00	609,061,645.00	
18 Ninghu Gao SCP007	600,000,000.00	31 October 2018	163	600,000,000.00	603,489,270.00	-	5,030,138.00	608,519,408.00	-
18 Ninghu Gao SCP008	600,000,000.00	7 November 2018	180	600,000,000.00	603,074,411.00	-	6,667,397.00	609,741,808.00	
18 Ninghu Gao SCP009	400,000,000.00	14 November 2018	177	400,000,000.00	401,744,429.00	-	4,339,727.00	406,084,156.00	-
19 Ninghu Gao SCP001	500,000,000.00	10 April 2019	191	500,000,000.00	-	500,000,000.00	6,435,615.00	506,435,615.00	-
19 Ninghu Gao SCP002	200,000,000.00	10 April 2019	170	200,000,000.00	-	200,000,000.00	2,114,630.00	202,114,630.00	-
19 Ninghu Gao SCP003	500,000,000.00	17 April 2019	270	500,000,000.00	-	500,000,000.00	10,998,630.00	-	510,998,630.00
19 Ninghu Gao SCP004	600,000,000.00	08 May 2019	184	600,000,000.00	-	600,000,000.00	8,728,767.00	608,728,767.00	-
19 Ninghu Gao SCP005	400,000,000.00	15 May 2019	177	400,000,000.00	-	400,000,000.00	5,589,040.00	405,589,040.00	-
19 Ninghu Gao SCP006	500,000,000.00	1 July 2019	193	500,000,000.00	-	500,000,000.00	6,805,478.00	-	506,805,478.00
19 Ninghu Gao SCP007	600,000,000.00	12 July 2019	98	600,000,000.00	-	600,000,000.00	3,328,768.00	603,328,768.00	-
19 Ninghu Gao SCP008	700,000,000.00	18 July 2019	180	700,000,000.00	-	700,000,000.00	8,967,673.00	-	708,967,673.00
19 Ninghu Gao SCP009	200,000,000.00	10 October 2019	176	200,000,000.00	-	200,000,000.00	1,177,917.00	-	201,177,917.00
19 Ninghu Gao SCP010	500,000,000.00	21 October 2019	178	500,000,000.00	-	500,000,000.00	2,382,876.00	-	502,382,876.00
19 Ninghu Gao SCP011	500,000,000.00	06 November 2019	198	500,000,000.00	-	500,000,000.00	1,802,740.00	-	501,802,740.00
19 Ninghu Gao SCP012	400,000,000.00	25 October 2019	203	400,000,000.00	-	400,000,000.00	1,825,753.00	-	401,825,753.00
19 Ninghu Gao SCP013	500,000,000.00	06 November 2019	184	500,000,000.00	-	500,000,000.00	1,841,096.00	-	501,841,096.00
19 Ninghu Gao SCP014	400,000,000.00	15 November 2019	190	400,000,000.00	-	400,000,000.00	1,184,658.00	-	401,184,658.00
19 Ninghu Gao SCP015	600,000,000.00	18 November 2019	179	600,000,000.00	-	600,000,000.00	1,772,055.00	-	601,772,055.00
19 Ninghu Gao SCP016	160,000,000.00	19 December 2019	27	160,000,000.00	-	160,000,000.00	125,370.00	-	160,125,370.00
Total	9,460,000,000.00	-	-	9,460,000,000.00	2,212,191,672.00	7,260,000,000.00	86,296,411.00	4,559,603,837.00	4,998,884,246.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Other current liabilities (Continued)

Note: On 31 December 2019, details of the Group's short-term bonds payable include:

- (1) "19 Ninghu Gao SCP003" super short term bonds issued by the Company on 17 April 2019 with the par value of RMB500,000,000, duration period of 270 days, and annual interest rate of 3.10%;
- (2) "19 Ninghu Gao SCP006" super short term bonds issued by the Company on 1 July 2019, with the par value of RMB500,000,000, duration period of 193 days, and annual interest rate of 2.70%;
- (3) "19 Ninghu Gao SCP008" super short term bonds issued by the Company on 18 July 2019, with the par value of RMB700,000,000, duration period of 180 days, and annual interest rate of 2.80%;
- (4) "19 Ninghu Gao SCP009" super short term bonds issued by the Company on 10 October 2019, with the par value of RMB200,000,000, duration period of 176 days, and annual interest rate of 2.59%;
- (5) "19 Ninghu Gao SCP010" super short term bonds issued by the Company on 21 October 2019, with the par value of RMB500,000,000, duration period of 178 days, and annual interest rate of 2.45%;
- (6) "19 Ninghu Gao SCP011" super short term bonds issued by the Company on 6 November 2019, with the par value of RMB500,000,000, duration period of 198 days, and annual interest rate of 2.35%;
- (7) "19 Ninghu Gao SCP012" super short term bonds issued by the Company on 25 October 2019, with the par value of RMB400,000,000, duration period of 203 days, and annual interest rate of 2.45%;
- (8) "19 Ninghu Gao SCP013" super short term bonds issued by the Company on 6 November 2019, with the par value of RMB500,000,000, duration period of 184 days, and annual interest rate of 2.40%;
- (9) "19 Ninghu Gao SCP014" super short term bonds issued by the Company on 15 November 2019, with the par value of RMB400,000,000, duration period of 190 days, and annual interest rate of 2.30%;
- (10) "19 Ninghu Gao SCP015" super short term bonds issued by the Company on 18 November 2019, with the par value of RMB600,000,000, duration period of 179 days, and annual interest rate of 2.45%;
- (11) "19 Ninghu Gao SCP016" super short term bonds issued by the Company on 19 December 2019, with the par value of RMB160,000,000, duration period of 27 days, and annual interest rate of 2.20%;

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29. Long-term borrowings

(1) Categories of long-term borrowings

Unit: RMB

Item	31 December 2019	31 December 2018
Bank Loans	7,002,919,874.55	6,520,554,335.01
Including: Unsecured loans	5,665,300,000.00	5,892,550,000.00
Pledged loans (Note 1)	1,322,064,000.00	581,000,000.00
Guaranteed loan (Note 2)	15,555,874.55	47,004,335.01
Loans from a related party	1,400,000,000.00	1,550,000,000.00
Including: Medium Term Notes (Note 3)	500,000,000.00	750,000,000.00
Corporate bond (Note 4)	900,000,000.00	800,000,000.00
Interest payable	40,342,221.37	29,927,133.29
Subtotal	8,443,262,095.92	8,100,481,468.30
Less: long-term borrowings due within one year	67,444,430.43	381,700,433.43
Interest payable due within one year	40,342,221.37	29,927,133.29
Long-term borrowings due after one year	8,335,475,444.12	7,688,853,901.58

(2) Explanations of categories of long-term borrowings

Note 1: The pledged loans include: (1) loans obtained by the Group from Industrial and Commercial Bank of China ("ICBC"), Wuxi Branch on 28 June 2018. The total contractual amount is RMB1,200,000,000.00 with a term of 8 years, being used for repaying borrowings which falls due, complementing current funds and adjusting debt structure. RMB581,000,000.00 was withdrawn in 2018. The above loan is pledged with the operation right of Guangjing Expressway and calculated at a floating interest rate based on the benchmark interest rate published by the People's Bank of China. The interest rate is 4.90% for the current period. The loan is not repaid upon maturity during the current period. The closing balance of the loan for the period is RMB581,000,000.00. (2) Special borrowings obtained by the Group from Bank of Communications Jiangsu Branch, China Construction Bank Zhongshan South Road Sub-branch and Postal Savings Bank of China Gulou Sub-branch for construction of expressway. In 2016, RMB139,650,000.00 was withdrawn from Bank of Communications Jiangsu Branch, of which RMB2,450,000.00 was repaid during the year, with borrowing balance of RMB137,200,000.00 at the end of the year. From 2016 to 2018, RMB600,000,000.00 was withdrawn from China Construction Bank Zhongshan South Road Sub-branch, of which RMB100,000,000.00 was repaid during the year, with borrowing balance of RMB500,000,000.00 at the end of the year. From 2016 to 2019, RMB230,000,000.00 was withdrawn from Postal Savings Bank of China Gulou Sub-branch, of which RMB126,136,000.00 was repaid in the current year, with borrowing balance of RMB103,864,000.00 at the end of the year. The above borrowings are collateralized with the toll operation right of Zhendan Expressway and bear interest at a floating interest rate based on the benchmark interest rate published by the People's Bank of China. The interest rate for the current period is 4.90%.

Note 2: Guaranteed loans include: (1) The Group obtained bank credit limit of USD9,800,000.00 from Jiangsu branch of Bank of China in 1998. The credit limit was used to import machinery and technology and guaranteed by Communications Holding. The credit limits include buyer's credit loan of USD4,900,000.00 and Spanish government loan of USD4,900,000.00. The buyer's credit loan has been paid up in 2006. The Spanish government loan is paid up every half year since January 2009 in 40 allotments with interest rate per annum of 2.00%. The outstanding balance at the end of this year is USD2,229,849.28.

Note 3: Medium term notes represent medium term notes issued by Communications Holding and allocated to the Group according to the fund use term of the bond prospectus. The group paid the corresponding interest and principal to Communications Holding, including: (1) Communications Holding issued "12 Su Communications MTN2" on 5 December 2012 and allocated RMB250,000,000.00 to the Group, duration period is 10 years, annual interest rate is 5.50% and annual fee rate is 0.30%. (2) Communication Holding issued "13 Su Communications MTN2" on 17 May 2013 and allocated RMB250,000,000.00 to the Group, duration period is 10 years, annual interest rate is 5.30% and annual fee rate is 0.30%.

Note 4: Corporate bond borrowings are funds raised by corporate bonds issued by Communications Holding. A part of the funds is allocated to the Group for the purpose of funds specified in the bond prospectus. The Group pays the corresponding interests and principals to Communications Holding. The corporate bonds include: (1) Bonds of "18 Sujiao 01" issued by Communications Holding on 20 November 2018. The principals allocated to the Group is RMB500,000,000.00, with a term of 5 years, an annual interest rate of 4.43%; (2) Bonds of "18 Sujiao 01" issued by Communications Holding on 20 November 2018. The principals allocated to the Group is RMB300,000,000.00, with a term of 5 years and annual interest rate of 4.43%; (3) Bonds of "19 Sujiao 01" issued by Communications Holding on 8 November 2019. The principals allocated to the Group is RMB100,000,000.00, with a term of 5 years and annual interest rate of 3.82%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 · Long-term borrowings (Continued)

(3) Analysis of maturity for long-term borrowings over one year is as follows:

Item	31 December 2019	31 December 2018
1-2 years	19,544,430.43	51,700,433.53
2-5 years	1,602,861,291.28	1,425,101,300.29
Over 5 years	6,713,069,722.41	6,212,052,167.76
Total	8,335,475,444.12	7,688,853,901.58

(4) Other explanations

Interest rate of the loans above between 2.00%-5.80%.

30. Bonds payable

(1) Bonds payable

Unit: RMB

Item	31 December 2019	31 December 2018
Medium term notes	3,991,136,736.05	3,980,548,107.70
Interest payable on medium-term notes	59,682,739.71	59,682,739.68
Less: Bonds payable due within one year	2,993,675,802.12	–
Interest payable due within one year	59,682,739.71	59,682,739.68
Total	997,460,933.93	3,980,548,107.70

(2) Changes of bond payable

Unit: RMB

Name of bond	Par value	Issue date	Term of the bond	Issue amount	31 December 2018	Interest accrued according to par value	Premium and discount amortization	Repayment in the current year	31 December 2019
15 Ninghu Gao MTN1	2,000,000,000.00	25 August 2015	5 years	2,000,000,000.00	1,990,570,126.01	30,394,520.55	5,837,581.06	30,394,520.55	1,996,407,707.07
15 Ninghu Gao MTN2	1,000,000,000.00	4 December 2015	5 years	1,000,000,000.00	994,414,222.45	2,830,684.93	2,853,872.60	2,830,684.93	997,268,095.05
16 Ninghu Gao MTN1	1,000,000,000.00	15 April 2016	5 years	1,000,000,000.00	995,563,759.24	26,356,164.38	1,897,174.69	26,356,164.38	997,460,933.93
Total				4,000,000,000.00	3,980,548,107.70	59,581,369.86	10,588,628.35	59,581,369.86	3,991,136,736.05

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Bonds payable (Continued)

(3) Other explanations

On 31 December 2019, the detail of the Group's bonds payable include:

- (1) The Company issued "15 Ninghu Gao MTN1" with the par value of RMB2,000,000,000.00 on 25 August 2015, bond duration is 5 years, annual interest rate is 4.30%, the interest is paid by year and principal paid on maturity.
- (2) The Company issued "15 Ninghu Gao MTN2" with the par value of RMB1,000,000,000.00 on 4 December 2015, the bond duration is 5 years, annual interest rate is 3.69%, the interest is paid by year and principal paid on maturity.
- (3) The Company issued "16 Ninghu Gao MTN1" with the par value of RMB1,000,000,000.00 on 15 April 2016, the bond duration is 5 years, annual interest rate is 3.70%, the interest is paid by year and principal paid on maturity.

31. Deferred income

Unit: RMB

Item	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019	Reasons
Government grants	29,514,649.91	-	1,932,764.22	27,581,885.69	Construction grants of Ningchang expressway
Others	13,595,265.73	-	-	13,595,265.73	Others
Total	43,109,915.64	-	1,932,764.22	41,177,151.42	

Government grants

Unit: RMB

Item	31 December 2018	Increase in the current year	Transfer to other income for the year	31 December 2019	Related to asset/Related to income
Expressway Construction Compensation	29,514,649.91	-	1,932,764.22	27,581,885.69	Related to asset

Other explanations:

The deferred income related to government grants is appropriated by People's Government of Wujin District, Changzhou City for construction of Ningchang expressway road, due to the extra cost of construction of Wujin Development Zone viaduct project. The project construction subsidy is RMB40,000,000.00, the Group recognizes the project construction subsidy as a compensation of the construction cost of Ningchang expressway which is recorded in deferred income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Provisions

Unit: RMB

Item	31 December 2019	31 December 2018	Reason
Penalty for delayed delivery of buildings	30,211,590.82	–	Delayed delivery of Hanrui Center
Provisions for repair and maintenance of Ninglian Highway	–	461,700.00	Disposal of Ninglian Highway Maintenance
Total	30,211,590.82	461,700.00	

33. Share capital

Unit: RMB

	Opening balance	New issue of shares	Changes for the year			Subtotal	Closing balance
			Bonus issue	Capitalization of surplus reserves	Others		
2019:							
Total shares	5,037,747,500.00	–	–	–	–	–	5,037,747,500.00
2018:							
Total shares	5,037,747,500.00	–	–	–	–	–	5,037,747,500.00

In accordance with the Company's state share reform proposal adopted by the Company's shareholders' meeting on 24 April 2006 (the "Share Reform Proposal"), the shareholders of the non-tradable shares, which comprised the state shares, state legal person shares and legal person shares, offered a transfer of 3.2 non-tradable shares to the then shareholders of A-shares for every 10 "A" shares held by the then shares holders of A-shares in exchange for the approval by the shareholders of A-shares to convert all remaining non-tradable shares into restricted tradable shares. As a result, in 2006, 48,000,000 non-tradable shares were transferred to the shareholders of A-shares as consideration as approved by the non-tradable shareholders, and these 48,000,000 non-tradable shares were granted trading status as shares on 16 May 2006. After the transfer of the consideration 48,000,000 non-tradable shares, part of them have been transferred to the category of tradable A share upon the granting of trading status on 16 May 2007, 14 June 2007, 27 July 2007, 28 February 2008, 10 October 2008, 8 June 2009, 10 March 2010, 17 December 2010, 20 May 2011, 29 July 2011, 17 August 2012, 6 November 2013 and 15 January 2015 separately.

The Group did not purchase, sell or redeem listed shares of the Company for the current year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

34. Capital reserve

Unit: RMB

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
2019:				
Capital premium	7,765,271,453.53	-	-	7,765,271,453.53
Including: Capital contributed by investors	4,800,576,953.53	-	-	4,800,576,953.53
Differences arising from business combination involving enterprises under common control	2,964,694,500.00	-	-	2,964,694,500.00
Other capital reserve	2,663,116,780.97	73,524,949.37	-	2,736,641,730.34
Including: Share of capital reserve of the investee under the equity method	(19,860,454.03)	-	-	(19,860,454.03)
Transfer from capital reserve under the previous accounting system	2,682,977,235.00	-	-	2,682,977,235.00
Difference arising from merging associates <i>(Note)</i>	-	73,524,949.37	-	73,524,949.37
Total	10,428,388,234.50	73,524,949.37	-	10,501,913,183.87
2018:				
Capital premium	7,765,271,453.53	-	-	7,765,271,453.53
Including: Capital contributed by investors	4,800,576,953.53	-	-	4,800,576,953.53
Differences arising from business combination involving enterprises under common control	2,964,694,500.00	-	-	2,964,694,500.00
Other capital reserve	2,663,116,780.97	-	-	2,663,116,780.97
Including: Share of capital reserve of the investee under the equity method	(19,860,454.03)	-	-	(19,860,454.03)
Transfer from capital reserve under the previous accounting system	2,682,977,235.00	-	-	2,682,977,235.00
Total	10,428,388,234.50	-	-	10,428,388,234.50

Note: Increase in other capital reserve represents the changes in owners' equity arising from merging of Sujiayong Company by Sujiahang Company, the Group's associate. The Group adjusted its capital reserve according to changes in net assets resulting from the company merging.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other comprehensive income

Unit: RMB

Item	1 January 2019	Before-tax amount for the current year	Change for the year			Attributable to owners of the Company after tax	Post-tax net amount attribute to minority shareholders	31 December 2019
			Less: amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Income tax expense				
(i) Other comprehensive income that cannot be subsequently reclassified to profit or loss	837,827,667.08	587,175,186.57	-	133,254,782.23	453,920,404.34	(263,250.00)	1,291,748,071.42	
Including: Other comprehensive income that cannot be subsequently reclassified to profit or loss under the equity method (Note 1)	234,620,692.05	54,156,057.60	-	-	54,156,057.60	-	288,776,749.65	
Changes in the fair value of investment in other equity instruments (Note 2)	603,206,975.03	533,019,128.97	-	133,254,782.23	399,764,346.74	(263,250.00)	1,002,971,321.77	

Note 1: The changes in the share of other comprehensive income under the equity method of the Group are the fair value adjustments of financial assets designated as at FVTOCI held by the joint venture Yangtze Bridge Company of the Group. The Group adjusts other comprehensive income according to the shareholding ratio.

Note 2: Other investments in equity instrument are the fair value adjustment of the ordinary shares of A-share listed company Bank of Jiangsu Co., Ltd and restricted shares of A-share listed company Jiangsu Financial Leasing Co., Ltd.

36. Surplus reserve

Unit: RMB

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
2019:				
Statutory surplus reserve	3,186,341,563.48	85,293,393.21	-	3,271,634,956.69
Discretionary surplus reserve	224,852,721.31	54,679,322.42	-	279,532,043.73
Total	3,411,194,284.79	139,972,715.63	-	3,551,167,000.42
2018:				
Statutory surplus reserve	3,103,130,236.24	83,211,327.24	-	3,186,341,563.48
Discretionary surplus reserve	170,362,062.66	54,490,658.65	-	224,852,721.31
Total	3,273,492,298.90	137,701,985.89	-	3,411,194,284.79

Note: According to "Company Law of the People's Republic of China" and the Articles of the company, the Company and its subsidiaries are required to transfer 10% of its net profit to the statutory surplus reserve. The transfer may be ceased if the balance of the statutory surplus reserve has reached 50% of the Company's registered capital. Statutory surplus reserve can be used for making up losses, or to increase the capital after approval. The Group transfer to the statutory surplus reserve of RMB85,293,393.21 in 2019 (2018: RMB83,211,327.24). Jiangsu Guangjing Xicheng Expressway Co., Ltd. ("Guangjing Xicheng Company"), the subsidiary of the Company appropriated the discretionary surplus reserve amounted to RMB54,679,322.42 (2018: RMB54,490,658.65) when the balance of the statutory surplus reserve has reached 50% of the registered capital.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37. General risk reserve

Unit: RMB

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
General risk reserve (Note)	–	141,891.32	–	141,891.32

Note: Increase in general risk reserve for the year represents the provision of risk reserve as per requirement of "Notice of the General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Administration of Commercial Factoring Enterprises" (Yin Bao Jian Ban Fa (2019) No.205).

38. Retained profits

Unit: RMB

Item	31 December 2019	31 December 2018
Closing retained profits (before adjustment)	6,422,040,045.25	4,399,747,006.41
Opening retained profits (adjusted)	6,422,040,045.25	4,399,747,006.41
Add: Net profit attributable to owners of the Company for the year	4,199,704,371.82	4,376,603,924.73
Less: Appropriation to statutory surplus reserve (Note 1)	85,293,393.21	83,211,327.24
Appropriation to discretionary surplus reserve (Note 2)	54,679,322.42	54,490,658.65
Appropriation to general risk reserve	141,891.32	–
Declaration of dividends on ordinary shares (Note 3 and note 4)	2,317,363,850.00	2,216,608,900.00
Closing retained profits	8,164,265,960.12	6,422,040,045.25

Note:

1. According to the Articles of Association, the Company and its subsidiaries are required to transfer 10% of its net profit to the statutory surplus reserve. The transfer may be ceased if the balance of the statutory surplus reserve has reached 50% of the company's registered capital.
2. Discretionary surplus reserve refers to the reserve transferred from 10% of its net profit by Guangjing Xicheng Company, the subsidiary of the Company, through the resolution of the general shareholder meeting.
3. Cash dividends approved in general meeting of shareholders during the year: In 2019, on the basis of 5,037,747,500 issued shares (with the par value of RMB1 per share), dividends in cash of RMB0.46 per share were distributed to all the shareholders.
4. Profit distribution decided after the balance sheet date: According to a proposal of the board of directors on 24 April 2020, on the basis of 5,037,747,500 issued shares (with the par value of RMB1 per share) in 2019, cash dividends of RMB0.46 per share will be distributed to all the shareholders. The above proposal regarding dividends distribution is yet to be approved by the general meeting of shareholders.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Operating income and operating costs

- (1) Operating income and operating costs

Unit: RMB

Item	Amount recognized in the current year		Amount recognized in the prior year	
	Operating income	Operating costs	Operating income	Operating costs
Principal operating income	9,180,829,535.17	4,118,339,629.77	8,902,441,390.68	3,975,860,764.76
Including: Shanghai-Nanjing Expressway	5,230,727,736.60	1,641,739,059.28	5,004,610,181.96	1,511,763,092.03
Nanjing-Lianyungang Expressway and Nanjing – Nantong Expressway	-	-	11,994,024.01	2,100,153.55
Guangjiing Expressway and Xicheng Expressway	960,563,083.65	372,000,884.08	920,821,005.87	286,408,735.27
Ningchang Expressway and Zhenli Expressway	1,194,100,593.20	586,436,160.81	1,153,861,874.81	586,641,983.90
Xiyi Expressway	371,123,856.74	223,423,375.58	355,490,993.41	207,827,572.72
Zhendan Expressway	76,560,202.02	52,662,589.69	13,707,737.66	19,353,450.85
Ancillary services	1,347,754,062.96	1,242,077,560.33	1,441,955,572.96	1,361,765,776.44
Real estate development	825,216,616.96	432,465,133.96	1,004,453,760.97	573,087,119.86
Advertising and others	72,135,066.68	25,204,780.96	62,116,013.54	25,446,890.62
Total	10,078,181,218.81	4,576,009,544.69	9,969,011,165.19	4,574,394,775.24

- (2) Description of the performance obligation

Road toll and supporting services

The toll income is divided after the vehicle passes, and is recognized when the amount is received and receivable. The income from road supporting services is mainly oil income. Income from roll supporting services shall be recognized when refueling service is provided.

Real estate development

As for the real estate development contract concluded with the client, the relevant property stipulated in the contract is based on the client's requirements and has no other alternative use. Taking into account the relevant contract terms, legal environment and relevant legal precedents, the Group believes that the Group has no enforceable right to receive payment prior to the transfer of the relevant property to the customer. Therefore, the proceeds from the sale of the property are recognized at the point in time when the completed property is transferred to the client, i.e. the client gains control of the completed property and the Group has the current right to receive payment and the time point when the payment may be received.

- (3) A statement of the apportionment to the remaining performance obligations

At the end of the period of this report, the amount of income corresponding to the performance obligations which have been signed but have not been performed or have not been completed is RMB1,289,169,222.23, including: RMB1,289,146,580.72 will be recognized as revenue in the year of 2020 to 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

40. Taxes and levies

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Business tax	–	26,605,346.02
City maintenance and construction tax	21,469,862.64	21,943,056.72
Education surcharge	15,580,376.91	15,811,315.19
Land appreciation tax	53,571,516.02	69,073,867.32
Property tax	19,527,527.46	17,534,126.38
Land use tax	10,931,885.63	12,147,130.01
Others	5,909,568.60	5,862,698.85
Total	126,990,737.26	168,977,540.49

41. Selling expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Depreciation	22,596.87	671,073.42
Commission fee for agent of real estate sales	16,992,793.63	19,207,712.38
Advertisement and promotion fee	8,548,488.33	6,152,275.83
Production and planning fee	1,240,475.68	2,719,128.47
Others	9,167,442.77	8,990,250.65
Total	35,971,797.28	37,740,440.75

42. Administrative expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Salaries and additional remuneration	100,970,451.49	89,380,824.58
Depreciation and amortization	80,138,220.09	80,893,339.18
Audit fee	3,200,000.00	3,200,000.00
Consulting and intermediary service fee	22,930,794.05	13,340,584.97
Entertainment fee	1,226,443.66	1,234,050.59
Maintenance and repair costs	1,343,068.54	4,378,387.28
Office expenses	1,050,426.89	1,016,382.89
Travelling expenses	1,739,335.02	1,328,933.55
Vehicle related expenses	2,537,911.29	1,607,112.62
Others	12,459,239.08	15,394,620.05
Total	227,595,890.11	211,774,235.71

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Financial expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Interest expenses (Note)	755,047,898.98	706,122,039.82
Less: Capitalized interest expense (Note VI. 14)	292,887,280.04	206,889,709.82
Less: Interest income	9,466,560.13	8,735,205.12
Exchange differences	1,240,627.90	15,080,215.38
Bond issuance fee and commission charges for other loans	7,555,595.34	18,147,416.00
Others	2,673,732.28	835,928.00
Total	464,164,014.33	524,560,684.26

Note: Interest expenses include financing component of RMB15,320,140.92 in the contract liabilities and interest expenses of RMB363,951.40 on contract liabilities.

44. Other income

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Government grants (Note VI. 49)	7,257,958.52	1,974,865.99
Total	7,257,958.52	1,974,865.99

45. Investment income

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Income from long-term equity investments under equity method	649,050,248.68	575,193,240.34
Investment income from other equity instruments in the holding period	205,977,968.64	64,080,000.00
Investment income from held-for-trading financial assets	18,015,824.28	7,100,410.44
Investment income (losses) from disposal of financial assets measured at FVTPL	13,269,853.95	(418,056.89)
Investment income from disposal of long-term equity investment	-	1,678,400.00
Interest income from loans	-	2,598,900.00
Other investment income	-	406,562,894.12
Total	886,313,895.55	1,056,795,788.01

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Gains from changes in fair values

Unit: RMB

Sources of generating gains from changes in fair value	Amount recognized in the current year	Amount recognized in the prior year
Gains (losses) from changes in fair values of held-for-trading financial assets	9,733,877.45	(6,783,757.56)
Gains from changes in fair values of other non-current financial assets	61,561,466.66	165,083,107.00
Total	71,295,344.11	158,299,349.44

47. Impairment reversals (losses) of credit

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Reversals(losses) from credit impairment of accounts receivable	(89,588.55)	(38,167.49)
Reversals(losses) from credit impairment of other receivables	(7,384.44)	4,497.47
Total	(96,972.99)	(33,670.02)

48. Losses from disposal of assets

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Gains from disposal of assets	19,878.41	14,396.04
Losses from disposal of assets	(70,271,944.73)	(7,675,676.31)
Total	(70,252,066.32)	(7,661,280.27)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. Non-operating income

(1) Details of non-operating income are as follows:

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Income from highway property compensation	7,618,200.00	11,388,800.00
Government grants	6,236.75	1,648,685.78
Others (Note)	24,711,747.12	8,906,138.33
Total	32,336,183.87	21,943,624.11

Note: Non-operating income – others include the excess of the share of fair value of net identifiable assets acquired over the Company's additional capital contribution to the associate Group Finance Company amounting to RMB18,200,215.23. Details are set out in Note VI,11.

(2) Government grants recognized in profit or loss for the current period:

Unit: RMB

Government grants	"Related to assets/income"	Presented item	Amount recognized in the current year	Amount recognized in the prior year
Additional deduction of VAT	Related to income	Other income	5,325,194.30	–
Ningchang Expressway Construction	Related to assets	Other income	1,932,764.22	1,974,865.99
Compensations				
Subsidies for working steadily	Related to income	Non-operating income	6,236.75	1,648,685.78
Total	7,264,195.27	3,623,551.77	7,264,195.27	3,623,551.77

50. Non-operating expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Expenditure for repair of damaged highway property	15,493,849.19	22,149,215.94
Non-profit donations	1,796,000.00	1,450,000.00
Various funds	3,483,724.72	2,386,414.10
Penalty for delayed delivery of buildings (Note VI.32)	30,211,590.82	–
Others	1,547,430.91	4,256,092.51
Total	52,532,595.64	30,241,722.55

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Income tax expenses

(1) Income tax expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Current tax expenses	1,168,510,335.95	1,017,580,619.83
Deferred tax expenses	55,220,522.23	159,222,231.94
Differences in annual filing for the prior years	(2,444,584.91)	126,654.00
Total	1,221,286,273.27	1,176,929,505.77

No provision for Hong Kong Profits tax has been made as the income neither arises, nor is derived from Hong Kong.

(2) Reconciliation of income tax expenses to the accounting profit is as follows

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Accounting profit	5,521,770,982.24	5,652,640,443.45
Income tax expenses calculated at 25% (prior year: 25%)	1,379,647,632.34	1,413,160,110.86
Effect of cost, expenses and loss that are not deductible for tax purposes	20,157,229.50	24,795,129.40
Effect of tax-free income	(191,112,060.89)	(270,188,595.66)
Effect of using deductible losses of previously unrecognized deferred tax assets	-	-
Effect of deductible temporary differences and deductible losses of unrecognized deferred tax assets for the current period	11,030,211.18	5,083,298.00
Adjustment to provision of prior years' tax	(2,444,584.91)	126,654.00
Allocation of income tax for investments in joint ventures	4,007,846.05	3,952,909.17
Total	1,221,286,273.27	1,176,929,505.77

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

52. Supplementary information of income statement

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Employee benefits	1,019,710,018.14	981,691,879.63
Depreciation and amortization	1,570,521,753.13	1,465,296,947.73
Toll related expenses	169,742,752.56	162,159,922.23
Road maintenance expenses	531,109,367.09	362,811,696.89
System maintenance expenses	35,594,808.23	78,688,580.13
Real estate development land and construction cost	432,465,133.96	565,419,543.97
Petroleum in the service zone	881,212,422.91	998,523,432.31
Retail goods in the service zone	–	7,362,362.15
Catering cost in the service zone	10,829,917.67	14,820,472.84
Audit fee	3,200,000.00	3,200,000.00
Consulting and intermediary service fee	22,930,794.05	13,340,584.92
Commission fee for agent of real estate sales	16,992,793.63	15,602,321.30
Advertisement and promotion fee	10,975,510.17	8,730,510.59
Others	134,291,960.54	146,261,197.01
Total	4,839,577,232.08	4,823,909,451.70

53. Notes to items in the cash flow statement

(1) Other cash receipts relating to operating activities:

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Changes in restricted cash and bank balances	80,601,064.33	–
Receipts from compensation of damaged road and non-operating income and etc.	8,839,047.67	35,256,896.88
Receipts from interest income of bank deposit	9,466,560.13	8,735,205.12
Total	98,906,672.13	43,992,102.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Notes to items in the cash flow statement (Continued)

- (2) Other cash payments relating to operating activities

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Changes of restricted monetary funds	–	128,035,618.84
Payment of non-salary and other expenditure	60,456,189.21	53,528,300.19
Total	60,456,189.21	181,563,919.03

- (3) Other cash receipts relating to investing activities:

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Recovery of loans from related parties	–	369,000,000.00

- (4) Other cash payments relating to investing activities:

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Loans to related parties	–	480,000,000.00

- (5) Other cash payments relating to financing activities:

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Bond issue fee and other charges of loans	14,055,595.34	16,200,711.48

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

54. Supplementary information of the cash flow statement

(1) Supplementary information of the cash flow statement

Unit: RMB

Supplementary information	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	4,300,484,708.97	4,475,710,937.68
Add: Impairment losses of credit	96,972.99	33,670.02
Depreciation of fixed assets	209,031,207.83	201,765,721.00
Depreciation of use right assets	4,424,132.85	–
Amortization of intangible assets	1,351,268,159.33	1,262,737,801.92
Amortization of long-term prepaid expenses	5,542,077.49	973,091.13
Amortization of deferred income	(1,932,764.22)	(1,974,865.99)
Amortization of investment properties	812,573.90	812,573.91
Losses on disposal of fixed assets, intangible assets and other long-term assets	70,252,066.32	7,661,280.27
Gains from changes in fair values	(71,295,344.11)	(158,299,349.44)
Financial expenses	470,956,842.18	532,459,961.38
Investment income	(886,313,895.55)	(1,056,795,788.01)
Decrease in deferred tax assets	37,396,686.70	112,003,573.46
Increase in deferred tax liabilities	17,823,836.03	39,574,837.35
Decrease in inventories (increase is indicated by "-")	(119,011,529.57)	348,027,602.60
Decrease in receivables from operating activities (increase is indicated by "-")	(163,650,749.40)	(24,014,210.52)
Increase in payables from operating activities	456,797,578.08	102,848,288.62
Decrease in restricted monetary funds (increase is indicated by "-")	80,601,064.33	(128,035,618.84)
Net cash flow from operating activities	5,763,283,624.15	5,715,489,506.54
2. Net changes in cash and cash equivalents:		
Closing balances of cash	449,410,135.63	515,126,921.66
Less: Opening balances of cash	515,126,921.66	262,758,700.48
Net increase (decrease) in cash and cash equivalents	(65,716,786.03)	252,368,221.18

(2) Composition of cash and cash equivalents

Unit: RMB

Item	31 December 2019	31 December 2018
I. Cash	449,410,135.63	515,126,921.66
Including: Cash on hand	254,597.41	286,176.78
Bank deposit that can be readily withdrawn on demand	424,772,452.56	491,610,306.88
Other monetary funds that can be readily withdrawn on demand	24,383,085.66	23,230,438.00
II. Cash equivalents	–	–
III. Closing balance of cash and cash equivalents	449,410,135.63	515,126,921.66

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Assets with restricted ownership or use rights

Unit: RMB

Item	Closing	Reasons for restriction
	carrying amount	
Bank deposits	2,523,103.19	Customer mortgage deposit
Bank deposits	51,510,501.63	Regulations of pre-sale properties
Intangible assets	1,852,190,533.29	Pledge of toll road right
Total	1,906,224,138.11	

56. Monetary item dominated in foreign currency

Unit: RMB

Item	31 December 2019	Exchange rate	31 December 2019
	(foreign currency)		(equivalent to RMB)
Cash and bank balances	840,163.83	0.8958	752,601.96
Including: HKD	840,163.83	0.8958	752,601.96
Long-term borrowings	2,229,849.28	6.9762	15,555,874.55
Including: USD	2,229,849.28	6.9762	15,555,874.55

57. Operating lease arrangements

The income related to operating leases for the year is RMB231,222,812.59 (2018: RMB194,138,878.86).

Unit: RMB

	Undiscounted lease payments	
	31 December 2019	31 December 2018
1st year subsequent to the balance sheet date	197,983,000.00	152,697,796.00
2nd year subsequent to the balance sheet date	206,720,860.00	180,298,000.00
3rd year subsequent to the balance sheet date	154,834,286.00	189,793,360.00
4th year subsequent to the balance sheet date	76,441,430.00	147,506,786.00
5th year subsequent to the balance sheet date	84,083,573.00	76,441,430.00
Subsequent years	125,054,901.00	209,138,474.00
Total undiscounted lease payments	845,118,050.00	955,875,846.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VII. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

(1) Group composition

Name of subsidiary <i>(Note)</i>	Type of subsidiaries	Registered Capita	Business premise	Registered place	Business nature	Proportion of holding equity (%)		Acquired method
						Direct	Indirect	
Jiangsu Guangjing Xicheng Expressway Co., Ltd. ("Guangjing Xicheng Company")	Limited liability company	2,500,000,000.00	Wuxi	Nanjing	Construction and operation of expressway	85.00	-	Set-up
Wuxi Jingcheng Advertising Co., Ltd.	Limited liability company	1,000,000.00	Wuxi	Wuxi	Service	-	100.00	Set-up
Jiangsu Ninghu Investment Development Co., Ltd. ("Ninghu Investment")	Limited liability company	1,290,000,000.00	Nanjing	Nanjing	Investment and Service	100.00	-	Set-up
Jiangsu Ninghu Properties Co., Ltd. ("Ninghu Properties")	Limited liability company	500,000,000.00	Nanjing, Zhenjiang	Nanjing	Real estate development	100.00	-	Set-up
Kunshan Feng Yuan Real Estate Development Co., Ltd. ("Kunshan Fengyuan")	Limited liability company	9,000,000.00	Kunshan	Kunshan	Real estate development	-	100.00	Set-up
Ninghu Properties (Kunshan) Co., Ltd. ("Kunshan Properties")	Limited liability company	200,000,000.00	Kunshan	Kunshan	Real estate development	-	100.00	Set-up
Ninghu Properties (Suzhou) Co., Ltd. ("Suzhou Properties")	Limited liability company	100,000,000.00	Suzhou	Suzhou	Real estate development	-	100.00	Set-up
Jiangsu Tongcheng Times Property Management Co., Ltd.	Limited liability company	3,000,000.00	Kunshan	Kunshan	Property management	-	100.00	Set-up
Jiangsu Zhendan Expressway Co., Ltd. ("Zhendao Company")	Limited liability company	605,590,000.00	Zhenjiang	Nanjing	Construction and operation of expressway	70.00	-	Set-up
Jiangsu Nanchang Zhenli Expressway Co., Ltd. ("Ningchang Zhenli Company")	Limited liability company	8,000,000,000.00	Changzhou, Zhenjiang	Nanjing	Construction and operation of expressway	100.00	-	Business combination under the common control
Jiangsu Wufengshan Bridge Co., Ltd. ("Wufengshan Bridge")	Limited liability company	4,826,350,000.00	Zhenjiang, Yangzhou	Zhenjiang	Construction and operation of expressway	64.50	-	Set-up
Jiangsu Changyi Expressway Co., Ltd. ("Changyi Company")	Limited liability company	1,519,846,000.00	Changzhou, Yixing	Wuxi	Construction and operation of expressway	-	60.00	Set-up
Jiangsu Yichang Expressway Co., Ltd. ("Yichang Company")	Limited liability company	1,591,480,880.00	Yixing, Changxing	Yixing	Construction and operation of expressway	-	60.00	Set-up
Nanjing Hanwei Real Estate Development Co., Ltd. ("Hanwei Company")	Limited liability company	100,000,000.00	Nanjing	Nanjing	Real estate development	100.00	-	Business combination not under the common control
Ninghu Commercial Factoring (Guangzhou) Co., Ltd. ("Factoring Company")	Limited liability company	90,000,000.00	Guangzhou	Guangzhou	Business services	-	100.00	Set-up
Jiangsu Yangtze River Expressway Management Co., Ltd. ("Yangtze River Management")	Limited liability company	50,000,000.00	Wuxi	Nanjing	Construction and operation of expressway	100.00	-	Set-up
Jiangsu Longtan Bridge Co., Ltd. ("Longtan Bridge")	Limited liability company	2,318,000,000.00	Nanjing	Nanjing	Construction and operation of expressway	53.62	-	Set-up

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(2) Significant non-wholly owned subsidiaries

Unit: RMB

Name of subsidiaries	Minorities proportion of shareholding (%)	31 December 2019/Amount recognized in the current year			31 December 2018/Amount recognized in the prior year		
		Profit or loss attributable to minority shareholders	Dividend announcement to minority shareholders	31 December 2019 of minority interest	Profit or loss attributable to minority shareholders	Dividend announcement to minority shareholders	Minority interest at 31 December 2018
Guangjing Xicheng Zhendan Company	15.00	100,095,451.95	15,385,597.74	832,248,576.12	97,419,228.00	15,091,878.90	747,801,971.92
Wufengshan Bridge Changyi Company	30.00	(13,224,994.83)	-	162,620,666.45	(6,100,823.00)	-	175,845,661.28
Yichang Company	35.50	623,938.41	-	1,714,242,957.40	580,152.00	-	1,038,646,188.99
Longtan Bridge	40.00	4,049,071.92	-	615,418,067.59	2,179,575.00	-	611,368,995.67
	40.00	9,251,869.32	-	652,248,261.06	5,028,880.95	-	642,996,391.74
	46.38	(14,999.61)	-	159,074,999.72	-	-	-

(3) Financial information of significant non-wholly owned subsidiaries

Unit: RMB

Name of subsidiaries	31 December 2019						31 December 2018					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Guangjing Xicheng Zhendan Company	527,199,571.13	11,596,586,554.92	12,123,786,126.05	1,878,253,964.34	3,411,116,760.62	5,289,370,724.96	757,492,780.90	10,209,551,503.31	10,967,044,284.21	970,532,382.82	3,738,374,802.97	4,708,907,185.79
Wufengshan Bridge Changyi Company	10,890,462.33	1,691,623,028.40	1,702,513,490.73	435,106,602.56	725,348,000.00	1,160,454,602.56	11,295,743.13	1,725,459,816.12	1,736,755,559.25	90,963,354.98	1,059,650,000.00	1,150,613,354.98
Yichang Company	221,058,780.76	9,007,301,596.40	9,228,360,377.16	7,151,411.46	4,392,400,000.00	4,399,551,411.46	134,955,367.34	6,476,591,666.70	6,611,547,034.04	5,831,591.83	3,680,000,000.00	3,685,831,591.83
Longtan Bridge	67,213,848.74	2,895,558,691.00	2,962,772,539.74	6,238,455.69	1,417,900,000.00	1,424,138,455.69	573,740,790.09	2,057,146,967.07	2,630,887,757.16	4,476,352.89	1,097,900,000.00	1,102,376,352.89
	346,507,866.75	1,993,785,437.26	2,340,293,304.01	4,761,566.42	705,000,000.00	709,761,566.42	896,564,013.97	1,420,206,236.97	2,316,770,250.94	4,368,186.66	705,000,000.00	709,368,186.66
	56,169,430.22	371,077,085.89	427,246,516.11	106,795.00	-	106,795.00	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(3) Financial information of significant non-wholly owned subsidiaries (Continued)

Unit: RMB

Name of subsidiaries	Amount recognized in the current year				Amount recognized in the prior year			
	Operating income	Net profit attributable to the parent company	Total comprehensive income	Cash flow from operating activities	Operating income	Net profit attributable to the parent company	Total comprehensive income	Cash flow from operating activities
Guangjing Xicheng Zhendan Company	1,380,995,500.30	667,303,013.00	678,848,954.23	812,475,765.87	1,316,434,758.68	649,461,520.37	1,280,101,133.66	826,392,870.23
Wufengshan Bridge	78,435,768.94	(44,083,316.10)	(44,083,316.10)	73,802,147.35	14,095,300.03	(20,336,077.30)	(20,336,077.30)	(8,139,224.02)
Changyi Company	-	1,757,523.49	1,757,523.49	(557,816.70)	-	1,634,185.29	1,634,185.29	(14,581,765.85)
Yichang Company	-	10,122,679.78	10,122,679.78	(3,854,165.34)	-	5,537,853.00	5,537,853.00	(105,591.00)
Longtan Bridge	-	23,129,673.31	23,129,673.31	(8,170,997.10)	-	12,483,287.00	12,483,287.00	(778,210.00)
	-	(40,278.22)	(40,278.22)	65,864.56	-	-	-	-

2. Equity in associates

(1) Significant associates

Name of joint ventures or associates	Business premise	Registered place	Business nature	Proportion of shareholding (%)		Accounting method
				Direct	Indirect	
Yangtze Bridge Company	Nanjing	Nanjing	Construction and operation of expressway	26.66	-	Equity method
Suzhou Expressway Management (Note)	Suzhou	Suzhou	Construction and operation of expressway	30.01	-	Equity method
Yanjiang Expressway	Suzhou	Suzhou	Construction and operation of expressway	-	25.15	Equity method

Note: refer to Note VI.11 for details.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates (Continued)

(2) Financial information of significant associates

Unit: RMB

	31 December 2019/Amount recognized in the current year			31 December 2018/Amount recognized in the prior year			
	Yangtze Bridge Company	Suzhou Expressway Management	Yanjiang Expressway	Yangtze Bridge Company	Sujiahang Company	Suijiayong Company	Yanjiang Expressway
Current asset	239,003,234.16	2,100,857,616.17	1,821,964,212.05	1,172,712,515.00	1,574,903,687.00	148,930,556.00	1,570,664,007.00
Non-current asset	20,548,743,769.61	6,489,664,440.35	10,385,798,051.04	18,603,931,222.00	3,336,178,513.00	4,042,361,334.00	10,697,131,276.00
Total asset	20,787,747,003.77	8,590,522,056.52	12,207,762,263.09	19,776,643,737.00	4,911,082,200.00	4,191,291,890.00	12,267,795,283.00
Current liabilities	2,199,147,735.15	379,053,240.73	1,874,291,174.23	1,971,094,650.00	251,943,341.00	1,110,243,971.00	1,978,233,986.00
Non-current liabilities	10,674,899,009.47	1,774,793,526.39	2,077,800,000.00	10,588,081,101.00	583,139,198.00	1,289,960,000.00	2,278,800,001.00
Total liabilities	12,874,046,744.62	2,153,846,767.12	3,952,091,174.23	12,559,175,751.00	835,082,539.00	2,400,203,971.00	4,257,033,987.00
Minority interests	1,734,741,919.32	12,155,977.77	293,159,425.03	1,755,851,527.00	8,553,950.00	-	387,508,468.00
Shareholders' equity attributable to shareholders of the parent company	6,178,958,339.83	6,424,519,311.63	7,962,511,663.83	5,461,616,459.00	4,067,445,711.00	1,791,087,919.00	7,623,252,828.00
Net assets share calculated according to proportion of shareholding	1,647,310,293.40	1,927,934,000.23	2,197,653,219.22	1,456,066,948.00	1,283,279,122.00	407,830,721.00	2,104,017,781.00
Adjustments							
Goodwill	53,174,434.00	27,211,243.38	13,173,081.00	53,174,434.00	28,607,014.00	-	13,173,081.00
Net book value of the equity investment in associates	1,700,484,727.40	1,955,145,243.61	2,210,826,300.22	1,509,241,382.00	1,311,886,136.00	407,830,721.00	2,117,190,862.00
Operating income	1,514,663,705.75	1,979,745,236.86	2,145,380,128.00	1,407,330,144.00	1,688,868,415.00	158,691,327.00	1,961,405,557.00
Net income (Net loss) attributable to the parent company	770,696,050.65	663,337,871.03	639,759,592.78	656,010,801.00	631,048,615.00	(46,675,713.00)	680,176,795.00
Other comprehensive income attributable to the parent company	203,136,000.00	-	-	583,784,696.00	-	-	-
Total comprehensive income attributable to the parent company	973,832,050.65	663,337,871.03	639,759,592.78	1,239,795,497.00	631,048,615.00	(46,675,713.00)	680,176,795.00
Dividends received from associates in the current year	68,380,279.20	47,353,500.00	82,938,209.23	68,380,279.20	47,353,500.00	-	16,560,754.40

Other explanations:

The shareholders' equity and the net profit attributable to Yanjiang Company are the net amount which has deducted the 40% of the equity of Zhangjiagang Port Expressway owned by Zhangjiagang Municipal Public Assets Management Co., Ltd. and 30% of the equity of Taicang Port Expressway owned by Suzhou Taicang Port Shugang Expressway Co., Ltd. The Group still owns 27.6 % of shareholders equity and enjoy the net income of the shareholders' equity accordingly.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates (Continued)

- (3) Financial information of non-significant associates

Unit: RMB

	31 December 2019/ Amount recognized in the current year	31 December 2018/ Amount recognized in the prior year
Associates:		
Total net book value of the investment	1,072,795,247.40	356,304,936.00
Total amount of the following items calculated according to the proportion of shareholding	-	-
Net profit	52,565,700.66	24,104,187.00
Other comprehensive income	-	-
Total comprehensive income	52,565,700.66	24,104,187.00

- (4) Explanations on significant restrictions to the ability of transferring funds to the Group from associates

There is no significant restrictions to the ability of transferring funds to the Group from associates.

- (5) Contingent liabilities related to associates.

There is no contingent liabilities related to associates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS

The Group's major financial instruments include cash and bank balances, held-for-trading financial assets, other non-current financial assets, other equity instruments, notes receivables, accounts receivable, other receivables, borrowings, bonds payable, accounts payable, other payables (excluding dividends payable) etc. Details of these financial instruments are disclosed in note VI. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored at a certain level.

Unit: RMB

	31 December 2019	31 December 2018
Financial assets		
Financial assets measured at fair value through profit or loss		
Held-for-trading financial assets	676,935,184.62	683,326,861.55
Other non-current financial assets	1,446,175,745.21	1,111,415,422.02
Financial assets measured at fair value through other comprehensive income		
Investments in other equity instruments	5,655,468,613.24	3,035,293,679.55
Financial assets measured at amortized costs		
Notes receivable	–	1,681,264.79
Accounts receivable	224,285,157.62	321,158,726.81
Other receivables	46,209,939.50	32,843,990.83
Financial liabilities		
Financial liabilities measured at amortized costs		
Short-term borrowings	1,972,708,495.84	1,583,480,020.00
Accounts payable	1,262,414,819.54	1,090,607,320.09
Other payables	163,850,914.15	88,390,374.99
Non-current liabilities due within one year and etc.	3,161,145,193.63	471,310,306.40
Other current liabilities	4,998,884,246.00	2,212,191,672.00
Long-term borrowings	8,335,475,444.12	7,688,853,901.58
Bonds payable	997,460,933.93	3,980,548,107.70

The Group adopts sensitivity analysis technique to analyze how the profit and loss for the period and shareholders' equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyses the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, and implement risk management, and monitors regularly and effectively these exposures to ensure the risks are monitored at a certain level.

1.1 Market risk

1.1.1. Currency risk

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with borrowings and bank deposits denominated in USD and HKD while the Group's other principal activities are denominated and settled in RMB. As at 31 December 2019, the balance of the Group's assets and liabilities are both denominated in RMB except that the assets and liabilities set out below are denominated in USD and HKD. Currency risk arising from the assets and liabilities denominated in foreign currencies may have impact on the Group's performance.

As at balances sheet date, the balance of the Group's assets and liabilities in foreign currency are set out below:

Unit: RMB

	31 December 2019	31 December 2018
Cash and bank balances	752,601.96	735,374.27
Non-current liabilities due within one year	1,728,430.43	1,700,433.43
Long-term borrowings	13,827,444.12	15,303,901.58

Sensitivity analysis on currency risk

Given that where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the period and shareholders' equity:

Unit: RMB

Item	Change in exchange rate	Current year		Prior year	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
USD	5% increase against RMB	(583,345.30)	(583,345.30)	(637,662.56)	(637,662.56)
USD	5% decrease against RMB	583,345.30	583,345.30	637,662.56	637,662.56
HKD	5% increase against RMB	28,222.57	28,222.57	27,574.48	27,574.48
HKD	5% decrease against RMB	(28,222.57)	(28,222.57)	(27,574.48)	(27,574.48)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.1 Market risk (Continued)

1.1.2. Interest rate risk – risk of changes in cash flows

The Group's cash flow interest rate risk of financial instruments relates primarily to variable-rate long-term bank borrowings of RMB6,937,364,000.00 as at 31 December 2019 (31 December 2018: RMB6,323,550,000.00). It is the Group's policy to keep its borrowings at floating rate of interests so as to eliminate the fair value interest rate risk.

Sensitivity analysis on interest rate risk

The sensitivity analysis on interest rate risk is based on the following assumptions that changes in the market interest rate may influence the interest income or expense of the variable rate financial instruments. For variable-rate long-term bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk represents management's assessment of the reasonably possible change in interest rates.

On the basis of the above assumptions, where all other variables are held constant, if interest rates had been 50 basis points higher/lower, the Group's pre-tax profit or loss for the year 2019 and shareholders' equity would decrease/increase by RMB26,015,115.00 (2018: decrease/increase by RMB23,713,312.50). This is mainly attributable to the Company's exposure to interest rates on its variable-rate long-term bank borrowings.

1.1.3. Other price risk

The Group's financial assets at fair value through profit or loss are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to market price risk. The Group established an internal investment division and a designated team are assigned to monitor closely the price movement of its investment. In this regard, the directors of the Group consider that the Group's price risk is mitigated.

Sensitivity analysis on other price risk

The Group is exposed to the price risk arising from financial assets which are measured at fair value. As at 31 December 2019, if the price of held-for trading financial assets and other non-current financial assets measured at fair value held by the Group had increased/decreased by 50%, shareholders' equity of the Group would have been increased/decreased by approximately RMB796,166,598.68 (31 December 2018: decrease/increase by RMB673,028,356.34) due to changes in profit or loss for the current period. If the price of investments in other equity instruments measured at fair value had increased/decreased by 50%, shareholders' equity of the Group would have been increased/decreased by approximately RMB2,062,292,479.97 (31 December 2018: decrease/increase by RMB1,138,235,129.83) due to changes in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.2. Credit risk

As at 31 December 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees (does not consider the available collaterals and other credit enhancements) issued by the Group is arising from:

- The carrying amount of the respective recognized financial assets as stated in the Group's consolidated balance sheet.
- The amount of financial guarantees contract related to real estate sales disclosed in Note XI "Contingencies".

In order to minimize the credit risk, the Group has determined credit limits, made credit approvals and took other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of financial assets at each balance sheet date to ensure that adequate provision for expected credit losses are made for financial assets. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

In addition, the credit risk on liquid funds is limited because they are deposited with banks with high credit ratings.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

As part of the Group's credit risk management, the Group uses credit risk ratings to assess the impairment losses on notes receivable and accounts receivable formed by all businesses. As at 31 December 2019, the credit risk and expected credit losses of accounts receivable are as follows:

Unit: RMB

Credit risk ratings	31 December 2019		
	Default loss ratio	Accounts receivable	Provision for credit impairment
Low risk	0%	210,088,718.13	–
Normal	2%	14,356,162.72	159,723.23
Loss	100%	1,699,980.00	1,699,980.00
Total		226,274,860.85	1,859,703.23

The Group's customers mainly include network income distribution enterprises. Their cycles of repayment are very stable without any overdue situations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.2. Credit risk (Continued)

As at 31 December 2019, the Group always measured the provision for impairment losses of other receivables based on internal ratings and measured the amount of expected credit losses based on comparison table of the credit risk rating and default loss ratio. According to the Group's assessment of credit risk, expected credit losses of other receivables are set out as follows:

Unit: RMB

Credit risk ratings	31 December 2019		
	Default loss ratio	Other receivables	Provision for credit impairment
Low risk	0%	40,463,452.46	-
Normal	2%	5,863,762.29	117,275.25
Loss	100%	15,812,140.02	15,812,140.02
Total		62,139,354.77	15,929,415.27

The above loss given default is based on historical actual bad debt rate and takes into account current conditions and forecasts of future economic conditions. In 2019, there is no change in the Group's assessment methods and significant assumptions.

The Group recognizes the credit loss on lease receivable on an individual basis, as at 31 December 2019, based on the assessment of the management of the Group, there is no significant expected credit loss related to lease receivable.s

1.3. Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Loans are main source of funding for the Group. As at 31 December 2019, the Group has available unutilized bank loan facilities of approximately RMB30,580,560,000.00 (31 December 2018: RMB29,690,960,000.00). Meanwhile, medium term notes, super short-term bonds and etc. are important source of funding for the Group. As at 31 December 2019, the limit of super short-term bonds registered in National Association of Financial Market Institutional Investors ("NAFII") but not issued by the Group is approximately RMB4,040,000,000.00 (31 December 2018: RMB4,800,000,000.00).

As at 31 December 2019, the Group had net current liabilities of RMB7,094,635,190.49 (31 December 2018: RMB946,203,161.53), the Group has taken the following measures to reduce liquidity risk.

- The Group has available unutilized bank loan facilities of approximately RMB20,660,560,000.00 with a credit time limit over one year.
- The Group has NAFMII-registered but not issued super short-term bonds of approximately RMB2,100,000,000.00 with a registration time limit over one year.

To sum up, the management considers that the liquidity risk of the Group is greatly reduced. The financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.3. Liquidity risk (Continued)

The following is the maturity analysis for financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Unit: RMB

	Within 1 month	1-3months	3-12 months	1-5years	Over 5 years
Accounts payable	-	-	1,262,414,819.54	-	-
Other payables	-	-	163,850,914.15	-	-
Short-term borrowings	-	213,626,904.17	1,815,273,183.33	-	-
Other current liabilities	1,889,216,055.56	-	3,139,292,055.56	-	-
Long-term borrowings (including long-term borrowings due within 1 year)	950,033.39	123,074,783.41	477,269,148.34	3,038,835,781.17	9,902,269,737.85
Bonds payable (including bonds payable due within 1 year)	-	-	3,230,755,990.79	1,038,992,647.11	-
Total	1,890,166,088.95	336,701,687.58	10,088,856,111.71	4,077,828,428.28	9,902,269,737.85

IX. DISCLOSURE ON FAIR VALUE

1. Fair value of assets and liabilities measured at fair value

Unit: RMB

Item	31 December 2019			Total
	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Continuous fair value measurement				
(I) Financial assets at FVTPL	36,585,184.62	640,350,000.00	1,446,175,745.21	2,123,110,929.83
1. Held-for-trading financial assets	36,585,184.62	640,350,000.00	-	676,935,184.62
(1) Investments in fund and gold	36,585,184.62	-	-	36,585,184.62
(2) Financial products	-	640,350,000.00	-	640,350,000.00
2. Other non-current financial assets	-	-	1,446,175,745.21	1,446,175,745.21
(II) Investment in other equity instruments	2,425,400,000.00	-	3,230,068,613.24	5,655,468,613.24
Total assets continuously measured at fair value	2,461,985,184.62	640,350,000.00	4,676,244,358.45	7,778,579,543.07

2. Level 1 fair value measurement on a recurring basis

Items in Level 1 fair value measurement on a recurring basis include held-for-trading financial assets and other equity instruments, whose fair value are the price of similar items quoted at active market at the end of the period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

IX. DISCLOSURE ON FAIR VALUE (CONTINUED)

3. Valuation techniques and qualitative and quantitative information of key parameters of level 2 fair value measurements on a recurring basis

Unit: RMB

Item	Fair value at 31 December 2019	Valuation technique	Significant unobservable input	Range
Held-for-trading financial assets – financial products	640,350,000.00	Discounted cash flow analysis	Expected yield rate	1.1%~3.9%

Unit: RMB

Item	Fair value at 31 December 2018	Valuation technique	Significant unobservable input	Range
Held-for-trading financial assets – financial products	651,238,808.33	Discounted cash flow analysis	Expected yield rate	1.5%~4.15%

Fair value of the held-for-trading financial assets – financial products are determined by discounted future cash flows based on expected yield rate.

4. Valuation techniques and qualitative and quantitative information of key parameters of level 3 fair value measurements on a recurring basis

Unit: RMB

Item	Fair value at 31 December 2019	Valuation technique	Significant unobservable input
Investment in other equity instrument	3,230,068,613.24	Option pricing model	Non-risk return rate Anticipate fluctuation rate Anticipate dividend rate Option period Right exercise price

Items in Level 3 fair value measurement on a recurring basis include the equity interest of the restricted outstanding shares held by the Group in A share listed company Jiangsu Financial Leasing Co., Ltd., whose fair value are measured at the estimate by using the option pricing model with reference to the price of shares of and Jiangsu Financial Leasing Co., Ltd. quoted in the open market.

Item	Fair value at 31 December 2019	Valuation technique	Significant unobservable input	Range
Other non-current financial assets	1,446,175,745.21	Based on net value of share capital investment with reference to observable market price	Discount of liquidity	N/A

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

IX. DISCLOSURE ON FAIR VALUE (CONTINUED)

5. The time point of transfer among different levels is the date on which the events resulting in the transfer occurred. Transfers among different levels during the year are as follows:

At 2 August 2019, the restricted shares of A-share listed company Bank of Jiangsu Co., Ltd. held by the Group was released from restriction and listed for circulation.

At 31 December 2019, fair value of the held-for-trading shares of A-share listed company Bank of Jiangsu Co., Ltd. held by the Group was determined with reference to the quoted price of similar items at active market at the end of the period.

6. Fair value of financial assets and financial liabilities not measured at fair value

The Group's financial assets and financial liabilities measured at amortised cost mainly include: notes receivable, accounts receivable, other receivables, short-term borrowings, accounts payable, other payables, non-current liabilities due within one year, other current liabilities, long-term borrowings and bonds payable.

Except as detailed in the following table, the management of the Group consider that the carrying amounts of financial assets and financial liabilities measured at amortized cost in the consolidated financial statements approximate their fair values.

Unit: RMB

Item	Carrying amounts at 31 December 2019	Fair value at 31 December 2019			Total
		Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	
Financial instruments measured at amortised cost financial liabilities					
1. Bonds payable	4,050,819,475.76	4,083,247,000.00	-	-	4,083,247,000.00
2. Long-term borrowings (note)	1,431,950,273.40	1,463,729,700.00	-	-	1,463,729,700.00
Total	5,482,769,749.16	5,546,976,700.00	-	-	5,546,976,700.00

Note : Long-term borrowings include medium term notes and corporate bond from related party, details are set out in Note VI, 29.

For bonds payable, medium term notes and corporate bond included in related party borrowings, which are measured at amortized costs, the fair value is the quoted price of aforesaid items at active market at the end of the period, and they are items in Level 1 fair value measurement.

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Unit: RMB

Name of the parent	Place of incorporation	Nature of business	Registered capital	Proportion of the Company's ownership interest held by the parent (%)	Proportion of the Company's voting power held by the parent (%)
Communications Holding	Nanjing, Jiangsu Province	Investment, construction, operation and management of traffic infrastructure, transportation and other relevant industry	16,800,000,000.00	54.44	54.44

The ultimate control party of the Company is Communications Holding.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in Note VII.

3. Associates of the entity

Details of the significant associates of the Company are set out in Note VII.

Other associates that have closing balance with the Group due to related party transactions in the current or prior year are as follows:

Name of associates	Related party relationship
Kuailu Company	Associate
Xiexin Ninghu Company	Associate
Nanlin Hotel	Associate
Xiandai R&B Company*	Associate
Network Operation Company*	Associate
Yanjiang Company	Associate
Suzhou Expressway Management	Associate
Yangtze Bridge Company*	Associate
Luode Fund Company	Associate
Media Company*	Associate
Group Finance Company*	Associate

4. Other related parties of the Company

Name of other related party	Relationship between other related parties and the Company
Tongxingbao Smart Transportation Science & Technology Co., Ltd. ("Tongxingbao Company") *	Same ultimate shareholder
Jiangsu Petroleum Company*	Same ultimate shareholder
Jiangsu Financial Leasing Company	Same ultimate shareholder
Far East Shipping Company	Same ultimate shareholder
Runyang Bridge Company	Same ultimate shareholder
Sutong Bridge Company	Same ultimate shareholder
Jiangsu Taizhou Bridge Co., Ltd. ("Taizhou Bridge Company")	Same ultimate shareholder
Jiangsu Expressway Information Engineering Co., Ltd. ("Information Company") *	Same ultimate shareholder
Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. ("Maintenance Technology Company") *	Same ultimate shareholder
Jiangsu Suihuaiyan Expressway Management Co., Ltd. ("Suihuaiyan Company")	Same ultimate shareholder
Jiangsu Huatong Engineering Testing Co., Ltd. ("Huatong Company") *	Same ultimate shareholder
Taicang Container Lines Company Limited ("Taicang Container Lines")	Same ultimate shareholder
Jiangsu Fenguan Expressway Management Co. Ltd. ("Fenguan Company")	Same ultimate shareholder
Jiangsu Jinghu Expressway Co., Ltd. ("Jinghu Company")	Same ultimate shareholder
Jiangsu Railway Group Co., Ltd (Railway Group Company) *	Same ultimate shareholder
Jiangsu Ninghang Expressway Co., Ltd. ("Ninghang Company")	Same ultimate shareholder
Nantong Tongsha Port Co., Ltd. ("Tongsha Port Company")	Same ultimate shareholder
Jiangsu Ocean Shipping Co., Ltd. ("Ocean Shipping Company")	Same ultimate shareholder
Sundian Engineering Testing Co., Ltd. (Engineering Testing Company) *	Same ultimate shareholder
Suzhou Circular Expressway Co., Ltd. ("Suzhou Circular Company")	Same ultimate shareholder
Jiangsu Tongchang Real Estate Investment Co., Ltd. ("Tongchang Real Estate Company")	Same ultimate shareholder
Nanjing Micro Video Co.,Ltd ("Micro Video Company")*	Same ultimate shareholder
Taixing Hechang Petroleum Sales Co., Ltd. ("Taixing Hechang Petroleum Company")*	Same ultimate shareholder
Jiangsu Highway Engineering Maintenance Co., Ltd. ("Engineering Maintenance Company")	Same ultimate shareholder

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions

- (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties

Purchase of goods, receipt of services and interest expense of loans with related parties:

Unit: RMB

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year
Xiandai R&B Company*	Road maintenance fee	430,344,485.97	214,924,279.79
Xiandai R&B Company*	Detection and design fee	250,000.00	–
Xiandai R&B Company*	Party school exhibition hall construction fee	1,685,000.00	–
Xiandai R&B Company*	ETC mast construction fee	5,600,000.00	–
Network Operation Company*	Maintenance and operating administration fees for toll collection system	29,277,669.00	28,880,225.00
Tongxingbao Company*	Maintenance and operating administration fees for toll collection system	23,505,382.20	12,905,174.62
Tongxingbao Company*	Expenses for purchase of fixed assets	6,970.00	–
Maintenance Technology Company*	Road maintenance fee	13,069,050.00	11,470,000.00
Information Company*	Communication system maintenance fee	14,662,219.26	13,645,676.46
Huatong Company*	Engineering reinforcement and maintenance fee	3,431,235.39	1,291,707.74
Huatong Company*	Bridge pier replacement fee	2,752,746.37	–
Kuailu Co., Ltd.	Lease fee of transportation service	7,087,766.00	3,049,000.00
Nanlin Hotel	Food and beverage	2,100.00	8,555.72
Micro Video Company*	Renovation fee for machine room and offices	1,918,000.00	–
Engineering Maintenance Company	Speed increasing renovation fee	2,807,331.07	–
Communications Holding	Interest expenses of loans from a related party	70,764,681.42	45,660,962.41
Group Finance Company*	Interest expenses of working capital loan	32,359,469.09	31,781,582.97
Far East Shipping Company	Interest expenses of entrusted loan	2,595,500.00	7,397,414.67
Sutong Bridge Company	Interest expenses of entrusted loan	152,250.00	9,343,561.64

Pricing and decision-making procedures of related party transactions: For significant related party transactions, the price is settled by public tender bid price, or for reference of quote from independent, qualified construction provider after arm's length negotiation in principle that less than relevant market price. The Board Meeting should review and approve the quote and the related director should abstain from voting. The independent directors should then express an independent opinion. For all related party transactions, the price is settled by signed contracts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

- (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties (Continued)

Sales, rendering of services and interest income of borrowings/loans with related parties:

Unit: RMB

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year
Group Finance Company*	Interest income from deposits	3,258,156.26	3,824,865.93
Kuailu Co., Ltd.	Toll road income	932,038.84	1,689,176.40
Tongxingbao Company*	ETC customer-service network management income	759,221.08	824,684.96
Xiexin Ninghu Company	Management and lease income	825,605.68	–
Media Company*	Advertising income	32,248,966.99	–
Yangtze Bridge Company*	Entrusted management income	6,785,000.00	–
Hanwei Company (Note)	Interest income from shareholder loan	–	2,598,900.00

Note: The Company's interest income from shareholders' loans to Hanwei Company in the prior period represents the interest income of entrusted loans prior to the business combination not involving enterprises under common control.

- (2) Leases with related parties

The Group as the lessor:

Unit: RMB

Name of lessee	Type of leased assets	Lease income recognized in the 2019	Lease income recognized in 2018
Jiangsu Petroleum Company*	Fixed assets	15,899,339.75	12,944,999.99
Taixing Hechang Petroleum Company*	Fixed assets	4,231,805.28	–
Railway Group Company*	Fixed assets	3,612,400.00	2,709,300.00
Xiandai R&B Company*	Fixed assets	1,690,000.00	1,690,000.00
Kuailu Co., Ltd.	Fixed assets	366,666.67	–
Engineering Testing Company *	Fixed assets	545,656.62	309,670.00

- (3) Guarantees with related parties

The Group as the guaranteed party:

Unit: RMB

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Communications Holding	USD2,229,849.00	15 October 1998	18 July 2027	Not completed
Communications Holding	RMB30,000,000.00	16 March 2014	15 Mar 2019	Completed

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Borrowings/loans with related parties

In the current year:

Unit: RMB

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	Balance at 31 December 2019	Remarks
Borrowed from (repaid to) Far East Shipping Company	(60,000,000.00)	28 August 2018	27 August 2019	-	Entrusted loan with annual interest rate of 4.35%
Far East Shipping Company	60,000,000.00	23 July 2019	22 July 2020	60,000,000.00	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	(190,000,000.00)	15 June 2018	14 June 2019	-	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	(100,000,000.00)	28 November 2018	27 November 2019	-	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	(60,000,000.00)	9 November 2018	8 November 2019	-	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	(100,000,000.00)	17 December 2018	16 December 2019	-	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	60,000,000.00	18 October 2019	17 October 2020	60,000,000.00	Borrowings from a related party with annual interest rate of 3.915%
Group Finance Company*	100,000,000.00	8 May 2019	7 May 2020	100,000,000.00	Borrowings from a related party with annual interest rate of 4.1325%
Group Finance Company*	100,000,000.00	20 November 2019	19 November 2020	100,000,000.00	Borrowings from a related party with annual interest rate of 3.915%
Group Finance Company*	250,000,000.00	3 December 2019	2 December 2020	250,000,000.00	Borrowings from a related party with annual interest rate of 3.915%
Group Finance Company*	(200,000,000.00)	29 May 2018	28 May 2019	-	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	(100,000,000.00)	28 September 2018	27 September 2019	-	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	300,000,000.00	23 July 2019	22 July 2020	300,000,000.00	Entrusted loan with annual interest rate of 3.92%
Group Finance Company*	(200,000,000.00)	15 November 2018	15 February 2019	-	Entrusted loan with annual interest rate of 4.35%
Sutong Bridge Company	100,000,000.00	18 December 2019	17 December 2020	100,000,000.00	Entrusted loan with annual interest rate of 3.90%
Communications Holding	250,000,000.00	05 December 2012	05 December 2022	250,000,000.00	Entrusted loan with annual interest rate of 5.80%
Communications Holding	250,000,000.00	17 May 2013	17 May 2023	250,000,000.00	Entrusted loan with annual interest rate of 5.60%
Communications Holding	(250,000,000.00)	20 May 2014	20 May 2019	-	Entrusted loan with annual interest rate of 4.35%
Communications Holding	800,000,000.00	20 November 2018	24 October 2023	800,000,000.00	Entrusted loan with annual interest rate of 4.43%
Communications Holding	100,000,000.00	8 November 2019	29 August 2024	100,000,000.00	Entrusted loan with annual interest rate of 3.82%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Borrowings/loans with related parties (Continued)

In the prior year:

Unit: RMB

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	Balance at 31 December 2018	Remarks
Borrowed from (repaid to) Far East Shipping Company	120,000,000.00	28 August 2018	27 August 2019	60,000,000.00	Entrusted loan with annual interest rate of 4.35%
Far East Shipping Company	(60,000,000.00)	28 August 2018	27 August 2019	-	Entrusted loan with annual interest rate of 4.35%
Far East Shipping Company	(160,000,000.00)	14 August 2017	14 August 2018	-	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	(220,000,000.00)	26 June 2017	27 June 2018	-	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	(60,000,000.00)	10 July 2017	19 July 2018	-	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	(200,000,000.00)	25 December 2017	31 December 2019	-	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	220,000,000.00	27 June 2018	14 June 2019	190,000,000.00	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	(30,000,000.00)	27 June 2018	14 June 2019	-	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	100,000,000.00	27 December 2018	16 December 2019	100,000,000.00	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	60,000,000.00	9 November 2018	8 November 2019	60,000,000.00	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	100,000,000.00	28 November 2018	27 November 2019	100,000,000.00	Borrowings from a related party with annual interest rate of 4.35%
Group Finance Company*	(100,000,000.00)	30 March 2017	29 February 2018	-	Entrusted loan with annual interest rate of 3.92%
Group Finance Company*	(200,000,000.00)	11 May 2017	10 May 2018	-	Entrusted loan with annual interest rate of 4.13%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

5. Related party transactions (Continued)

(4) Borrowings/loans with related parties (Continued)

In the prior year: (Continued)

Unit: RMB

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	Balance at 31 December 2018	Remarks
Group Finance Company*	200,000,000.00	29 May 2018	28 May 2019	200,000,000.00	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	100,000,000.00	28 September 2018	27 September 2019	100,000,000.00	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	200,000,000.00	15 November 2018	15 February 2019	200,000,000.00	Entrusted loan with annual interest rate of 4.35%
Jinghu Company	300,000,000.00	31 May 2018	30 November 2018	-	Entrusted loan with annual interest rate of 4.35%
Sutong Bridge Company	(400,000,000.00)	17 July 2017	16 July 2018	-	Entrusted loan with annual interest rate of 4.35%
Communications Holding	250,000,000.00	05 December 2012	05 December 2022	250,000,000.00	Entrusted loan with annual interest rate of 3.92%
Communications Holding	250,000,000.00	17 May 2013	17 May 2023	250,000,000.00	Entrusted loan with annual interest rate of 4.13%
Communications Holding	250,000,000.00	20 May 2014	20 May 2019	250,000,000.00	Entrusted loan with annual interest rate of 4.35%
Communications Holding	800,000,000.00	20 November 2018	24 October 2023	800,000,000.00	Entrusted loan with annual interest rate of 4.35%

Note1: When the Group is the borrower, the positive amount represents borrowing from a related party while the negative amount represents repayment to a related party; When the Group is the lender, positive amount represents lending to a related party while the negative amount represents collecting the money from a related party.

(5) Compensation for key management personnel

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Compensation for key management personnel *	4,473,957.21	3,609,167.40

(6) Other explanations

* Representing the connected transaction as defined in Chapter 14A of the Listing Rules.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties

(1) Amounts due from related parties

Unit: RMB

Account	Related party	31 December 2019 Carrying amount	31 December 2018 Carrying amount
Bank deposits (Note 1)	Group Finance Company*	247,936,363.39	365,573,873.24
Accounts receivable (Note 2)	Jiangsu Petroleum Company* (Note 3)	11,387,692.48	6,595,610.00
	Suzhou Expressway Company	4,239,368.00	7,018,508.00
	Yanjiang Company	729,764.00	837,249.00
	Yangtze Bridge Company*	7,624,368.00	709,020.00
	Kuailu Co., Ltd.	54,716.45	57,065.45
	Luode Fund Company	1,366.41	2,253.95
	Xiandai R&B Company *	106,496.20	-
	Media Company*	3,444,150.00	-
	Taixing Hechang Petroleum Company* (Note 3)	2,511,436.45	-
	Engineering Testing Company*	5,960.00	-
	Sub-total	30,105,317.99	15,219,706.40
Prepayments	Information Company*	3,550,000.00	-
	Tongxingbao Company *	126,918.30	-
	Kuailu Co., Ltd	69,000.00	-
	Sub-total	3,745,918.30	-
Dividends receivable	Kuailu Co., Ltd	4,989,960.00	4,989,960.00

Note 1: In 2019, a financial service agreement was signed and concluded between the Group and Group Finance Company, in which Group Finance Company would provide financial service to the Group such as deposit, credit and so on. The Company's subsidiaries, Guangjing Xicheng Company, Ningchang Zhenli Company, Changyi Company and Yichang Company have also participated in this agreement. As at 31 December 2019, the Group has deposited RMB247,936,363.39 (31 December 2018: RMB365,573,873.24) in Group Finance Company in accordance with the financial service agreement.

Note 2: As at 31 December 2019, besides the accounts receivable from related party stated above, there are split toll road fee receivables from Suzhou Circular Company, Nanjing fourth Yangtze River Bridge Company Limited and other expressway companies within the toll road network companies ("Toll Road Network Companies") which amounted to RMB110,499,585.71 (31 December 2018: RMB261,331,287.62). The ultimate shareholder of those Toll Road Network Companies is Communications Holding, except for which the Company has no other control, joint control or significant influence relationship with them.

Note 3: As at 31 December 2019, the book balances with Jiangsu Petroleum Company and Taixing Hechang Petroleum Company are lease receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

6. Amounts due from/to related parties (Continued)

(2) Amounts due to related parties

Unit: RMB

Account	Related party	31 December 2019	31 December 2018
Accounts payable (Note)	Xiandai R&B Company*	226,679,984.84	123,977,636.29
	Yangtze Bridge Company*	1,491,285.00	4,280,959.00
	Yanjiang Company	1,516,515.00	3,018,696.00
	Information Company*	5,618,616.23	6,448,105.32
	Suzhou Expressway Company	422,260.00	1,488,742.00
	Network Operation Company*	2,900,148.00	1,265,996.00
	Tongxingbao Company*	2,742,679.72	1,687,943.08
	Kuailu Co., Ltd.	445,937.50	262,000.00
	Micro Video Company*	908,666.51	–
	Maintenance Technology Company*	140,000.00	–
	Huatong Company*	3,483,449.13	–
Sub-total		246,349,541.93	142,430,077.69
Contract liabilities	Kuailu Co., Ltd.	458,689.67	825,356.34
	Xiandai R&B Company*	80,000.00	80,000.00
Sub-total		538,689.67	905,356.34
Other payables	Communications Holding	–	750,000.00
	Tongxingbao Company*	689,609.00	2,452,483.00
	Network Operation Company *	1,200.00	65,160.00
	Xiandai R&B Company *	1,415,714.54	–
	Yangtze Bridge Company*	2,863,158.35	–
	Luode Fund Company	10,000,000.00	–
Sub-total		14,969,681.89	3,267,643.00
Short-term borrowings	Group Finance Company *	810,975,608.33	951,262,708.33
	Sutong Bridge Company	100,119,625.00	–
	Far East Shipping Company	60,079,750.00	60,079,750.00
Sub-total		971,174,983.33	1,011,342,458.33
Long-term borrowings (including long-term borrowings due within 1 year)	Communications Holding	1,430,344,904.11	1,571,277,400.77

Note: As of 31 December 2019, besides the accounts payable to related party stated above, there are split toll road fee payables to other Toll Road Network Companies which amounted to RMB20,314,519.97 (31 December 2018: RMB32,688,096.19). The ultimate shareholder of those Toll Road Network Companies is Communications Holding, except for which these Toll Road Network Companies has no other control, joint control or significant influence relationship with them.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

7. Directors' emoluments

2019

Unit: RMB

Names	Directors' emoluments	Salaries and other benefits (including housing fund etc., detail see Note1)	Performance related payments (Note4)	Defined contribution plan (Including enterprise annuity etc., details see Note2)	Total
Executive directors					
Gu Du Jun (Note 5)	-	-	-	-	-
Sun Xi Bin	-	325,137.94	339,000.00	86,529.09	750,667.03
Yao Yong Jia	-	310,637.94	333,150.00	91,725.09	735,513.03
Non-executive directors					
Chen Yan Li	-	-	-	-	-
Chen Yong Bing	-	-	-	-	-
Wu Xin Hua (Note3)	-	-	-	-	-
Hu Yu (Note 3)	-	-	-	-	-
Ma Zhong Li	348,151.84	-	-	-	348,151.84
Independent non-executive directors					
Lin Hui	107,895.00	-	-	-	107,895.00
Zhang Zhu Ting	107,895.00	-	-	-	107,895.00
Chen Liang	107,895.00	-	-	-	107,895.00
Liu Xiao Xing	107,895.00	-	-	-	107,895.00
Zhou Shu Dong	107,895.00	-	-	-	107,895.00
Supervisors					
Yu Lan Ying (Note 3)	-	-	-	-	-
Pan Ye (Note 3)	-	-	-	-	-
Ding Guo Zhen (Note 3)	-	-	-	-	-
Chen Wei (Resigned in May 2019)	-	63,034.10	74,538.00	24,541.30	162,113.40
Shao Li	-	194,957.94	256,180.00	70,641.09	521,779.03
Lu Zheng Feng (Appointed in May 2019)	-	194,957.94	288,785.00	71,037.09	554,780.03
Total	887,626.84	1,088,725.86	1,291,653.00	344,473.66	3,612,479.36

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

7. Directors' emoluments (Continued)

2018

Unit: RMB

Names	Directors' emoluments	Salaries and other benefits (including housing fund etc., detail see Note1)	Performance related payments (Note4)	Defined contribution plan (Including enterprise annuity etc., details see Note2)	Total
Executive directors					
Gu Du Jun (Appointed on 22 June 2019)	-	-	346,300.00	-	346,300.00
Sun Xi Bin (Appointed on 25 October 2018)	-	131,909.30	106,200.00	35,076.65	273,185.95
Yao Yong Jia	-	298,242.32	395,100.00	82,695.96	776,038.28
Non-executive directors					
Chen Yan Li (Appointed on 25 October 2018)	-	-	-	-	-
Chen Yong Bing (Appointed on 25 October 2018)	-	-	-	-	-
Wu Xin Hua (Note3)	-	-	-	-	-
Hu Yu (Note 3)	-	-	-	-	-
Ma Zhong Li	339,200.00	-	-	-	339,200.00
Independent non-executive directors					
Lin Hui	107,895.00	-	-	-	107,895.00
Zhang Zhu Ting	107,895.00	-	-	-	107,895.00
Chen Liang	107,895.00	-	-	-	107,895.00
Liu Xiao Xing (Appointed on 25 October 2018)	17,857.00	-	-	-	17,857.00
Zhou Shu Dong (Appointed on 22 June 2018)	53,947.50	-	-	-	53,947.50
Zhang Er Zhen (Resigned on 22 June 2018)	53,947.50	-	-	-	53,947.50
Supervisors					
Yu Lan Ying	-	89,309.30	235,500.00	33,556.65	358,365.95
Pan Ye (Note 3)	-	-	-	-	-
Ding Guo Zhen (Note 3)	-	-	-	-	-
Chen Wei	-	181,804.32	211,432.00	67,755.96	460,992.28
Shao Li	-	197,962.32	206,480.00	73,611.96	478,054.28
Wang Ya Ping (Retired in June 2018)	-	115,302.02	118,555.00	51,389.31	285,246.33
Total	788,638.00	1,014,527.58	1,619,567.00	344,087.49	3,766,820.07

Note 1: Other benefits include housing funds, non-monetary welfare, as well as medical insurance, work injury insurance and maternity insurance provided by the Company according to government's requirement.

Note 2: Post-employment benefits include annuity payment, pension insurance and unemployment insurance provided by the Company.

Note 3: Some directors and supervisors were also the employees of the shareholders and their remunerations were paid for and borne by the shareholders during the year.

Note 4: The performance related payments is determined by reference to the individual performance of the directors or supervisors.

Note 5: On 2 March 2020, the board of directors of the Company received resignation letter from chairman of the board, Mr. Gu De Jun who applied for resignation of positions as the Company's chairman, chairman of strategy committee under the board and the director due to job changes. After the resignation, Mr. Gu De Jun will not hold any position in the Company.

None of the directors or supervisors waived or agreed to waive any emoluments during both year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

8. Five individuals with the highest emoluments

Two (2018: one) of the five individuals with the highest emoluments in the Group are directors of the Company whose emoluments are included in note of directors' emoluments. The emoluments of the remaining three (2018: four) individuals are listed as follows:

Unit: RMB

	Accumulative amount for the current year	Accumulative amount for the prior year
Salaries and other benefits	1,708,303.82	1,904,647.84
Post-employment benefit	231,135.27	275,274.52
Total	1,939,439.09	2,179,922.36

Their emoluments were within the following bands:

	Current year	Prior year
Less than HKD1,000,000	3	4

XI. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital commitments

Unit: RMB

	31 December 2019	31 December 2018
Capital commitments that have been entered into but have not been recognized in the financial statements – Commitment for acquisition and construction of long-term assets	13,161,894,077.78	10,513,977,103.02

(2) Operating lease commitments

At the balance sheet date, the Group had the following commitments in respect of non-cancellable operating leases:

Unit: RMB

	31 December 2018
Minimum lease payments under non-cancellable operating leases:	
1st year subsequent to the balance sheet date	5,009,585.00
2nd year subsequent to the balance sheet date	3,289,150.00
Total	8,298,735.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XI. COMMITMENTS AND CONTINGENCIES (CONTINUED)

2. Contingencies

- (1) Significant contingencies at the balance sheet date

Ninghu Properties and Hanwei Company, the subsidiaries of the Company provide joint and several liability guarantees to banks for bank borrowings granted to buyers of properties in accordance with real estate business practices. The obligation begins from the date on which the guarantee contract comes into effect and will end when the buyers obtain certifications of the purchased properties and complete registration of mortgage and pass the properties warrants certification to bank. As at 31 December 2019, the outstanding guarantees amounted to approximately RMB483,970,962.53 (31 December 2018: RMB1,035,648,167.93).

XII. EVENTS AFTER THE BALANCE SHEET DATE

1. Profit appropriation

Unit: RMB

	Amount
Proposed distributions of profits or dividends	2,317,363,850.00
Distributions of profits or dividends as authorized and declared	–

2. Impact of COVID-19

The Group's businesses are located in Jiangsu Province of China. Since the nationwide outbreak of COVID-19 in January 2020, the prevention and control measures imposed by Chinese government has had a severe negative impact on the operations of the Group. On 15 February 2020, the Ministry of Transport of the People's Republic of China, issued the "Notice of the Ministry of Transport on Vehicle Toll Exemption for Toll Road During the Prevention and Control Period of Novel Coronavirus Epidemic". According to the notice, the Group will exempt the vehicle tolls for toll road from 00:00 on 17 February 2020 till the end the prevention and control work of the epidemic. As toll operation is one of the major revenue stream of the Group, this measure is expected to have a negative impact on the Group's 2020 financial performance.

As the situation remains fluid as at the date on which these financial statements are authorised for issue, the directors of the Group consider that the financial effects of the COVID-19 on the Group's consolidated financial statements cannot be reasonably and accurately estimated. Nevertheless, the outbreak of COVID-19 is expected to affect the Group's consolidated operating results for the first half of 2020 and throughout the year.

XIII. OTHER SIGNIFICANT EVENTS

1. Annuity scheme

See Note VI 24.

2. Basic endowment insurance

See Note VI 24.

3. Operating leases

Rentals under operating leases recorded in profit or loss during the year:

Unit: RMB

	Current year	Prior year
Buildings	1,687,615.87	6,340,109.18

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

4. Net Profit for the year has been arrived at after charging:

Unit: RMB

Item	Current year	Prior year
Staff costs (Include: directors' emoluments)	868,265,627.73	830,337,360.82
Basic endowment insurance and annuity payment	151,444,390.41	151,354,519.18
Total staff costs	1,019,710,018.14	981,691,880.00
Audit fee	3,200,000.00	3,200,000.00
Depreciation and amortization (Included in operating costs and administrative expenses)	1,505,863,530.44	1,400,638,725.09
Losses on disposal of non-current assets	70,252,066.32	7,661,280.27
Amortization of land use rights (Included in operating costs and administrative expenses)	64,658,222.64	64,658,222.64
Sales cost of inventories	1,376,148,701.35	1,683,328,034.08

5. Segment reporting

(1) Determining basis and accounting policy of reporting segment

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into 12 operating segments. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance. On the basis of the operating segment, the Group determines 12 reporting segments (2018: 12) based on the standard with which the Group's management determines resources allocation and performance assessment, including Shanghai-Nanjing Expressway, Guangjing Expressway and Xicheng Expressway, Xiyi Expressway and Wuxi Huantaihu Expressway, Ningchang Expressway and Zhenli Expressway, Zhendan Expressway, Wufengshan Expressway, Changyi Expressway, Yichang Expressway, Longtan Bridge, Ancillary services (including petrol, food and retail in service zones along the expressways), Real estate development and advertising and others. These reporting segments are determined based on standards of resources allocation and performance assessment by the management.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

5. Segment reporting (Continued)

(2) Financial information of reporting segment

Unit: RMB

	Shanghai-Nanjing Expressway		Nanjing-Lianyungang Highway		Guangjing Expressway and Xicheng Expressway		Xi'ji Expressway and Wuxi Huanaihu Expressway		Changyi Expressway		Yichang Expressway		Ningchang Expressway and Zhenli Expressway	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
	Segment operating income	5,230,727,736.60	5,004,610,161.96	-	11,994,024.01	960,563,083.65	920,821,005.87	371,123,856.74	355,490,993.41	-	-	-	-	1,194,100,593.20
Operating costs	1,641,738,059.28	1,511,763,092.03	-	2,100,153.55	372,000,884.08	286,408,735.27	223,423,375.58	207,827,572.72	-	-	-	-	586,436,160.81	586,641,983.90
Including: Amortization of toll roads														
operation rights	613,821,368.03	576,929,338.22	-	-	116,191,846.40	113,927,066.32	108,741,726.77	102,589,649.36	-	-	-	-	399,594,199.57	385,108,795.41
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Segment operating profit (loss)	3,588,988,677.32	3,492,847,069.93	-	9,893,870.46	588,562,199.57	634,412,270.60	147,700,481.16	147,663,420.69	-	-	-	-	607,664,432.39	567,219,890.91
Reconciling items:														
Less: Taxes and levies	16,830,619.85	18,015,301.30	-	44,473.84	3,458,027.10	3,314,955.62	1,336,045.88	1,279,767.59	-	-	-	-	4,298,762.14	4,153,902.75
Selling expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses	73,295,557.93	73,185,128.99	-	-	-	-	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Add: Other income	5,239,608.13	-	-	-	-	-	-	-	-	-	-	-	1,945,039.96	1,974,865.99
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains or losses from changes in fair values	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment reversals (losses) of credit assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains(losses) from disposal of assets	(65,199,120.58)	-	-	-	(2,065,741.85)	-	-	-	-	-	-	-	(3,006,065.40)	-
Operating profit	3,436,902,987.09	3,401,646,659.64	-	9,849,396.62	583,038,430.62	631,097,314.98	146,364,435.28	146,383,653.11	-	-	-	-	602,304,624.81	565,040,854.15
Non-operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total profit	3,436,902,987.09	3,401,646,659.64	-	9,849,396.62	583,038,430.62	631,097,314.98	146,364,435.28	146,383,653.11	-	-	-	-	602,304,624.81	565,040,854.15
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit	3,436,902,987.09	3,401,646,659.64	-	9,849,396.62	583,038,430.62	631,097,314.98	146,364,435.28	146,383,653.11	-	-	-	-	602,304,624.81	565,040,854.15
Total segment assets	10,246,479,106.80	10,840,577,287.54	-	-	1,087,880,522.90	1,145,788,474.00	1,816,728,567.87	1,925,378,104.64	2,962,772,539.74	2,630,887,757.16	2,340,293,304.01	2,316,770,250.94	5,273,673,911.14	5,667,292,931.08
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary information:														
Depreciation and amortization	705,243,114.96	663,282,659.74	-	-	252,936,871.20	134,004,634.16	-	111,661,660.04	-	-	-	-	414,223,607.33	399,267,389.26
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment income from long-term equity investment under equity method	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	10,246,479,106.80	10,840,577,287.54	-	-	1,087,880,522.90	1,145,788,474.00	1,816,728,567.87	1,925,378,104.64	2,962,772,539.74	2,630,887,757.16	2,340,293,304.01	2,316,770,250.94	5,273,673,911.14	5,667,292,931.08
Capital expenditure	277,121,709.24	95,923,222.68	-	-	152,255,854.17	60,008,826.77	-	-	838,411,723.93	572,417,707.33	573,579,200.29	337,897,944.12	52,522,856.75	62,766,328.83
Including: Expenditure arising from construction in progress	262,336,721.65	73,576,006.28	-	-	134,103,707.20	36,501,265.93	-	-	838,411,723.93	572,417,707.33	573,579,200.29	337,897,944.12	42,971,204.86	55,746,301.15
Expenditure arising from purchase of fixed assets	14,784,987.59	22,347,216.40	-	-	17,881,956.97	22,641,881.34	-	-	-	-	-	-	9,551,651.89	7,020,027.68
Expenditure arising from purchase of intangible asset	-	-	-	-	270,190.00	865,678.50	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

5. Segment reporting (Continued)

(2) Financial information of reporting segment (Continued)

Unit: RMB

	Zhendan Expressway		Wufengshan Bridge		Wufengshan Bridge		Ancillary services	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
Segment operating income	76,560,202.02	13,707,737.66	-	-	-	-	1,347,754,062.96	1,441,955,572.96
Operating costs	52,662,589.69	19,353,450.85	-	-	-	-	1,242,077,560.33	1,361,765,776.44
Including: Amortization of toll roads operation rights	35,885,492.76	7,303,602.00	-	-	-	-	-	-
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	881,212,422.91	1,005,885,794.46
Segment operating profit (loss)	23,897,612.33	(5,645,713.19)	-	-	-	-	105,676,502.63	80,189,796.52
Reconciling items:	-	-	-	-	-	-	-	-
Less: Taxes and levies	275,616.73	49,347.86	-	-	-	-	33,881,659.48	34,226,745.25
Selling expenses	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-
Add: Other income	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Gains or losses from changes in fair values	-	-	-	-	-	-	-	-
Impairment reversals (losses) of credit	-	-	-	-	-	-	-	-
Impairment loss of assets	-	-	-	-	-	-	-	-
Gains (losses) from disposal of assets	-	-	-	-	-	-	-	-
Operating profit	23,621,995.60	(5,695,061.05)	-	-	-	-	71,794,843.15	45,963,051.27
Non-operating income	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-
Total profit	23,621,995.60	(5,695,061.05)	-	-	-	-	71,794,843.15	45,963,051.27
Income tax expenses	-	-	-	-	-	-	-	-
Net profit	23,621,995.60	(5,695,061.05)	-	-	-	-	71,794,843.15	45,963,051.27
Total segment assets	1,540,003,035.38	1,736,755,559.25	9,228,360,377.16	6,611,547,034.04	427,246,516.11	-	377,244,975.33	315,131,021.88
Total segment liabilities	-	-	-	-	-	-	-	-
Supplementary information:								
Depreciation and amortization	47,794,653.49	10,148,933.50	-	-	-	-	54,724,546.76	49,760,949.16
Interest income	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-
Investment income from long-term equity investment under equity method	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	1,540,003,035.38	1,736,755,559.25	9,228,360,377.16	6,611,547,034.04	427,246,516.11	-	377,244,975.33	315,131,021.88
Capital expenditure	14,147,515.01	459,133,159.67	2,530,709,929.70	1,935,131,503.80	371,077,085.89	-	42,152,237.45	17,634,128.39
Including: Expenditure arising from construction in progress	11,557,592.54	453,844,120.05	2,530,709,929.70	1,935,131,503.80	371,077,085.89	-	37,188,282.12	11,639,851.85
Expenditure arising from purchase of fixed assets	2,589,922.47	5,289,039.62	-	-	-	-	4,963,955.33	5,994,276.54
Expenditure arising from purchase of intangible asset	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

5. Segment reporting (Continued)

(2) Financial information of reporting segment (Continued)

Unit: RMB

	Real estate development		Advertising and others		Unallocated items		Total	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
Segment operating income	825,216,616.96	1,004,453,760.97	72,135,066.68	62,116,013.54	-	-	10,078,181,218.81	9,969,011,165.19
Operating costs	432,465,133.96	573,087,119.86	25,204,780.96	25,446,890.62	-	-	4,576,009,544.69	4,574,394,775.24
Including: Amortization of toll roads operation rights	-	-	-	-	-	-	1,274,234,633.53	1,185,868,451.31
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	881,212,422.91	1,005,885,794.46
Segment operating profit (loss)	392,751,483.00	431,366,641.11	46,930,285.72	36,669,122.92	-	-	5,502,171,674.12	5,394,616,389.95
Reconciling items:								
Less: Taxes and levies	62,690,810.14	105,737,467.12	2,219,195.94	2,155,579.17	-	-	126,990,737.26	168,977,540.49
Selling expenses	35,281,256.47	37,043,903.91	690,540.81	696,536.84	-	-	35,971,797.28	37,740,440.75
Administrative expenses	-	-	-	-	154,300,332.18	138,589,106.72	227,595,890.11	211,774,235.71
Financial expenses	-	-	-	-	464,164,014.33	524,560,684.26	464,164,014.33	524,560,684.26
Add: Other income	23,022.66	-	-	-	50,287.77	-	7,257,958.52	1,974,865.99
Investment income	-	-	-	-	886,313,895.55	1,056,795,788.01	886,313,895.55	1,056,795,788.01
Gains or losses from changes in fair values	-	-	-	-	71,295,344.11	158,299,349.44	71,295,344.11	158,299,349.44
Impairment reversals (losses) of credit	-	-	-	-	(96,972.99)	(33,670.02)	(96,972.99)	(33,670.02)
Impairment loss of assets	-	-	-	-	-	-	-	-
Gains(losses) from disposal of assets	135.92	-	-	-	18,745.59	(7,661,280.27)	(70,252,066.32)	(7,661,280.27)
Operating profit	294,802,574.97	288,585,270.08	44,020,548.97	33,817,006.91	339,116,953.52	544,250,396.18	5,541,967,394.01	5,660,938,541.89
Non-operating income	-	-	-	-	32,336,183.87	21,943,624.11	32,336,183.87	21,943,624.11
Non-operating expenses	-	-	-	-	52,532,595.64	30,241,722.55	52,532,595.64	30,241,722.55
Total profit	294,802,574.97	288,585,270.08	44,020,548.97	33,817,006.91	318,920,541.75	535,952,297.74	5,521,770,982.24	5,652,640,443.45
Income tax expenses	-	-	-	-	1,221,286,273.27	1,176,929,505.77	1,221,286,273.27	1,176,929,505.77
Net profit	294,802,574.97	288,585,270.08	44,020,548.97	33,817,006.91	(902,365,731.52)	(640,977,208.03)	4,300,484,708.97	4,475,710,937.68
Total segment assets	4,417,920,934.76	3,053,456,897.44	1,833,345,563.53	1,236,712,882.18	14,073,099,270.02	10,682,430,632.00	55,625,048,624.75	48,162,728,832.15
Total segment liabilities	-	-	-	-	22,942,211,489.26	18,808,871,890.93	22,942,211,489.26	18,808,871,890.93
Supplementary information:								
Depreciation and amortization	585,600.49	326,450.16	7,083,882.76	6,337,333.98	87,927,476.14	90,506,937.73	1,570,521,753.13	1,465,296,947.73
Interest income	-	-	-	-	9,466,560.13	8,735,205.12	9,466,560.13	8,735,205.12
Interest expenses	-	-	-	-	462,160,618.94	499,232,330.00	462,160,618.94	499,232,330.00
Investment income from long-term equity investment under equity method	-	-	-	-	649,050,248.68	575,193,240.34	649,050,248.68	575,193,240.34
Non-current assets other than long-term equity investments	96,184,864.16	59,150,251.52	1,639,329,155.39	1,153,625,294.26	5,622,962,923.32	2,158,336,447.45	42,659,159,799.31	36,561,240,413.76
Capital expenditure	1,542,230.75	906,109.32	1,351,389.01	3,340,289.11	28,941,505.33	-	4,883,813,237.52	3,545,159,220.02
Including: Expenditure arising from construction in progress	1,141,504.82	636,713.71	1,316,037.72	3,295,247.84	28,941,505.33	-	4,833,334,496.05	3,480,686,662.06
Expenditure arising from purchase of fixed assets	400,725.93	269,395.61	35,351.29	45,041.27	-	-	50,208,551.47	63,606,878.46
Expenditure arising from purchase of intangible asset	-	-	-	-	-	-	270,190.00	865,679.50

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

5. Segment reporting (Continued)

(2) Financial information of reporting segment (Continued)

Segment profit represents the gross profit earned by each segment without allocation of finance costs, investment income, profit or loss from changes in fair value and administrative expenses. This is the measure reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performances and allocating resources between segments, assets are allocated to segments other than long-term equity investment, held-for-trading financial assets and cash and bank balances etc., Segment liabilities are not allocated to segments for the Group's decision-maker has not consider liabilities of each segment when making decisions.

(3) External revenue by geographical area of source and non-current assets by geographical location

All income and assets of the Group are from/located in Jiangsu Province.

(4) Degree of reliance on major customers

The principle activities are toll roads operation and ancillary services along toll roads etc., therefore, there is no reliance on specific customers.

6. Capital risk management

The Group operates through the management of capital operations to ensure the going-concern of the entities of the group, and to maximize the return on investment by optimizing the balance between debt and equity.

The capital structure of the Group consists of net liabilities (borrowings offset cash and cash equivalents) as well as equity held by the Group's shareholders. The borrowings part of net liabilities is disclosed in Note VI 20, 27, 28, 29 and 30. Rights enjoyed by the shareholders of the Company includes capital reserve, other comprehensive income, surplus reserves, general risk reserve and retained profits disclosed in Note VI 34, 35, 36, 37 and 38 for disclosure.

The directors of the Company review the capital structure of the Group regularly, especially each capital cost and the corresponding risk. According to shareholder's proposal, the Group balances the capital structure through dividends, the issue of new bonds and repayment of existing debt.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Cash and bank balances

Unit: RMB

Item	31 December 2019			31 December 2018		
	Foreign currency	Exchange rate	Amount in RMB	Foreign currency	Exchange rate	Amount in RMB
Cash:						
RMB			108,886.37			104,748.17
Bank balances:						
RMB			69,428,540.12			83,550,497.21
HKD	840,163.83	0.8958	752,601.96	839,214.05	0.8763	735,374.17
Other monetary funds:						
RMB			2,703,204.52			16,540,774.50
Total	840,163.83		72,993,232.97	839,214.05		100,931,394.05

2. Held-for-trading financial assets

Unit: RMB

Item	31 December 2019	31 December 2018
Held-for-trading financial assets	370,000,000.00	193,000,000.00
Including: Financial products	370,000,000.00	193,000,000.00
Total	370,000,000.00	193,000,000.00

3. Accounts receivable

(1) Disclosure of accounts receivable by aging

Unit: RMB

Aging	31 December 2019			Book value
	Amount	Proportion (%)	Provision for credit impairment	
Within one year	153,781,774.81	96.81	155,150.24	153,626,624.57
1-2 years	5,067,046.99	3.19	-	5,067,046.99
Total	158,848,821.80	100.00	155,150.24	158,693,671.56

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(2) Disclosed according to the classification of bad debt provision method:

Unit: RMB

Category	31 December 2019				Book value
	Amount	Proportion (%)	Provision for credit impairment	Proportion (%)	
All accounts receivable formed by transactions regulated by standards for revenue	105,865,778.68	66.65	155,150.24	100.00	105,710,628.44
Lease receivable	52,983,043.12	33.35	-	-	52,983,043.12
Total	158,848,821.80	100.00	155,150.24	100.00	158,693,671.56

Category	31 December 2018				Book value
	Amount	Proportion (%)	Provision for credit impairment	Proportion (%)	
All accounts receivable formed by transactions regulated by standards for revenue	218,518,169.01	100.00	165,066.02	100.00	218,353,102.99
Total	218,518,169.01	100.00	165,066.02	100.00	218,353,102.99

(3) Analysis of provision for credit impairment:

Unit: RMB

Provision for credit impairment	Lifetime expected credit loss (not credit-impaired)	Total
Balance at 1 January 2019	165,066.02	165,066.02
Reversals for the year	(9,915.78)	(9,915.78)
Balance at 31 December 2019	155,150.24	155,150.24

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(4) Top five entities with the largest balances of accounts receivable

Unit: RMB

Name of entity	Amount	Provision for credit impairment	Proportion of total accounts receivable (%)
Jiangsu Expressway Network Operation and Management Co., Ltd.	72,711,557.62	–	45.77
Jiaxing City Kaitong Investment Co., Ltd.	34,233,046.56	–	21.55
Jiangsu Zhendan Expressway Co., Ltd.	16,736,781.44	–	10.54
Dinuo Fangmaoshan Business Management Co., Ltd.	13,150,478.56	–	8.28
Nanjing Baisheng Business Management Co., Ltd	5,599,518.00	–	3.53
Total	142,431,382.18	–	89.67

4. Prepayments

(1) The aging analysis of prepayments is as follows:

Unit: RMB

Aging	31 December 2019		31 December 2018	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	2,233,926.81	37.33	7,017,029.17	81.61
More than 1 year but not exceeding 2 years	3,749,794.80	62.67	1,581,064.50	18.39
Total	5,983,721.61	100.00	8,598,093.67	100.00

(2) Top five entities with the largest balances of prepayments

Unit: RMB

Name of entity	Amount	Proportion of total prepayments (%)
Jiangsu Expressway Information Engineering Co., Ltd.	3,250,000.00	54.31
Suzhou Electric Co., Ltd. (Yangcheng Lake Service Area)	743,239.06	12.42
Jiangsu Construction Engineering Co.,Ltd	720,000.00	12.03
Jiangsu Wuxi Electric Co., Ltd.	508,820.41	8.50
China Continent Property & Casualty Insurance Co.,Ltd Nanjing Central Branch	300,000.00	5.01
Total	5,522,059.47	92.27

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables

Unit: RMB

Item	Note	31 December 2019	31 December 2018
Dividends receivable	(1)	4,989,960.00	4,989,960.00
Others	(2)	8,192,904.41	8,741,125.53
Total		13,182,864.41	13,731,085.53

(1) Dividends receivable

Unit: RMB

Item	31 December 2019	31 December 2018
Kuailu Co., Ltd.	4,989,960.00	4,989,960.00

(2) Other receivables – others

<1> Disclosure of other receivables by aging

Unit: RMB

Aging	31 December 2019			Book value
	Amount	Proportion (%)	Provision for credit impairment	
Within 1 year	2,044,627.52	8.49	28,362.40	2,016,265.12
More than 1 year but not exceeding 2 years	6,160,029.98	25.57	51,002.60	6,109,027.38
More than 3 years	15,881,131.76	65.94	15,813,519.85	67,611.91
Total	24,085,789.26	100.00	15,892,884.85	8,192,904.41

<2> Disclosure of other receivables by nature:

Unit: RMB

Nature	31 December 2019	31 December 2018
Amounts of investment clearance	15,812,140.02	15,812,140.02
Petty cash	4,101,224.53	4,089,015.94
Other insignificant amounts	4,172,424.71	4,731,157.61
Total	24,085,789.26	24,632,313.57

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

(2) Other receivables – others (Continued)

<3> Analysis of provision for credit impairment:

Unit: RMB

Provision for credit impairment	Stage I 12-month expected credit loss	Stage III Lifetime expected credit loss (credit-impaired)	Total
Balance at 1 January 2019	79,047.92	15,812,140.02	15,891,187.94
Provisions for the year	1,696.91	–	1,696.91
Balance at 31 December 2019	80,744.83	15,812,140.02	15,892,884.85

<4> Top five entities with the largest balances of other receivables:

Unit: RMB

Name of entity	Nature of other receivables	31 December 2019	Aging	Proportion of the amount to total other receivables (%)	31 December 2019 (Provision for credit impairment)
Jinasu Yixing Highway Administration Department	Amount of investment clearance	15,812,140.02	Over 3 years	65.65	15,812,140.02
China Ping An Property Insurance Co., Ltd.	Other	86,177.00	Within 1 year	0.36	1,723.54
Jiangsu Zhengxin Construction Technology Development Co., Ltd.	Advances	67,421.73	Within 1 year	0.28	1,348.43
Shenzhen Ruijin Industrial Co., Ltd.	Other	55,852.56	Within 1 year	0.23	1,117.05
Jiangsu Jurong Electric Co., Ltd.	Other	55,000.00	Over 3 years	0.23	1,100.00
Total		16,076,591.31		66.75	15,817,429.04

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Inventories

Categories of inventories

Unit: RMB

Item	31 December 2019			31 December 2018		
	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount
Spare parts for repair and maintenance	6,147,463.57	-	6,147,463.57	6,449,903.26	-	6,449,903.26
Petrol	6,814,398.54	-	6,814,398.54	4,855,100.93	-	4,855,100.93
Total	12,961,862.11	-	12,961,862.11	11,305,004.19	-	11,305,004.19

7. Other current assets

Unit: RMB

Item	31 December 2019	31 December 2018
Loans to related parties (Note)	372,298,904.00	7,000,000.00
Enterprise income tax in advance	30,931,773.44	-
Others	1,753,306.98	-
Interest receivable	14,620.83	9,304.17
Total	404,998,605.25	7,009,304.17

Note: At the end of the year, the loans to related parties were those short-term financing bonds allocated by the Company to Zhendan Company, a subsidiary of the Company.

8. Investments in other equity instruments

(1) Details of investments in other equity instruments are as follows

Item	31 December 2019			31 December 2018		
	Gross carrying amount	Impairment provision	Net carrying amount	Gross carrying amount	Impairment provision	Net carrying amount
Investments in other equity instruments Measured at fair value	4,188,311,013.24	-	4,188,311,013.24	1,933,153,679.55	-	1,933,153,679.55
Total	4,188,311,013.24	-	4,188,311,013.24	1,933,153,679.55	-	1,933,153,679.55

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

8. Investments in other equity instruments (Continued)

(2) Analysis of non-tradable investments in other equity instruments:

Unit: RMB

Item	Dividend income recognized in the current period	Cumulative gains	Reasons for designated as FVTOCI
Listed companies			
Bank of Jiangsu	159,177,968.64	588,425,343.89	Non-tradable equity instrument investment
Total	159,177,968.64	588,425,343.89	

Note: Details of the item of non-tradable equity instrument investment are set out in Note VI. 9.

9 Long-term equity investments

Unit: RMB

Item	31 December 2019			31 December 2018		
	Gross carrying amount	Provision for impairment	Net carrying amount	Gross carrying amount	Provision for impairment	Net carrying amount
Investments in subsidiaries	12,981,816,684.47	-	12,981,816,684.47	10,949,363,514.47	-	10,949,363,514.47
Investments in associates	4,455,346,214.15	-	4,455,346,214.15	3,341,580,779.63	-	3,341,580,779.63
Total	17,437,162,898.62	-	17,437,162,898.62	14,290,944,294.10	-	14,290,944,294.10

(1) Investments in subsidiaries

Unit: RMB

Investee	31 December 2018		31 December 2019	Provision for impairment	Cash dividend for the year
	2018	Changes in the year			
Subsidiaries					
Guangjing Xicheng Company	2,125,000,000.00	-	2,125,000,000.00	-	-
Ningchang Zhenli Company	5,029,236,884.47	-	5,029,236,884.47	-	-
Ninghu Properties	500,000,000.00	-	500,000,000.00	-	-
Ninghu Investment	800,100,000.00	488,000,000.00	1,288,100,000.00	-	-
Zhendan Company	423,910,000.00	-	423,910,000.00	-	-
Wufengshan Bridge	1,886,616,830.00	1,226,363,170.00	3,112,980,000.00	-	-
Nanjing Hanwei Real Estate Development Co., Ltd.	184,499,800.00	-	184,499,800.00	-	-
Jiangsu Longtan Bridge Co.,Ltd	-	268,090,000.00	268,090,000.00	-	-
Jiangsu Yangtze River Expressway Management Co., Ltd	-	50,000,000.00	50,000,000.00	-	-
Total	10,949,363,514.47	2,032,453,170.00	12,981,816,684.47	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9 Long-term equity investments (Continued)

(2) Investments in joint ventures or associates

Unit: RMB

Investee	1 January 2019	Changes in the current year							31 December 2019	31 December 2019 (provision for impairment)	
		Increase	Decrease	Investment income under the equity method	Adjustment of other comprehensive income	Other changes in equity	Declaration of cash dividends or profits	Provision for impairment losses			Others
Associates											
Kuailu Co., Ltd.	57,348,841.94	-	-	(1,978,644.09)	-	-	-	-	-	55,370,197.85	-
Yangtze Bridge Company	1,509,241,381.90	-	-	205,467,567.10	54,156,057.60	-	(68,380,279.20)	-	-	1,700,484,727.40	-
Suzhou Expressway Management (Note VI. 11)	1,311,886,135.31	-	-	214,443,333.30	-	73,524,949.37	(47,353,500.00)	-	402,644,325.63	1,955,145,243.61	-
Suijiaotong Company (Note VI. 11)	407,830,720.96	-	-	(5,186,395.33)	-	-	-	-	(402,644,325.63)	-	-
Xiexin Ninghu Company	11,360,140.69	-	-	(578,160.15)	-	-	-	-	-	10,781,980.54	-
Xiandai R&B Company	15,050,049.76	-	-	9,345,989.93	-	-	-	-	-	24,396,039.69	-
Network Operation Company	6,383,686.79	-	-	3,425,892.90	-	-	-	-	-	9,809,579.69	-
Media Company	22,479,822.28	36,000,000.00	-	4,007,609.39	-	-	-	-	-	62,487,431.67	-
Group Finance Company	-	625,000,215.23	-	11,870,798.47	-	-	-	-	-	636,871,013.70	-
Total	3,341,580,779.63	661,000,215.23	-	440,817,991.52	54,156,057.60	73,524,949.37	(115,733,779.20)	-	-	4,455,346,214.15	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

10. Fixed assets

(1) Details of fixed assets are as follows

Unit: RMB

Item	Buildings	Safety equipment	Communication and surveillance equipment	Toll and ancillary equipment	Machinery and equipment	Electronic equipment	Motor vehicles	Furniture and others	Total
I. Total original carrying amount									
1. 31 December 2018	932,086,046.29	421,823,610.05	319,800,021.81	285,576,643.09	338,323,725.06	37,212,362.56	35,948,039.94	8,661,862.29	2,379,432,311.09
2. Increase in the current year	32,556,605.17	11,464,405.02	1,594,220.06	154,315,227.12	37,650,305.34	5,068,256.13	234,207.54	1,895,972.07	244,779,198.45
(1) Purchase	347,023.40	455,070.81	612,976.07	325,396.36	10,814,020.54	5,064,276.13	234,207.54	1,895,972.07	19,748,942.92
(2) Transferred from construction in progress	32,209,581.77	10,692,001.42	-	153,982,283.76	20,537,177.64	-	-	-	217,421,044.59
(3) Reclassification	-	317,332.79	981,243.99	7,547.00	6,299,107.16	3,980.00	-	-	7,609,210.94
3. Decrease in the current year	56,910,245.03	785,307.78	127,142,105.51	129,562,644.67	63,579,073.42	6,332,403.84	1,152,987.30	587,867.03	386,052,634.58
(1) Disposal or retirement	49,490,088.88	785,307.78	127,134,568.51	129,504,528.31	63,579,073.42	6,245,914.07	1,121,051.04	582,901.63	378,443,423.64
(2) Reclassification	7,420,156.15	-	7,547.00	58,116.36	-	86,489.77	31,936.26	4,965.40	7,609,210.94
4. 31 December 2019	907,732,406.43	432,502,707.29	194,252,136.36	310,329,225.54	312,394,956.98	35,948,214.85	35,029,260.18	9,969,967.33	2,238,158,874.96
II. Total accumulated depreciation									
1. 31 December 2018	375,368,772.44	352,905,768.88	215,825,915.73	185,593,630.06	242,513,173.63	26,260,948.01	26,656,256.03	5,644,189.88	1,430,768,654.66
2. Increase in the current year	36,715,865.45	10,688,104.88	22,422,330.22	21,217,145.68	17,737,433.47	4,068,178.42	2,987,956.73	1,002,580.07	116,839,594.92
(1) Amount accrued	36,715,865.45	10,644,997.28	22,295,747.59	21,214,400.39	16,886,033.77	4,063,983.62	2,987,956.73	1,002,580.07	115,811,564.90
(2) Reclassification	-	43,107.60	126,582.63	2,745.29	851,399.70	4,194.80	-	-	1,028,030.02
3. Decrease in the current year	26,126,025.92	534,308.91	116,474,005.96	110,827,656.69	58,757,184.12	5,469,157.18	1,098,382.70	542,029.13	319,828,750.61
(1) Disposal or retirement	25,117,063.07	534,308.91	116,471,260.67	110,815,529.61	58,757,184.12	5,469,157.18	1,098,067.90	538,149.13	318,800,720.59
(2) Reclassification	1,008,962.85	-	2,745.29	12,127.08	-	-	314.80	3,880.00	1,028,030.02
3. 31 December 2019	385,958,611.97	363,059,564.85	121,774,239.99	95,983,119.05	201,493,422.98	24,859,969.25	28,545,830.06	6,104,740.82	1,227,779,498.97
IV. Total net book value of fixed assets									
1. 31 December 2019	521,773,794.46	69,443,142.44	72,477,896.37	214,346,106.49	110,901,534.00	11,088,245.60	6,483,430.12	3,865,226.51	1,010,379,375.99
2. 31 December 2018	556,717,273.85	68,917,841.17	103,974,106.08	99,983,013.03	95,810,551.43	10,951,414.55	9,291,783.91	3,017,672.41	948,663,656.43

(2) Fixed assets leased out under operating leases

Unit: RMB

Item	31 December 2019	31 December 2018
Buildings	89,377,235.82	110,449,709.63

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

10. Fixed assets (Continued)

(3) Fixed assets of which certificates of title have not been obtained

Unit: RMB

Item	Amount	Reasons for not obtained certificates
Shanghai-Nanjing Expressway Lujia toll station	5,855,766.20	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Kunshan toll station	5,634,804.36	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Huaqiao toll station	7,151,806.34	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Xuejia toll station	7,383,127.24	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Suzhou management offices and maintenance center building	25,750,887.77	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Changzhou Luoshuwan buildings	3,138,888.05	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Changzhou roll station and maintenance center building	2,209,798.57	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Changzhou ETC customer service branch buildings	772,647.74	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Jingfa Service zone office buildings	39,677,997.16	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway South Network Centre and project management center houses	16,161,882.49	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Buildings in Wuxi management areas and Xidong toll station	41,543,141.96	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Wuxi airport toll station	3,766,458.72	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Heyang roll station	6,776,901.78	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Zhenjiang toll station	7,960,257.69	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Danyang toll station	1,072,647.75	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Living buildings of Ningzhen management areas	10,054,584.73	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Nanjing toll station	9,357,512.41	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Tangshan toll station	4,661,307.56	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Danyang toll station	10,594,080.45	Incorporated into communication facilities and cannot obtain certification at present.
Shanghai-Nanjing Expressway Jurong toll station	5,070,695.26	Incorporated into communication facilities and cannot obtain certification at present.
Total	214,595,194.23	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

11. Construction in progress

(1) Details of construction in progress are as follows

Unit: RMB

Item	31 December 2019			31 December 2018		
	Carrying amount	Provision for impairment losses	Net carrying amount	Carrying amount	Provision for impairment losses	Net carrying amount
Construction Project of acoustic barrier	3,078,624.89	-	3,078,624.89	4,076,093.84	-	4,076,093.84
Information project	6,762,306.43	-	6,762,306.43	3,816,141.43	-	3,816,141.43
Housing projects of toll stations and service zones	37,464,739.93	-	37,464,739.93	19,205,293.80	-	19,205,293.80
Lighting system construction project	2,118,630.30	-	2,118,630.30	1,961,030.30	-	1,961,030.30
Three big system construction project	24,200,760.88	-	24,200,760.88	8,069,204.00	-	8,069,204.00
Others	4,485,807.52	-	4,485,807.52	13,376,088.83	-	13,376,088.83
Total	78,110,869.95	-	78,110,869.95	50,503,852.20	-	50,503,852.20

(2) Changes in significant construction in progress

Unit: RMB

Project	Budget amount	31 December 2018	Increase in current year	Transfer to fixed assets	Transfer to intangible assets	31 December 2019	Amount injected as a proportion of budget amount (%)	Construction progress	Source of funds
Housing projects of Toll stations and service zones	117,186,270.36	19,205,293.80	52,375,216.49	34,115,770.36	-	37,464,739.93	61.08	In progress	Own funds
Lighting system construction project	3,710,000.00	1,961,030.30	157,600.00	-	-	2,118,630.30	57.11	In progress	Own funds
Three big system construction project	31,410,604.93	8,069,204.00	16,131,556.88	-	-	24,200,760.88	77.05	In progress	Own funds
Renovation project of removal of Shanghai Nanjing provincial boundary toll station	153,982,283.76	-	153,982,283.76	153,982,283.76	-	-	100.00	Completed	Own funds
Information project	7,079,900.00	3,816,141.43	2,946,165.00	-	-	6,762,306.43	95.51	In progress	Own funds
Construction Project of acoustic barrier	14,842,947.38	4,076,093.84	7,345,478.43	8,342,947.38	-	3,078,624.89	76.95	In progress	Own funds
Others	96,238,640.18	13,376,088.83	57,348,358.87	20,980,043.09	45,258,597.09	4,485,807.52	73.49	In progress	Own funds
Total		50,503,852.20	290,286,659.43	217,421,044.59	45,258,597.09	78,110,869.95			

(3) The Company did not note any indicators of impairment; therefore, there is no provision for impairment losses for construction in progress.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

12. Intangible assets

Unit: RMB

Item	Toll road operation rights	Land use rights	Software	Total
I. Total original carrying amount				
1. 31 December 2018	17,049,113,098.86	1,725,422,592.87	51,848,864.95	18,826,384,556.68
2. Increase in the current year	45,258,597.09	-	-	45,258,597.09
(1) Transferred from construction in progress	45,258,597.09	-	-	45,258,597.09
3. Decrease in the current year	448,200,000.00	-	-	448,200,000.00
4. 31 December 2019	16,646,171,695.95	1,725,422,592.87	51,848,864.95	18,423,443,153.77
II. Total accumulated amortization				
1. 31 December 2018	7,283,478,364.07	1,208,439,510.37	29,563,627.18	8,521,481,501.62
2. Increase in the current year	613,821,368.03	63,861,062.64	10,348,663.09	688,031,093.76
(1) Amortization accrued	613,821,368.03	63,861,062.64	10,348,663.09	688,031,093.76
3. Decrease in the current year	180,462,476.03	-	-	180,462,476.03
4. 31 December 2019	7,716,837,256.07	1,272,300,573.01	39,912,290.27	9,029,050,119.35
III. Total provision for impairment losses				
1. 31 December 2018	217,737,523.97	-	-	217,737,523.97
2. Decrease in the current year	217,737,523.97	-	-	217,737,523.97
3. 31 December 2019	-	-	-	-
IV. Total net book value of intangible assets				
31 December 2019	8,929,334,439.88	453,122,019.86	11,936,574.68	9,394,393,034.42
31 December 2018	9,547,897,210.82	516,983,082.50	22,285,237.77	10,087,165,531.09

13. Long-term prepaid expenses

Unit: RMB

Item	31 December 2018	Increase in the current year	Amortization in the current year	31 December 2019
Decorations for buildings	-	8,490,565.82	2,830,188.60	5,660,377.22

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

14. Deferred tax assets/Deferred tax liabilities

(1) Deferred tax assets that are not offset

Unit: RMB

Item	31 December 2019		31 December 2018	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment losses of assets	16,048,035.09	4,012,008.77	233,793,777.93	58,448,444.48
Provisions	-	-	461,700.00	115,425.00
Difference between service zone lease income recognized under tax policies and that under accounting policies	-	-	19,379,059.68	4,844,764.92
Total	16,048,035.09	4,012,008.77	253,634,537.61	63,408,634.40

(2) Deferred tax liabilities that are not offset

Unit: RMB

Item	31 December 2019		31 December 2018	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair values for other equity instruments investment	588,425,343.89	147,106,335.97	73,153,679.55	18,288,419.89
Difference between tax policies and that under accounting policies for service zone lease income	4,424,387.27	1,106,096.82	-	-
Total	592,849,731.16	148,212,432.79	73,153,679.55	18,288,419.89

(3) Net amount of deferred tax assets or liabilities after offset

Unit: RMB

Item	Closing offset amount of deferred tax assets and deferred tax liabilities	Closing amount of deferred tax assets or liabilities after offset	Opening offset amount of deferred tax assets and deferred tax liabilities	Opening amount of deferred tax assets or liabilities after offset
Deferred tax assets	4,012,008.77	-	18,288,419.89	45,120,214.51
Deferred tax liabilities	4,012,008.77	144,200,424.02	18,288,419.89	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15. Other non-current assets

Unit: RMB

Item	31 December 2019	31 December 2018
Entrusted loan (Note 1)	1,286,000,000.00	1,990,000,000.00
Loans to related parties (Note 2)	600,124,083.58	600,211,760.01
Apartment procurement for talents	14,955,570.00	14,207,791.50
Interest receivable	30,284,152.78	30,580,763.90
Less : Interest receivable due within one year	30,284,152.78	30,580,763.90
Total	1,901,079,653.58	2,604,419,551.51

Other explanations:

Note 1: The entrusted loans at year end are the loans to Ninghu Properties, a subsidiary of the Company, provided by the Company through China Merchants Bank (Nanjing Branch), Shanghai Pudong Development Bank (Nanjing Branch) and China CITIC Bank (Nanjing Branch) with annual interest rates of 4.75%, 4.75% and 5.0% respectively. The entrusted loan to Hanwei Company, a subsidiary of the Company, is the loan provided by the Company through Shanghai Pudong Development Bank (Nanjing Branch) with annual interest rates of 4.75%.

Note 2: Loans to related parties represent the five-year medium term note "15 Ninghu Gao MTN2" issued by the Company on 3 December 2015, through which an amount of RMB600,365,258.83 has been allocated to Guangjing Xicheng Company, a subsidiary of the Company with an annual interest rate of 3.69%.

16. Short-term borrowings

(1) Categories of short-term borrowings:

Unit: RMB

Item	31 December 2019	31 December 2018
Bank loans	660,000,000.00	630,000,000.00
Including: Unsecured loans	600,000,000.00	570,000,000.00
Entrusted loans (Note 1)	60,000,000.00	60,000,000.00
Non-bank financial institution loans	1,360,000,000.00	1,060,000,000.00
Including: Unsecured loans	300,000,000.00	500,000,000.00
Entrusted loans (Note 2)	1,060,000,000.00	560,000,000.00
Interest payable	2,320,888.89	2,008,770.34
Total	2,022,320,888.89	1,692,008,770.34

Note 1: Entrusted bank loans are provided by Jiangsu Far East Shipping Co., Ltd. ("Far East Shipping Company") through CITIC bank on 23 July 2019. The principal of the loan is RMB60,000,000.00 with a term of 1 year at annual interest rate of 4.35%. The balance for the current period is RMB60,000,000.00.

Note 2: Entrusted loans from non-bank financial institution are borrowings from Ningchang Zhenli Company and Yichang Company through Group Finance Company. The balance of the borrowing from Ningchang Zhenli Company for the year is RMB810,000,000.00 at an interest rate of 3.5% and will fall due within 1 year. The balance of borrowing from Yichang Company for the year is RMB250,000,000.00. This amount was borrowed on 16 July 2019 at an interest rate of 4.35% and will fall due within 1 year.

(2) There is no short-term borrowing which has been due but not yet repaid.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

17. Accounts payable

(1) Details of accounts payable are as follows:

Unit: RMB

Item	31 December 2019	31 December 2018
Construction payable	519,176,660.00	364,562,087.50
Toll road fee payable	19,781,256.00	30,561,709.00
Purchase of petroleum payable	7,591,687.90	11,980,779.34
Deposit payable for rent	–	58,930,660.50
Others	43,042,116.63	25,844,998.20
Total	589,591,720.53	491,880,234.54

(2) The aging analysis of accounts payable according to invoice date (close to posting date):

Unit: RMB

Item	31 December 2019	31 December 2018
Within 1 year	510,867,005.52	357,947,010.50
More than 1 year but not exceeding 2 years	47,340,281.78	89,326,814.23
More than 2 years but not exceeding 3 years	5,493,512.06	20,856,975.27
More than 3 years	25,890,921.17	23,749,434.54
Total	589,591,720.53	491,880,234.54

(3) Significant accounts payable aging more than one year as at 31 December 2019:

Unit: RMB

Item	31 December 2019	Reasons for outstanding or not carrying forward
Construction payable	50,855,371.40	Long settlement procedure of the project
Total	50,855,371.40	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

18. Employee benefits payable

(1) Employee benefits payable are shown as follows

Unit: RMB

Item	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
1. Short term compensation	2,242,393.12	569,677,520.55	570,896,160.39	1,023,753.28
2. Post-employment benefits – Defined contribution plan	–	97,520,121.56	97,520,121.56	–
3. Termination benefits	–	156,873.00	156,873.00	–
Total	2,242,393.12	667,354,515.11	668,573,154.95	1,023,753.28

(2) Short-term compensation

Unit: RMB

Item	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
I. Wages or salaries, bonuses, allowances and subsidies	285,257.45	422,985,576.46	423,270,833.91	–
II. Staff welfare	–	6,881,954.77	6,881,954.77	–
III. Social security contributions	–	55,813,616.85	55,813,616.85	–
Including: Medical insurance	–	51,972,397.63	51,972,397.63	–
Work injury insurance	–	1,122,203.76	1,122,203.76	–
Maternity insurance	–	2,719,015.46	2,719,015.46	–
IV. Housing funds	–	44,459,520.00	44,459,520.00	–
V. Union running costs and employee education costs	1,957,135.67	12,947,020.35	13,880,402.74	1,023,753.28
VI. Non-monetary welfare	–	21,522,815.88	21,522,815.88	–
VII. Others	–	5,067,016.24	5,067,016.24	–
Total	2,242,393.12	569,677,520.55	570,896,160.39	1,023,753.28

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

18. Employee benefits payable (Continued)

(3) Defined contribution plan

Unit: RMB

Item	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
1. Basic endowment insurance	–	61,847,920.10	61,847,920.10	–
2. Unemployment insurance	–	1,816,861.46	1,816,861.46	–
3. Enterprise annuity payment	–	33,855,340.00	33,855,340.00	–
Total	–	97,520,121.56	97,520,121.56	–

Note:

(1) Defined contribution plan

The Company participates in basic pension insurance, unemployment insurance plan established by government in accordance with the relevant requirements. According to the plan, the Company makes a monthly contribution equivalent to 16% and 0.5% – 1% of the employee's monthly basic wage based on last year's salary. The Company participates in annuity scheme which operated by an independent third party and makes a monthly contribution equivalent to 8% of the employee's monthly basic wage based on last year's salary. The Company no longer undertakes further payment obligation. The corresponding cost charges to the profit or loss for the current period or the cost of a relevant asset when occurs.

During the year, the Group contributes RMB61,847,920.10, RMB33,855,340.00 and RMB1,816,861.46 to basic pension insurance, annuity scheme, unemployment insurance plan respectively (2018: RMB64,762,872.82, RMB32,203,148.00 and RMB1,704,493.46). All the contribution had paid over to the schemes as at 31 December 2019.

(2) Non-monetary welfare

Non-monetary benefits are RMB21,522,815.88 (2018: RMB22,202,111.43), which represent purchased non-monetary welfare goods and holiday gifts that distributed to employees etc., calculated on a certified basis of purchase costs.

19. Taxes payable

Unit: RMB

Item	31 December 2019	31 December 2018
Enterprise income tax	–	109,277,148.80
VAT	18,445,130.14	17,683,179.46
Property tax	1,907,511.62	1,115,119.91
Individual income tax	2,180,474.66	3,763,343.37
City construction and maintenance tax	1,119,272.94	1,099,278.98
Others	2,415,615.42	2,529,684.51
Total	26,068,004.78	135,467,755.03

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

20. Other payables

Item	Note	31 December 2019	31 December 2018
Dividends payable	(1)	97,197,529.87	88,979,103.17
Others	(2)	57,237,009.75	19,088,192.16
Total		154,434,539.62	108,067,295.33

(1) Dividends payable

Item	31 December 2019	31 December 2018
Ordinary shares dividends	97,197,529.87	88,979,103.17

Note: Balance of dividends payable over 1 year is RMB88,979,103.17, which is the dividend not received by the investor.

(2) Others

① Details of other payables are as follows:

Unit: RMB

Item	31 December 2019	31 December 2018
Payable of daily procurement in service area	4,582,251.27	2,895,993.16
Amount of ETC prepaid cards collected on behalf of the internetwork settlement center	–	65,160.00
Lease deposit of service zone	31,571,000.00	–
Others	21,083,758.48	16,127,039.00
Total	57,237,009.75	19,088,192.16

21. Non-current liabilities due within one year

(1) Details of non-current liabilities due within one year are as follows:

Unit: RMB

Item	31 December 2019	31 December 2018
Long-term borrowings due within one year	1,728,430.43	1,700,433.43
Bonds payable due within one year	2,993,675,802.12	–
Interest payable	59,771,780.71	59,771,780.68
Total	3,055,176,013.26	61,472,214.11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

22. Long-term borrowings

- (1) Categories of long-term borrowings

Unit: RMB

Item	31 December 2019	31 December 2018
Bank Loans	15,555,874.55	17,004,335.01
Including: Guaranteed loan (Note 1)	15,555,874.55	17,004,335.01
Interest payable	59,771,780.71	59,771,780.68
Less: long-term borrowings due within one year	1,728,430.43	1,700,433.43
Interest payable due within one year	59,771,780.71	59,771,780.68
Long-term borrowings due after one year	13,827,444.12	15,303,901.58

Explanation of long-term borrowings:

Note 1: The Company obtained bank credit limit of USD9,800,000.00 from Jiangsu branch of Bank of China in 1998. The credit limit was used to import machinery and technology and guaranteed by Communications Holding. The credit limits include buyer's credit loan of USD4,900,000.00 and Spanish government loan of USD4,900,000.00. The buyer's credit loan has been paid up in 2006. The Spanish government loan is paid up every half year since January 2009 in 40 allotments with interest rate per annum of 2%. The outstanding balance at the end of this year is USD2,229,849.28.

- (2) Analysis of maturity for long-term borrowings over one year is as follows:

Unit: RMB

Item	31 December 2019	31 December 2018
1-2 years	1,728,430.43	1,700,433.43
2-5 years	5,185,291.28	5,101,300.29
Over 5 years	6,913,722.41	8,502,167.86
Total	13,827,444.12	15,303,901.58

- (3) Other explanations

As at 31 December 2019, interest rate of the loans above is 2%. (31 December 2018: 2%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

23. Capital reserve

Unit: RMB

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
2019:				
Capital premium	4,657,648,647.58	–	–	4,657,648,647.58
Including: Capital contributed by investors	4,801,561,763.11	–	–	4,801,561,763.11
Differences arising from business combination involving enterprises under common control	(143,913,115.53)	–	–	(143,913,115.53)
Other capital reserve	2,670,001,679.72	73,524,949.37	–	2,743,526,629.09
Including: Share of capital reserve of the investee under the equity method	(12,975,555.28)	–	–	(12,975,555.28)
Transfer from capital reserve under the previous accounting system	2,682,977,235.00	–	–	2,682,977,235.00
Difference arising from merging associates (<i>Note</i>)	–	73,524,949.37	–	73,524,949.37
Total	7,327,650,327.30	73,524,949.37	–	7,401,175,276.67
2018:				
Capital premium	4,657,648,647.58	–	–	4,657,648,647.58
Including: Capital contributed by investors	4,801,561,763.11	–	–	4,801,561,763.11
Differences arising from business combination involving enterprises under common control	(143,913,115.53)	–	–	(143,913,115.53)
Other capital reserve	2,670,001,679.72	–	–	2,670,001,679.72
Including: Share of capital reserve of the investee under the equity method	(12,975,555.28)	–	–	(12,975,555.28)
Transfer from capital reserve under the previous accounting system	2,682,977,235.00	–	–	2,682,977,235.00
Total	7,327,650,327.30	–	–	7,327,650,327.30

Note: Increase in other capital reserve represents the changes in owners' equity arising from merging of Sujiayong Company by Sujiahang Company, the Company's associate. The Company adjusted its capital reserve according to changes in net assets resulting from the company merging.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

24. Other comprehensive income

Unit: RMB

Item	1 January 2019	Amount incurred for current year before tax	Amount recognized in the current year				31 December 2019
			Less: amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Income tax expenses	Attributable to owners of the Company after tax	Attributable to minority interests after tax	
(i) Other comprehensive income that cannot be subsequently reclassified to profit or loss	289,485,951.71	569,427,721.94	-	128,817,916.08	440,609,805.86	-	730,095,757.57
Including: Other comprehensive income that cannot be subsequently reclassified to profit or loss under the equity method (Note 1)	234,620,692.05	54,156,057.60	-	-	54,156,057.60	-	288,776,749.65
Changes in the fair value of investment in other equity instruments (Note 2)	54,865,259.66	515,271,664.34	-	128,817,916.08	386,453,748.26	-	441,319,007.92
Total other comprehensive income	289,485,951.71	569,427,721.94	-	128,817,916.08	440,609,805.86	-	730,095,757.57

Note 1: The share changes in other comprehensive income under the equity method enjoyed by the Company are the fair value adjustments of a financial asset designated as at fair value through other comprehensive income, which held by the associated company of the Company, Yangzi Bridge Company. The Company shall adjust other comprehensive income according to the shareholding ratio.

Note 2: Other equity instruments investment refers to the fair value adjustment of the ordinary shares of the A-share listed company bank of Jiangsu Co., Ltd. held by the Company.

25. Surplus reserve

Unit: RMB

Item	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
2019: Statutory surplus reserve	2,518,873,750.00	-	-	2,518,873,750.00
2018: Statutory surplus reserve	2,518,873,750.00	-	-	2,518,873,750.00

Note: According to the "Company Law of the People's Republic of China" and the Articles of Association, the Company are required to transfer 10% of its net profit to the statutory surplus reserve. The transfer may be ceased if the balance of the statutory surplus reserve has reached 50% of the Company's registered capital. Statutory surplus reserve can be used for making up losses, or to increase the capital after approval. Since the balance of the statutory surplus reserve has reached 50% of its registered capital by 31 December 2016, the Company didn't transfer any more.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

26. Retained profits

Unit: RMB

Item	31 December 2019	31 December 2018
Opening retained profits	6,602,016,006.52	5,998,708,093.48
Add: Net profit attributable to owners of the Company for the year	3,103,983,333.76	2,819,916,813.04
Less: Appropriation to statutory surplus reserve (Note 1)	-	-
Declaration of dividends on ordinary shares (Note 2)	2,317,363,850.00	2,216,608,900.00
Closing retained profits	7,388,635,490.28	6,602,016,006.52

Note 1: Appropriation to statutory surplus reserve

According to the Articles of Association, the Company is required to transfer 10% of its net profit to the statutory surplus reserve. The transfer may be ceased if the balance of the statutory surplus reserve has reached 50% of the Company's registered capital.

Note 2: Cash dividends approved in shareholders' meeting during the year

In 2019, on the basis of 5,037,747,500 issued shares (with the par value of RMB1 per share), dividends in cash of RMB0.46 per share were distributed to all the shareholders.

Note 3: Profit distribution decided after the balance sheet date

According to a proposal of the board of directors on 24 April 2020, on the basis of 5,037,747,500 issued shares (with the par value of RMB1 per share) in 2019, cash dividends of RMB0.46 per share will be distributed to all the shareholders. The above proposal regarding dividends distribution is yet to be approved in a shareholders' meeting.

27. Operating income and operating costs

(1) Details of operating income and operating costs

Unit: RMB

Item	Amount recognized in the current year		Amount recognized in the prior year	
	Operating income	Operating costs	Operating income	Operating costs
Principal operating activities	6,493,154,308.19	2,745,731,550.65	6,388,622,505.28	2,742,132,352.37
Including: Shanghai-Nanjing Expressway	5,230,727,736.60	1,641,739,059.28	5,004,610,181.96	1,511,763,092.03
Nanjing-Lianyungang Expressway and Nanjing-Nantong Expressway	-	-	11,994,024.00	2,100,153.35
Ancillary services	1,262,426,571.59	1,103,992,491.37	1,372,018,299.32	1,228,269,106.99
Advertising and others	10,525,245.30	-	-	-
Total	6,503,679,553.49	2,745,731,550.65	6,388,622,505.28	2,742,132,352.37

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

27. Operating income and operating costs (Continued)

(2) Description of the performance obligations

Highway tolls and ancillary services

The toll income is divided after the vehicle passes, and is recognized when the amount is received and receivable. The income from road supporting services is mainly oil income. Income from roll supporting services shall be recognized when refueling service is provided.

28. Taxes and levies

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
City construction and maintenance tax	12,988,586.19	12,975,704.90
Education surcharge	9,288,402.27	9,268,360.65
Property tax	12,805,269.45	13,252,127.45
Land use tax	7,783,866.40	8,504,704.70
Others	706,178.13	1,539,263.33
Total	43,572,302.44	45,540,161.03

29. Administrative expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Salaries and additional remuneration	45,863,626.43	40,582,140.50
Depreciation and amortization	77,269,877.27	78,056,072.33
Audit fee	3,200,000.00	3,200,000.00
Consulting and intermediary service fee	20,017,058.12	10,801,455.98
Entertainment fee	332,241.53	224,061.83
Maintenance and repair costs	1,055,504.56	4,152,127.98
Office expenses	367,013.43	501,707.51
Travelling expenses	719,590.02	566,055.47
Vehicle related expenses	1,331,296.58	958,766.42
Others	9,703,732.97	12,412,890.34
Total	159,859,940.91	151,455,278.36

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

30. Financial expenses

Unit: RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Interest expenses	334,156,934.67	365,442,551.55
Less: Interest income	27,786,583.43	2,320,068.55
Exchange differences	1,240,627.90	15,080,215.18
Bond issue fee and other loan charges	7,553,706.65	5,147,416.06
Others	2,153,531.54	659,307.50
Total	317,318,217.33	384,009,421.74

31. Other income

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Government grants (Note XIV. 35)	5,239,608.13	–
Total	5,239,608.13	–

32. Investment income

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Income from long-term equity investments under equity method	440,817,991.51	367,113,800.36
Income from long-term equity investments under cost method	87,185,053.83	85,520,641.41
Investment income from investments in other equity instruments in the holding period	159,177,968.64	36,000,000.00
Investment income from held-for-trading financial assets	11,768,129.66	3,400,770.69
Interest income from loans	76,011,473.21	89,712,099.69
Total	774,960,616.85	581,747,312.15

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

33. Impairment reversals (losses) of credit

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Reversals (losses) from credit impairment of accounts receivable	9,915.78	(26,843.06)
Reversals (losses) from credit impairment of other receivables	(1,696.91)	13,144.36
Total	8,218.87	(13,698.70)

34. Losses from disposal of assets

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Losses from disposal of assets	(65,199,120.58)	(5,582,053.45)
Total	(65,199,120.58)	(5,582,053.45)

35. Non-operating income

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Income from highway property compensation	4,521,100.00	7,048,000.00
Government grants	–	1,129,696.69
Others (Note)	23,634,003.85	300,604.96
Total	28,155,103.85	8,478,301.65

Note: Non-operating income – others include the excess of the share of fair value of net identifiable assets acquired over the Company's additional capital contribution to the associate Group Finance Company amounting to RMB18,200,215.23. Details are set out in Note VI,11.

Government grants recognized in profit or loss for the current period:

Unit: RMB

Government grants	Amount recognized in the current year	Amount recognized in the prior year	Related to assets/Related to income
Additional deduction of VAT	5,239,608.13	–	Related to income
Subsidies for working steadily	–	1,129,696.69	Related to income
Total	5,239,608.13	1,129,696.69	

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

36. Non-operating expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Expenditure for repair of damaged highway property	12,534,009.67	16,450,012.14
Public welfare donations	846,000.00	800,000.00
Various funds	1,666,828.70	1,250,198.98
Others	113,258.74	4,064,601.37
Total	15,160,097.11	22,564,812.49

37. Income tax expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Current tax expenses	800,715,815.96	801,308,450.79
Deferred tax expenses	60,502,722.45	6,325,077.12
Total	861,218,538.41	807,633,527.91

Reconciliation of income tax expenses to the accounting profit is as follows:

Unit: RMB

	Amount recognized in the current year	Amount recognized in the prior year
Accounting profit	3,965,201,872.17	3,627,550,340.94
Income tax expenses calculated at 25% (prior year: 25%)	991,300,468.04	906,887,585.24
Effect of cost, expenses and loss that are not deductible for tax purposes	18,918,831.71	22,904,553.11
Effect of non-taxable income	(149,000,761.34)	(122,158,610.44)
Adjustment to provision of prior years' tax	-	-
Total	861,218,538.41	807,633,527.91

38. Other comprehensive income

See Note XIV. 24 for details.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

39. Supplementary information of income statement

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Employee benefits	667,354,515.11	644,952,370.28
Depreciation and amortization	806,672,847.26	769,840,068.82
Toll related expenses	85,288,912.61	80,950,017.66
Road maintenance expenses	326,238,664.23	216,662,636.48
System maintenance expenses	25,391,561.95	69,634,308.14
Petroleum in the service zone	881,212,422.91	998,523,432.21
Retail goods in the service zone	-	7,362,362.15
Catering cost in the service zone	3,490,346.78	8,399,327.92
Audit fee	3,200,000.00	3,200,000.00
Consulting and intermediary service fee	20,017,058.12	10,801,455.78
Advertisement fee	707,574.49	546,099.61
Others	86,017,588.10	82,715,551.68
Total	2,905,591,491.56	2,893,587,630.63

40. Notes to items in the cash flow statement

- (1) Other cash receipts relating to operating activities

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Receipts from compensation of damaged road and non-operating income items, etc.	10,501,412.83	8,451,207.33
Receipts from interest income of bank deposit	27,786,583.43	2,320,068.75
Total	38,287,996.26	10,771,276.08

- (2) Other cash payments relating to operating activities

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Payment of non-salary and other expenditure	49,162,687.53	53,635,353.63

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

40. Notes to items in the cash flow statement (Continued)

- (3) Other cash receipts relating to investing activities

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Recovery of loans from related parties	711,000,000.00	469,000,000.00

- (4) Other cash payments relating to investing activities

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Loans to related parties	371,000,000.00	537,000,000.00

- (5) Other cash receipts relating to financing activities

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Bond issue fee and other charges of loans	14,055,595.34	13,675,235.64

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

41. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Unit: RMB

Supplementary information	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	3,103,983,333.76	2,819,916,813.03
Add: Impairment losses(gains) of credit	(8,218.87)	13,698.70
Depreciation of fixed assets	115,811,564.90	118,811,433.81
Amortization of intangible assets	688,031,093.76	651,028,635.01
Amortization of long-term prepaid expenses	2,830,188.60	-
Losses on disposal of fixed assets, intangible assets and other long-term assets	65,199,120.58	5,582,053.45
Financial expenses	334,156,934.67	385,670,182.79
Investment income	(774,960,616.85)	(581,747,312.15)
Decrease in deferred tax assets	60,502,722.44	-
Increase in deferred tax liabilities	-	15,611,269.00
Decrease in inventories (increase is indicated by "-")	(1,656,857.92)	11,197,213.48
Decrease in receivables from operating activities (increase is indicated by "-")	63,902,685.67	(11,590,327.66)
Increase in payables from operating activities (decrease is indicated by "-")	(35,767,633.11)	152,802,172.20
Net cash flow from operating activities	3,622,024,317.63	3,567,295,832.66
2. Net changes in cash and cash equivalents:		
Closing balance of cash	72,993,232.97	100,931,394.05
Less: Opening balance of cash	100,931,394.05	135,125,679.10
Net decrease in cash and cash equivalents	(27,938,161.08)	(34,194,285.05)

42. Related party relationships and transactions

(1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties

Purchase of goods, receipt of services and interest expense of borrowings/loans with related parties:

Unit: RMB

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year
Xiandai R&B Company *	Road maintenance fee	298,671,588.61	143,892,053.23
Xiandai R&B Company*	Party school exhibition hall construction fee	1,685,000.00	-
Xiandai R&B Company *	Detection and design fee	250,000.00	-
Xiandai R&B Company*	ETC mast construction fee	5,600,000.00	-
Ningchang Zhenli Company	Interest expenses of entrusted loan	19,584,774.34	49,975,139.57
Network Operation Company*	Maintenance and operating administration fees for toll collection system	19,634,244.00	19,241,959.00
Group Finance Company*	Interest expenses of working capital loan	12,741,875.33	11,865,832.99
Tongxingbao Company*	Maintenance and operating administration fees for toll collection system	15,558,258.69	8,482,088.36
Tongxingbao Company*	Payments for purchase of fixed assets	6,970.00	-
Far East Shipping Company	Interest expenses of entrusted loan	2,595,500.00	7,397,414.67
Maintenance Technology Company*	Road maintenance fee	7,706,950.00	6,931,600.00
Nanlin Hotel	Food and beverage	2,100.00	8,555.72
Information Company*	Communication system maintenance fee	11,628,393.86	7,202,712.36
Huatong Company*	Bridge pier replacement fee	2,752,746.37	-
Micro Video Company*	Machine room renovation fee	1,504,650.00	-
Kuailu Co., Ltd.	Shuttle bus rent	3,969,556.00	-
Ninghu Investment	Interest expenses of entrusted loan	-	89,605.87
Yichang Company	Interest expenses of entrusted loan	10,401,926.09	3,334,316.03
Changyi Company	Interest expenses of entrusted loan	2,312,567.60	143,632.08

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

42. Related party relationships and transactions (Continued)

- (1) Sales and purchase of goods, provision and receipt of services, interest income and expense of loans with related parties (Continued)

Sales of goods, provision of service and interest income of borrowings/loans with related parties:

Unit: RMB

Related party	Type of related party transactions	Amount recognized in the current year	Amount recognized in the prior year
Ninghu Properties	Interest income from entrusted loans	54,158,215.41	70,586,944.44
Hanwei Company	Interest income from entrusted loans	21,172,241.14	28,798,220.13
Guangjing Xicheng Company	Interest income from loans to related parties	23,852,323.57	23,786,501.08
Kuailu Co., Ltd.	Toll road income	932,038.84	1,281,553.40
Tongxingbao Company*	ETC Customer-service Network Management income	629,424.78	734,923.92
Group Finance Company*	Interest income from deposits	30,058.89	64,531.74
Zhendao Company	Interest income from entrusted borrowings	681,016.66	11,841.67
Zhendao Company	Interest income from super short-term financing	1,274,904.00	-
Xiexin Ninghu Company	Management and lease income	825,605.68	-

Pricing and decision-making procedures of related party transactions: For significant related party transactions, the price is settled by public tender bid price, or for reference of quote from independent, qualified construction provider after arm's length negotiation in principle that less than relevant market price. The Board Meeting should review and approve the quote and the related director should abstained from voting. The independent directors should then express an independent opinion. For other insignificant related party transactions, the price is settled by signed contracts.

- (2) Leases with related parties

The Company as the lessor:

Unit: RMB

Name of lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the prior year
Xiandai R&B Company *	Fixed assets	1,690,000.00	1,690,000.00
Railway Investment Company*	Fixed assets	3,612,400.00	2,709,300.00
Modern Engineering Testing Company *	Fixed assets	545,656.62	309,670.00
Kuailu Co., Ltd.	Fixed assets	366,666.67	-

- (3) Guarantees with related parties

The Company as the guaranteed party:

Unit: RMB

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Communications Holding	USD2,229,849.00	15 October 1998	18 July 2027	Not completed

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

42. Related party relationships and transactions (Continued)

(4) Borrowings/loans from and loans to related parties

In the current year:

Unit: RMB

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	31 December 2019	Remarks
Borrowed from (repaid to)					
Far East Shipping Company	(60,000,000.00)	28 August 2018	27 August 2019	-	Entrusted loan with annual interest rate of 4.35%
Far East Shipping Company	60,000,000.00	23 July 2019	22 July 2020	60,000,000.00	Entrusted loan with annual interest rate of 4.35%
Ningchang Zhenli	(90,000,000.00)	28 September 2018	27 September 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(80,000,000.00)	26 October 2018	25 October 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(70,000,000.00)	26 November 2018	25 November 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	50,000,000.00	29 January 2019	28 January 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(50,000,000.00)	29 January 2019	28 January 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	60,000,000.00	21 February 2019	20 February 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(60,000,000.00)	21 February 2019	20 February 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	90,000,000.00	27 March 2019	26 March 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(90,000,000.00)	27 March 2019	26 March 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	80,000,000.00	26 April 2019	25 April 2020	80,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	75,000,000.00	28 May 2019	27 May 2020	75,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	70,000,000.00	26 June 2019	25 June 2020	70,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	220,000,000.00	16 July 2019	15 July 2020	220,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	120,000,000.00	30 July 2019	29 July 2020	120,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	50,000,000.00	29 August 2019	28 August 2020	50,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	60,000,000.00	27 September 2019	26 September 2020	60,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	65,000,000.00	29 October 2019	28 October 2020	65,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	70,000,000.00	26 December 2019	25 December 2020	70,000,000.00	Entrusted loan with annual interest rate of 3.50%
Group Finance Company*	(200,000,000.00)	29 May 2018	28 May 2019	-	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	(100,000,000.00)	28 September 2018	27 September 2019	-	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	200,000,000.00	21 May 2019	20 May 2020	-	Entrusted loan with annual interest rate of 4.13%
Group Finance Company*	(200,000,000.00)	21 May 2019	20 May 2020	-	Entrusted loan with annual interest rate of 4.13%
Group Finance Company*	300,000,000.00	23 July 2019	22 July 2020	300,000,000.00	Entrusted loan with annual interest rate of 3.92%
Group Finance Company*	(200,000,000.00)	15 November 2018	15 February 2019	-	Entrusted loan with annual interest rate of 4.35%
Changyi Company	(70,000,000.00)	14 December 2018	13 December 2019	-	Entrusted loan with annual interest rate of 4.35%
Yichang Company	(250,000,000.00)	6 September 2018	5 September 2019	-	Entrusted loan with annual interest rate of 4.35%
Yichang Company	250,000,000.00	16 July 2019	15 July 2020	250,000,000.00	Entrusted loan with annual interest rate of 4.35%
Lend to (collect from):					
Zhendan Company	(7,000,000.00)	18 December 2018	18 December 2019	-	Entrusted loan with annual interest rate of 4.35%
Zhendan Company	11,000,000.00	18 March 2019	18 March 2020	11,000,000.00	Entrusted loan with annual interest rate of 4.35%
Zhendan Company	200,000,000.00	12 October 2019	3 April 2020	200,000,000.00	Entrusted loan with annual interest rate of 2.59%
Zhendan Company	160,000,000.00	19 December 2018	15 January 2020	160,000,000.00	Entrusted loan with annual interest rate of 2.20%
Ninghu Properties	-	2 September 2016	1 September 2021	300,000,000.00	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	(200,000,000.00)	9 November 2016	1 September 2021	-	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	(40,000,000.00)	9 November 2016	8 November 2021	150,000,000.00	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	(200,000,000.00)	2 September 2016	2 September 2021	-	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	-	20 October 2016	20 October 2021	500,000,000.00	Entrusted loan with annual interest rate of 4.75%
Hanwei Company	(120,000,000.00)	15 March 2017	15 March 2020	-	Entrusted loan with annual interest rate of 4.75%
Hanwei Company	(144,000,000.00)	20 March 2018	20 March 2021	336,000,000.00	Entrusted loan with annual interest rate of 4.75%

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

42. Related party relationships and transactions (Continued)

(4) Borrowings/loans from and loans to related parties (Continued)

In the prior year:

Unit: RMB

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	31 December 2018	Remarks
Borrowed from (repaid to)					
Far East Shipping Company	120,000,000.00	28 August 2018	27 August 2019	60,000,000.00	Entrusted loan with annual interest rate of 4.35%
Far East Shipping Company	(60,000,000.00)	28 August 2018	27 August 2019	-	Entrusted loan with annual interest rate of 4.35%
Far East Shipping Company	(160,000,000.00)	14 August 2017	14 August 2018	-	Entrusted loan with annual interest rate of 4.35%
Ningchang Zhenli	150,000,000.00	30 January 2018	29 January 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(150,000,000.00)	30 January 2018	29 January 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	70,000,000.00	12 February 2018	11 February 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(70,000,000.00)	12 February 2018	11 February 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	50,000,000.00	27 February 2018	26 February 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(50,000,000.00)	27 February 2018	26 February 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	190,000,000.00	27 March 2018	26 March 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(190,000,000.00)	27 March 2018	26 March 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	300,000,000.00	18 July 2018	17 July 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(300,000,000.00)	18 July 2018	17 July 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	700,000,000.00	25 July 2018	24 July 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(700,000,000.00)	25 July 2018	24 July 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	340,000,000.00	30 July 2018	29 July 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(340,000,000.00)	30 July 2018	29 July 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	80,000,000.00	28 August 2018	27 August 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(80,000,000.00)	28 August 2018	27 August 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	90,000,000.00	28 September 2018	27 September 2019	90,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	80,000,000.00	26 October 2018	25 October 2019	80,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	70,000,000.00	26 November 2018	25 November 2019	70,000,000.00	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(60,000,000.00)	23 January 2017	22 January 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(70,000,000.00)	23 February 2017	22 February 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(80,000,000.00)	28 March 2017	27 March 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	170,000,000.00	26 April 2018	25 April 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(170,000,000.00)	26 April 2018	25 April 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(80,000,000.00)	27 April 2017	26 April 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	160,000,000.00	29 May 2018	28 May 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(160,000,000.00)	29 May 2018	28 May 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(70,000,000.00)	31 May 2017	30 May 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(70,000,000.00)	29 June 2017	28 June 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	150,000,000.00	27 June 2018	26 June 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(150,000,000.00)	27 June 2018	26 June 2019	-	Entrusted loan with annual interest rate of 3.50%

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

42. Related party relationships and transactions (Continued)

(4) Borrowings/loans from and loans to related parties (Continued)

In the prior year: (Continued)

Unit: RMB

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	31 December 2018	Remarks
Borrowed from (repaid to)					
Ningchang Zhenli	(70,000,000.00)	27 July 2017	26 July 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(70,000,000.00)	30 August 2017	29 August 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(70,000,000.00)	27 September 2017	28 September 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(70,000,000.00)	26 October 2017	25 October 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(190,000,000.00)	28 November 2017	27 November 2018	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli	(70,000,000.00)	26 December 2017	25 December 2018	-	Entrusted loan with annual interest rate of 3.50%
Group Finance Company*	(100,000,000.00)	30 March 2017	29 March 2018	-	Entrusted loan with annual interest rate of 3.92%
Group Finance Company*	(200,000,000.00)	11 May 2017	10 May 2018	-	Entrusted loan with annual interest rate of 4.13%
Group Finance Company*	100,000,000.00	29 March 2018	28 September 2018	-	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	(100,000,000.00)	29 March 2018	28 September 2018	-	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	200,000,000.00	29 May 2018	28 May 2019	200,000,000.00	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	100,000,000.00	28 September 2018	27 September 2019	100,000,000.00	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	200,000,000.00	11 September 2018	29 September 2018	-	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	(200,000,000.00)	11 September 2018	29 September 2018	-	Entrusted loan with annual interest rate of 4.35%
Group Finance Company*	200,000,000.00	15 November 2018	15 February 2019	200,000,000.00	Entrusted loan with annual interest rate of 4.35%
Ninghu Investment	(18,000,000.00)	26 June 2017	26 June 2018	-	Entrusted loan with annual interest rate of 3.50%
Ninghu Investment	(26,000,000.00)	1 August 2017	1 August 2018	-	Entrusted loan with annual interest rate of 3.50%
Changyi Company	70,000,000.00	14 December 2018	13 December 2019	70,000,000.00	Entrusted loan with annual interest rate of 4.35%
Yichang Company	250,000,000.00	6 September 2018	5 September 2019	250,000,000.00	Entrusted loan with annual interest rate of 4.35%
Lend to (collect from):					
Guangjing Xicheng	300,000,000.00	31 May 2018	30 November 2018	-	Entrusted loan with annual interest rate of 4.35%
Guangjing Xicheng	(300,000,000.00)	31 May 2018	30 November 2018	-	Entrusted loan with annual interest rate of 4.35%
Zhendan Company	7,000,000.00	18 December 2018	18 December 2019	7,000,000.00	Entrusted loan with annual interest rate of 4.35%
Ninghu Properties	-	2 September 2016	1 September 2021	300,000,000.00	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	-	9 November 2016	9 September 2021	200,000,000.00	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	-	9 November 2016	9 November 2021	190,000,000.00	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	50,000,000.00	30 January 2018	27 November 2018	50,000,000.00	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	(50,000,000.00)	30 January 2018	27 November 2018	-	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	-	2 September 2016	2 September 2021	200,000,000.00	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	-	20 October 2016	20 October 2021	500,000,000.00	Entrusted loan with annual interest rate of 4.75%
Ninghu Properties	(50,000,000.00)	21 September 2015	21 September 2018	-	Entrusted loan with annual interest rate of 5.00%
Hanwei Company	(300,000,000.00)	26 March 2015	26 March 2018	-	Funds occupied by a related party with an annual rate of 8%
Hanwei Company	(69,000,000.00)	18 July 2016	17 July 2019	-	Entrusted loan with annual interest rate of 4.75%
Hanwei Company	-	16 March 2017	16 March 2020	120,000,000.00	Entrusted loan with annual interest rate of 4.75%
Hanwei Company	480,000,000.00	20 March 2018	20 March 2021	480,000,000.00	Entrusted loan with annual interest rate of 4.75%

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

42. Related party relationships and transactions (Continued)

- (5) Compensation for key management personnel

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Compensation for key management personnel *	4,473,957.21	3,609,167.40

- (6) Other explanations

* Representing the connected transaction as defined in Chapter 14A of the Listing Rules.

- (7) Amounts due from/to related parties

Amounts due from related parties

Unit: RMB

Account	Related party	31 December 2019 Carrying amount	31 December 2018 Carrying amount
Bank deposits	Group Finance Company*	22,534,164.13	28,109,277.60
Accounts receivable (Note)	Suzhou Expressway Company	3,714,855.00	5,729,776.00
	Guangjing Xicheng Company	632,548.37	2,454,434.37
	Ningchang Zhenli Company	105,945.00	343,530.00
	Yangtze Bridge Company*	264,164.00	127,567.00
	Yanjiang Company	379,781.00	-
	Ninghu Investment	1,127.07	12,235.43
	Luode Fund Company	1,366.41	2,253.95
	Zhendao Company	16,736,781.44	-
	Xiandai R&B Company*	106,496.20	-
	Engineering Testing Company*	5,960.00	-
Sub-total		21,949,024.49	8,669,796.75
Other receivables	Ninghu Investment	-	11,806.23
Prepayments	Information Company*	3,250,000.00	3,000,000.00
Other current assets	Zhendao Company	372,313,524.83	7,009,304.17
Other non-current assets (including loans due within 1 year)	Ninghu Properties	951,378,819.45	1,392,017,430.56
	Guangjing Xicheng Company	600,124,083.58	600,211,760.01
	Hanwei Company	364,905,333.33	628,563,333.34
Sub-total		1,916,408,236.36	2,620,792,523.91
Dividends receivable	Kuailu Co., Ltd	4,989,960.00	4,989,960.00

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

42. Related party relationships and transactions (Continued)

(7) Amounts due from/to related parties (Continued)

Amounts due to related parties (Continued)

Note: As of 31 December 2019, besides the accounts receivable from related party stated above, there are split toll road fee receivables from other expressway companies within the Toll Road Network Companies which amounted to RMB76,331,798.13 (31 December 2018: RMB169,201,316.42). The ultimate shareholder of those Toll Road Network Companies is Communications Holding, except for which the Company has no other control, joint control or significant influence relationship with them.

Unit: RMB

Account	Related party	31 December 2019	31 December 2018
Accounts payable (<i>Note</i>)	Xiandai R&B Company *	209,568,989.70	89,059,176.03
	Information Company*	4,859,421.87	167,505.94
	Suzhou Expressway Company	300,523.00	1,130,895.00
	Guangjing Xicheng Company	316,796.00	770,475.00
	Yanjiang Expressway	337,322.00	1,118,521.00
	Ningchang Zhenli	255,432.00	849,683.00
	Yangtze Bridge Company*	298,565.00	982,197.00
	Tongxingbao Company*	2,172,435.92	735,324.94
	Kuailu Co., Ltd	445,937.50	210,000.00
	Network Operation Company*	2,513,455.00	-
	Zhendan Company	50,604.00	-
	Micro Video Company*	660,194.51	-
Sub-total		221,779,676.50	95,023,777.91
Contract liabilities	Kuailu Co., Ltd	458,689.67	825,356.34
	Xiandai R&B Company*	80,000.00	80,000.00
Sub-total		538,689.67	905,356.34
Other payables	Network Operation Company*	-	65,160.00
	Xiandai R&B Company*	1,415,714.54	-
	Luode Fund Company	10,000,000.00	-
	Zhendan Company	12,895.00	-
Sub-total		11,428,609.54	65,160.00
Short-term borrowings	Ningchang Zhenli	810,832,222.22	240,342,222.22
	Far East Shipping Company	60,079,750.00	60,079,750.00
	Group Finance Company*	300,358,875.00	500,664,583.33
	Yichang Company	250,332,291.67	250,332,291.67
	Changyi Company	-	70,093,041.67
Sub-total		1,421,603,138.89	1,121,511,888.89

Note: As of 31 December 2019, besides the accounts payable to related party stated above, there are split toll road fee payables to other Toll Road Network Companies which amounted to RMB18,272,618.00 (31 December 2018: RMB25,709,938.00). The ultimate shareholder of those Toll Road Network Companies is Communications Holding, except for which these Toll Road Network Companies has no other control, joint control or significant influence relationship with them.



NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 31 December 2019

XV. COMPARATIVE FIGURES

Parts of comparative figures in the Financial Statements have been reclassified based on the method of presentation as required by the financial statements for the year.

SUPPLEMENTARY INFORMATION

1. Breakdown of non-recurring profit or loss

Unit: RMB

Item	Amount
Gains or losses on disposal of non-current assets	70,252,066.32
Government grants recognized in profit or loss for the current period	(7,264,195.27)
Gains or losses from changes in fair values of held-for-trading financial assets, Profit on disposal of held-for-trading and available-for-sale financial investments	(102,581,022.36)
Profit or loss from fair value of net identifiable assets of investees attributed to the company when investment costs for acquisition of subsidiaries, associates and joint ventures are less than that acquired investments	(18,200,215.23)
Other non-operating income or expenses other than the above	38,402,863.75
Tax effects	4,847,625.70
Effects attributable to minority interests	1,146,567.86
Total	(13,396,309.23)

2. Return on net assets and earnings per share (“EPS”)

The return on net assets and EPS have been prepared by Jiangsu Expressway Co., Ltd in accordance with Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised 2010) issued by China Securities Regulatory Commission.

Profit for the reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	15.89	0.8336	N/A
Net profit after deduction of non-recurring profits or losses	15.84	0.8310	N/A

3. Calculation process of basic earnings per share and diluted earnings per share

For the purpose of calculating basic earnings per share, net profit for the current year attributable to ordinary shareholders is as follows:

Unit: RMB

	Amount recognized in the current year	Amount recognized in the prior year
Net profit attributable to ordinary shareholders of the Company	4,199,704,371.82	4,376,603,924.73
Including: Net profit from continuing operations	4,199,704,371.82	4,376,603,924.73

SUPPLEMENTARY INFORMATION

3. Calculation process of basic earnings per share and diluted earnings per share
(Continued)

For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares and its calculation process is as follows:

Unit: RMB

	Amount recognized in the current year	Amount recognized in the prior year
Number of ordinary shares outstanding at the beginning of year	5,037,747,500.00	5,037,747,500.00
Add: Weighted average number of ordinary shares issued during the year	-	-
Less: Weighted average number of ordinary shares repurchased during the year	-	-
Number of ordinary shares outstanding at the end of year	5,037,747,500.00	5,037,747,500.00

Earnings per share

Unit: RMB

	Amount recognized in the current year	Amount recognized in the prior year
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	0.8336	0.8688
Diluted earnings per share (Note)	N/A	N/A
Calculated based on net profit from continuing operations attributable to shareholders of the Company:		
Basic earnings per share	0.8336	0.8688
Diluted earnings per share (Note)	N/A	N/A

Note: At 31 December 2019, there were no dilutive potential ordinary shares issued by the Group.

SUPPLEMENTARY INFORMATION

4. The Group's Summary of performance, assets and liabilities in the past five accounting years

Unit: RMB

Item	2019	2018	2017	2016	2015
I. Total operating income	10,078,181,218.81	9,969,011,165.19	9,455,680,364.52	9,201,297,065.63	8,761,321,185.77
Including: Operating income	10,078,181,218.81	9,969,011,165.19	9,455,680,364.52	9,201,297,065.63	8,761,321,185.77
Less: Total operating costs	5,430,731,983.67	5,517,447,676.45	5,102,289,248.76	5,268,407,934.91	5,699,800,677.05
Including: Operating costs	4,576,009,544.69	4,574,394,775.24	4,334,469,882.41	4,363,720,292.21	4,414,950,180.89
Taxes and levies	126,990,737.26	168,977,540.49	87,587,512.45	193,471,914.58	304,540,194.51
Selling expenses	35,971,797.28	37,740,440.75	11,891,702.66	26,762,162.81	15,804,477.45
Administrative expenses	227,595,890.11	211,774,235.71	187,898,190.23	182,065,268.91	185,570,228.60
Financial expenses	464,164,014.33	524,560,684.26	480,441,961.01	502,388,296.40	778,935,595.60
Add: Other income	7,257,958.52	1,974,865.99	1,828,187.63	-	-
Investment income (Losses are indicated by "-")	886,313,895.55	1,056,795,788.01	586,872,528.43	472,966,663.18	444,068,188.18
Including: Income from investments in associates and joint ventures	649,050,248.68	575,193,240.34	494,404,817.98	438,033,337.00	340,332,126.00
Gains from changes in fair values (Losses are indicated by "-")	71,295,344.11	158,299,349.44	5,659,093.70	(2,674,333.86)	6,935,829.00
Impairment losses of credit	(96,972.99)	(33,670.02)	-	-	-
Impairment losses of assets	-	-	(217,724,263.15)	(100,274.83)	(679,475.52)
Gains (losses) from disposal of assets	(70,252,066.32)	(7,661,280.27)	(5,659,248.33)	(3,570,995.87)	(628,207,181.00)
II. Operating profit	5,541,967,394.01	5,660,938,541.89	4,724,367,414.04	4,399,510,189.34	2,883,637,869.38
Add: Non-operating income	32,336,183.87	21,943,624.11	14,176,398.39	44,626,929.31	40,914,950.32
Less: Non-operating expenses	52,532,595.64	30,241,722.55	24,721,090.14	26,861,204.94	29,497,943.62
III. Total profit	5,521,770,982.24	5,652,640,443.45	4,713,822,722.29	4,417,275,913.71	2,895,054,876.08
Less: Income tax expenses	1,221,286,273.27	1,176,929,505.77	1,029,003,203.69	980,138,119.41	305,144,944.43
IV. Net profit	4,300,484,708.97	4,475,710,937.68	3,684,819,518.60	3,437,137,794.30	2,589,909,931.65
(I) Categorized by the nature of continuing operation					
1. Net profit (loss) from continuing operations	4,300,484,708.97	4,475,710,937.68	3,684,819,518.60	3,437,137,794.30	2,589,909,931.65
2. Net profit (loss) from discontinued operations	-	-	-	-	-
(II) Categorized by ownership:					
1. Profit or loss attributable to minority interests	100,780,337.15	99,107,012.95	96,957,661.29	91,073,926.81	83,280,523.99
2. Net profit (loss) attributable to owners of the Company	4,199,704,371.82	4,376,603,924.73	3,587,861,857.31	3,346,063,867.49	2,506,629,407.66

SUPPLEMENTARY INFORMATION

4. The Group's Summary of performance, assets and liabilities in the past five accounting years (Continued)

Unit: RMB

Item	2019	2018	2017	2016	2015
V. Other comprehensive income, net of tax	453,657,154.34	550,433,417.58	(161,480,128.50)	420,906,148.50	(67,406,144.25)
Other comprehensive income attributable to owners of the Company, net of tax	453,920,404.34	456,918,743.98	(161,480,128.50)	420,906,148.50	(67,406,144.25)
(I) Other comprehensive income that cannot be subsequently reclassified to profit or loss	453,920,404.34	456,918,743.98	-	-	-
1. Other comprehensive income that cannot be reclassified to profit or loss under equity method	54,156,057.60	155,637,000.59	-	-	-
2. Changes in fair value of investments in other equity instruments	399,764,346.74	301,281,743.39	-	-	-
(II) Other comprehensive income that will be reclassified to profit or loss	-	-	(161,480,128.50)	420,906,148.50	(67,406,144.25)
1. Share of other comprehensive income of the investee that will be reclassified to profit or loss under the equity method	-	-	(161,480,128.50)	420,906,148.50	(67,406,144.25)
2. Profit or loss from change in fair value of available-for-sale financial assets	-	-	-	-	-
Other comprehensive income attributable to minority interests, net of tax	(263,250.00)	93,514,673.60	-	-	-
VI. Total comprehensive income:	4,754,141,863.31	5,026,144,355.26	3,523,339,390.10	3,858,043,942.80	2,522,503,787.40
Total comprehensive income attributable to owners of the Company	4,653,624,776.16	4,833,522,668.71	3,426,381,728.81	3,766,970,015.99	2,439,223,263.41
Total comprehensive income attributable to minority interests	100,517,087.15	192,621,686.55	96,957,661.29	91,073,926.81	83,280,523.99
VII. Earnings per share:					
(I) Basic earnings per share	0.8336	0.8688	0.7122	0.6642	0.4976
(II) Diluted earnings per share	N/A	N/A	N/A	N/A	N/A

Unit: RMB

Item	31 December 2019	31 December 2018	31 December 2017	31 December 2016	31 December 2015
Total assets	55,625,048,624.75	48,162,728,832.15	42,532,491,238.25	36,282,573,528.48	36,476,039,662.60
Total liabilities	22,942,211,489.26	18,808,871,890.93	16,637,560,626.40	13,340,716,539.71	15,289,867,556.17
Minority interest	4,135,853,528.34	3,216,659,209.60	2,374,646,648.97	732,100,804.70	710,012,831.73
Total equity attributable to shareholders of the parent company	28,546,983,607.15	26,137,197,731.62	23,520,283,962.88	22,209,756,184.07	20,476,159,274.70

DOCUMENTS AVAILABLE FOR INSPECTION

Annual Report contained with the signature of Chairman of the Company

Accounting statements contained with signatures of the legal representative, the person in charge of the accounting function and the person in charge of the accounting department and company seal

Auditor Report contained with seal of accounting firm, signature of certified public accountant and company seal

All documents and announcements of the Company disclosed in newspapers designated by China Securities Regulatory Commission during the Reporting Period

The Articles of Association

The Annual Report published on other stock markets.

Chairman: Sun Xibin

The date of the approval of the Board: 24 April 2020

Revised Information

Applicable

N/A



Jiangsu Expressway Company Limited

(Hong Kong Stock Exchange Stock Code: 00177)

