



Jiangsu Expressway Company Limited
(Hong Kong Stock Exchange Stock Code: 00177)

2020 Annual Report



IMPORTANT NOTICE

I. **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.**

II. Absence of Directors

Position held by absent director	Name of absent director	Reasons for absence of director	Name of proxy
Executive Director	Mr. Cheng Xiaoguang	Due to other business engagement	Mr. Sun Xibin

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

IV. **Sun Xibin, the Person in Charge of the Company, Dai Qian, the Accounting Chief of the Company, and Yao Qunfang, the 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.**

V. 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 RMB2,464,214,000 and earnings per share was approximately RMB0.4891. 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 15 July 2021.

VI. 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.

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

No

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

No

IX. Whether more than half of the directors are unable to warrant the truthfulness, accuracy and completeness of the annual report disclosed by the Company

No

X. Major Risk Alerts

The risk factors that the Company 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.

XI. 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:

Definitions of commonly used terms

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, Communications Holding or Jiangsu 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 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)
Yangtze Commerce and Energy	Jiangsu Yangtze Commerce and Energy Co., Ltd. (江蘇長江商業能源有限公司)
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)
Hutong Bridge Company	Jiangsu Hutong Bridge Co., Ltd. (江蘇滬通大橋有限責任公司)
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)

DEFINITIONS

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 Road & Bridge 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)
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 Company	Suzhou Jinling Nanlin Hotel Co., Ltd.* (蘇州金陵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 Company	Jiangsu Financial Leasing Co., Ltd. (江蘇金融租賃股份有限公司)
Railway Group Company	Jiangsu Railway Group Co., Ltd. (江蘇省鐵路集團有限公司)
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)
Jinghu Company	Jiangsu Jinghu Expressway Co., Ltd. (江蘇京滬高速公路有限公司)
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)
Taixing Oil Products Company	Taixing Hechang Oil Products Trading Co., Ltd. (泰興市和暢油品銷售有限公司)
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)
Engineering Maintenance Company	Jiangsu Expressway Engineering Maintenance Co., Ltd. (江蘇高速公路工程養護有限公司)
Communications Holding Training Company	Jiangsu Communications Holding Training Co., Ltd. (江蘇交控培訓有限公司)
Eastern Expressway Company	Jiangsu Eastern Expressway Management Co., Ltd. (江蘇東部高速公路管理有限公司)
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)
Communications Holding Commercial Operation	Jiangsu Communications Holding Commercial Operation Management Co., Ltd. (江蘇交控商業運營管理有限公司)

DEFINITIONS

Cuipingshan Hotel	Jiangsu Cuipingshan Hotel Management Co., Ltd. (江蘇翠屏山賓館管理有限公司)
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 III	Phase III of Real Estate Investment Parent Fund (房地產投資母基金三期)
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))
Luode Huizhi	Nanjing Luode Huizhi Equity Investment Partnership (Limited Partnership) (南京洛德匯智股權投資合夥企業(有限合夥))
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)
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)
Sundian Testing Company	Jiangsu Sundian Engineering Testing Co., Ltd. (江蘇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(有限合夥))
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
Yanjiang Expressway	Changzhou-Taicang Expressway
Changjia Expressway	Kunshan-Wujiang Section of Changshu-Jiaxing Expressway
Zhendao Expressway	Zhenjiang-Danyang Expressway
Ningchang Expressway	Lishui Guizhuang Hub-Changzhou South Interchange Expressway

DEFINITIONS

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
Wufengshan Toll Bridge	Wufengshan Toll Bridge and North-South Connection Project
Changyi Expressway	Changzhou-Yixing Expressway
Yichang Expressway	Jiangsu Section of Yixing-Changxing Expressway
Reporting Period	the one-year period from 1 January 2020 to 31 December 2020
year-on-year	as compared with the same period of 2019
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

I. Corporate 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
Legal representative of the Company	Jiangsu Expressway
Legal Representative of the Company	Sun Xibin

II. Contact Persons and Contact Methods

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

III. 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

IV. PLACES FOR DISCLOSURE AND INSPECTION OF INFORMATION

Designated Media for Information Disclosure	China Securities Journal, Securities Times and Shanghai Securities News
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.

V. 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	00177	-
ADR	United States	JEXYY	477373104	-

COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

VI. 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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VII. KEY ACCOUNTING DATA AND PRINCIPAL FINANCIAL INDICATORS FOR LAST FIVE YEARS

(I) Key accounting data

Unit: Yuan Currency: RMB

Major accounting data			Increase/decrease in the Period as compared to the corresponding period of the previous year (%)			
	2020	2019		2018	2017	2016
Operating revenue	8,032,466,746.34	10,078,181,218.81	-20.30	9,969,011,165.19	9,455,680,365	9,201,297,066
Net profit attributable to the shareholders of the Company	2,464,213,675.74	4,199,704,371.82	-41.32	4,376,603,924.73	3,587,861,857	3,346,063,867
Net profit attributable to the shareholders of the Company net of non-recurring profit or loss	2,339,998,349.98	4,186,308,062.59	-44.10	3,853,866,528.73	3,565,591,487	3,316,405,373
Net cash flow from operating activities	3,137,401,530.39	5,763,283,624.15	-45.56	5,715,489,506.54	5,232,104,978	5,463,748,504



COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

	Increase/decrease on the date as compared to the corresponding date of the previous year (%)					
	As at the end of 2020	As at the end of 2019	As at the end of 2018	As at the end of 2017	As at the end of 2016	As at the end of 2016
Net assets attributable to the shareholders of the Company	28,209,961,098.83	28,546,983,607.15	-1.18	26,137,197,731.62	23,520,283,963	22,209,756,185
Total liabilities	28,046,290,724.15	22,942,211,489.26	22.25	18,808,871,890.93	16,637,560,626	13,340,716,540
Total assets	61,095,560,365.16	55,625,048,624.75	9.83	48,162,728,832.15	42,532,491,238	36,282,573,529

Note: The annual financial reports for the years of 2016 and 2017 are based on "RMB Yuan".

(II) Principal financial indicators

Principal financial indicators	Increase/decrease in the Period as compared to the corresponding period of the previous year (%)					
	2020	2019	2018	2017	2016	2016
Basic earnings per share (RMB/share)	0.4891	0.8336	-41.33	0.8688	0.7122	0.6642
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)	0.4645	0.8310	-44.10	0.7650	0.7078	0.6583
Weighted average return on net assets (%)	8.82	15.89	A decrease of 7.07 percentage points	17.71	16.06	16.06
Weighted average return on net assets net of non-recurring profit or loss (%)	8.37	15.84	A decrease of 7.47 percentage points	16.14	15.96	15.92

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

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

- (I) 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

- (II) 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

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

Applicable N/A

COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

IX. Principal Financial Data for 2020 by Quarters

Unit: Yuan Currency: RMB

	Q1 (January–March)	Q2 (April–June)	Q3 (July– September)	Q4 (October– December)
Operating revenue	963,551,993.82	1,704,799,078.68	2,684,446,315.21	2,679,669,358.63
Net profit attributable to the shareholders of the Company	-32,726,431.30	518,363,877.74	1,409,726,799.02	568,849,430.28
Net profit attributable to the shareholders of the Company, net of non-recurring profit or loss	-37,591,335.30	457,008,508.77	1,371,641,662.33	548,939,514.18
Net cash flow from operating activities	112,654,156.12	782,674,994.36	1,488,648,996.78	753,423,383.13

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

Applicable N/A

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

Applicable N/A

Unit: Yuan Currency: RMB

Items of non-recurring profit or loss	Amount of 2020	Note (if applicable)	Amount of 2019	Amount of 2018
Gain or loss from disposal of non-current assets	220,298.98		-70,252,066.32	-7,661,280
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	70,492,849.28		7,264,195.27	3,623,552
Gains representing the difference between investment costs for acquisition of subsidiaries, associates and joint ventures and the shares of the fair value of identifiable net assets acquired	-		18,200,215.23	7,907,770
Profits or losses from changes in fair values of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment gains from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments, other than effective hedging activities related to ordinary business operations of the Company	127,576,123.66		102,581,022.36	164,981,703
Gain or loss from external entrusted loans	-		-	2,598,900
Other non-operating income and expenses other than the aforesaid items	-42,458,572.65		-38,402,863.75	-17,854,554
Other profit and loss items that meet the definition of non-recurring profit and loss	-		-	408,241,295
Effects attributable to minority interests	-1,044,570.87		-1,146,567.86	-281,367
Effects of income tax	-30,570,802.64		-4,847,625.70	-38,818,623
Total	124,215,325.76		13,396,309.23	522,737,396

COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

XI. 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- Fuanda Advantageous Growth Fund	22,890,626.48	30,249,184.94	7,358,558.46	7,358,558.46
Gold investments	13,694,558.14	4,326,538.14	-9,368,020.00	1,547,582.45
Wealth management products	640,350,000.00	1,499,000,000.00	858,650,000.00	18,623,534.20
Other non-current financial assets (CDB Kai Yuan Phase II)	1,107,666,005.47	1,223,030,476.20	115,364,470.73	81,095,240.05
Other non-current financial assets (Luode Dening)	38,413,503.57	31,952.81	-38,381,550.76	2,480,449.24
Other non-current financial assets (Zhongbei Zhiyuan)	300,096,236.17	317,317,997.32	17,221,761.15	17,221,761.15
Other non-current financial assets (Luode Huizhi)	-	498,812,172.82	498,812,172.82	-1,187,827.18
Other equity Instruments (Bank of Jiangsu)	2,425,400,000.00	2,377,830,000.00	-47,570,000.00	93,130,000.00
Other equity instruments (Jiangsu Leasing)	1,099,800,000.00	1,253,070,000.00	153,270,000.00	56,160,000.00
Other equity instruments (Fuanda Asset Management Scheme)	2,130,268,613.24	1,840,125,963.66	-290,142,649.58	-
New shares	-	242,800.32	242,800.32	436,825.29
Total	7,778,579,543.07	9,044,037,086.21	1,265,457,543.14	276,866,123.66

XII. 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

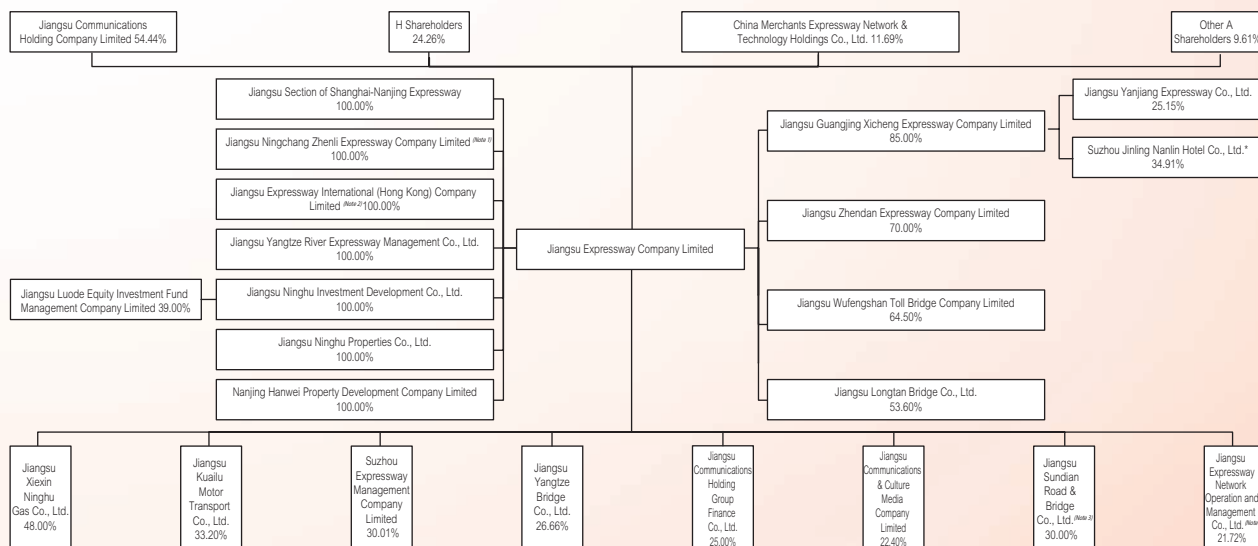
Established on 1 August 1992 in the Jiangsu Province of the People's Republic of China, the Group is the only listed company in the transportation and infrastructure industry of the Jiangsu Province. On 27 June 1997, the Company issued 1,222,000,000 H Shares which were listed on the Stock Exchange. On 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 2020, the total share capital of the Company comprised 5,037,747,500 shares with a par value of RMB1 each.

The Group 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 Group 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, Jiangyin Bridge and Sujiahang Expressway, etc. As at 31 December 2020, 17 road and bridge projects (2019: 17 projects) were directly operated and invested by the Group, and over 850 kilometers of the roads and bridges open to traffic were owned or invested by the Group.

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 Group 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 the financial industry with transportation plus and industry promotion with finance, aiming to further enhance profitability and achieve sustainable development of the Group. As at 31 December 2020, the Group directly owned six wholly-owned subsidiaries ^(Note 1), four non-wholly-owned subsidiaries and participated in eleven joint ventures, with total assets of approximately RMB61,096 million and net assets of approximately RMB33,049 million.

Major assets structure of the Group is as follows:



SUMMARY OF THE COMPANY'S BUSINESS

Note1: On 26 February 2020, the sixteenth meeting of the ninth session of the board of directors of the Company resolved that, the Company was approved to consolidate Ningchang Zhenli Company, a wholly-owned subsidiary by way of merger, and submitted the same to the general meeting for consideration. On 23 April 2020, the second extraordinary general meeting of the Company resolved that, Ningchang Zhenli Company, a wholly-owned subsidiary, be consolidated into the Company by way of merger; as at the end of the Reporting Period, the deregistration of business of Ningchang Zhenli Company was in process.

Note2: Pursuant to the board resolution dated 23 December 2019, the establishment of a wholly-owned subsidiary in Hong Kong Special Administrative Region was approved. 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.

Note3: The Company holds 7.50% equity of Sundian R&B Company, Ningchang Zhenli Company and Guangjing Xicheng Company, wholly owned and direct subsidiaries of the Company, hold 7.50% and 7.50% equity of Sundian R&B Company, respectively and Yangtze Bridge Company, an investee company of the Company, holds 7.50% equity of Sundian R&B Company.

Note4: The Company holds 3.62% equity of Network Operation Company, Ningchang Zhenli Company and Guangjing Xicheng Company, wholly owned and direct 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.

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 built its distinct competitive edges in operation and development in the future.

Unique geographical advantages. The Group operates in the Yangtze River Delta area, 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. With the integrated development of the Yangtze River Delta region, 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 (2019: 17 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, road assets 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 has taken a leading position in road smoothness and rescue in China.

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. The brand image of the Group was further enhanced driven by assets and capital operation as two wheels.

SUMMARY OF THE COMPANY'S BUSINESS

Comprehensive risk management. The Group proactively adapted to the new situation, and implemented risk control arrangement by improving the top-level design. The Group formulated its risk strategy, optimized its management measures, and strengthened the implementation of responsibility for risk management. It continuously put forward with the establishment of risk control system which is compatible with the new development pattern, and improved its risk management ability, so as to achieve its long-term goal of steady progress.

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 and reduce financing costs in the future development through leveraging on the capital market.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

I. DISCUSSION AND ANALYSIS OF THE OPERATION

At the beginning of 2020, the outbreak of COVID-19 pandemic resulted in the implementation of toll-free travel policy, which had a significant impact on the Group's revenue from short-term travel. In the face of changes and difficulties, the Group actively sought countermeasures under the leadership of the board of directors, strengthened its main business, optimized its cost management and control, strived to minimize the adverse impact and achieved relatively good economic benefit and high quality and sustainable development, excluding the negative factors brought by the pandemic.

As of the end of 2020, total assets of the Company amounted to RMB61,096 million (2019: RMB55,625 million) and net assets attributable to shareholders of the Company amounted to RMB28,210 million (2019: RMB28,547 million). During the Reporting Period, the Company realized operating profit of RMB8,032 million (2019: RMB10,078 million), representing a year-on-year decrease of 20.30% due to the impact of the pandemic and toll-free travel policy, total profits of RMB3,234 million (2019: RMB5,522 million), representing a year-on-year decrease of 41.44%, net profit attributable to shareholders of the Company of RMB2,464 million (2019: RMB4,200 million) and earnings per share of RMB0.4891 (2019: RMB0.8336). The operating net cash flow amounted to RMB3,137 million (2019: RMB5,763 million) and the weighted average return on net assets was 8.82% (2019: 15.89%).

Concentrating resources to the core business, and taking action to turn our dreams into reality. **Firstly**, the core assets such as Shanghai-Nanjing Expressway were in good operation. Excluding the impact of the pandemic, the traffic flow increased steadily and the operation and management became more scientific. The Company built Shanghai-Nanjing Expressway into the first 5G-equipped expressway in China through cooperation with the top three telecommunication operators, laying a solid hardware foundation for subsequent 5G subject research and scenario applications. **Secondly**, the projects under construction were in smooth progress. Changyi Expressway was put into operation during the Reporting Period, and Yichang Expressway was officially open for traffic in January 2021. The road network of the Company was further integrated into the Yangtze River Delta integrated economic circle, contributing to regional economic prosperity and promoting the long-term development of the Company. In 2020, the investment for the construction of the Wufengshan Toll Bridge project was RMB1.960 billion, the completed work accounted for 87.40% of the total investment, and it is expected to open for traffic in July 2021, which will increase the Company's share in the road network of southern Jiangsu and enhance its core position. The investment for the construction of Longtan Bridge project was RMB967 million, the completed work accounted for 21.40% of the total investment, and it is expected to open for traffic in 2024. **Thirdly**, the integration of road and bridge resources releases its potential. The leading position of the Company in the road network of southern Jiangsu has been consolidated by absorbing and merging Ningchang Zhenli Company, which created further synergy effect and scale benefit among the road network. The Company explored the strategy of "going global" by establishing Ninghu International Company, participating in the acquisition of the toll road and bridge project of ICA Company in Turkey and identifying overseas high-quality road and bridge projects. **Fourthly**, the operation of service areas recorded new progress. During the Reporting Period, the Company practiced the concept of "travel fast but enjoy the trip", the service areas following the "3 + 3" transformation and upgrading better met the public travel demand, and promoted both the economic and social benefits; the establishment of Yangtze Commerce and Energy, a wholly-owned subsidiary of the Company, to promote the transformation and upgrading and professional operations of the service areas, and to create a growth point of road derivative economy.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

Equal attention was given to ancillary businesses, and knowledge was put into practice, which produced effectiveness.

Firstly, the scale of investment into fund achieved stable growth. During the Reporting Period, the Company contributed RMB65 million to CDB Kai Yuan Fund, with an aggregate contribution of RMB985 million. Of the RMB1.5 billion of Luode Huizhi Fund initiated by the Luode Fund Company, the Company has contributed RMB500 million. As at the end of the Reporting Period, the fund has received investment of RMB1,198 million. **Secondly**, the factoring business recorded a steady development. During the Reporting Period, the Company steadily conducted “double factoring”, “re-factoring”, “joint factoring” and other business. **Thirdly**, the real estate business operated smoothly. During the Reporting Period, the Company actively promoted the construction of projects in stock and increased marketing efforts to increase the sales.

Governance was conducted in a compliant manner, safeguard measures against risks and dangers were in place.

Firstly, the Company improved the establishment of compliance management system and the compliance system, continuously promoted compliance at all links of operation and management of the Company, and implemented the compliance concept into its daily work. **Secondly**, the Company standardized its process management. In order to continuously improve the Company’s business performance, the Company promoted the in-depth integration of rules and business processes to improve the quality of management. **Thirdly**, the Company established the “major supervision” system. Based on its internal audit, focusing on internal control and risk control, and beginning with supervision, inspection and guidance, the Company enhanced standardized operation and escorted the long-term development of the Company.

(I) Toll road and bridge operations

1. Analysis of business and operational environment

(1) *Impact of the macroeconomic environment*

In 2020, the gross domestic product of China grew by 2.3% as compared with the previous year, making it the only major economy in the world which achieved positive growth. During the Reporting Period, the gross regional product in the Jiangsu Province reached RMB10,271.90 billion, representing an increase of 3.7% as compared with the previous year, and its economic operation showed a stable and positive trend. (Data source: Chinese governmental statistics information website)

The macroeconomic environment is a key factor affecting traffic demand. During the Reporting Period, most of the toll road traffic of the Group maintained a relatively stable natural growth.

(2) *Development of demands for transportation*

At the end of the Reporting Period, a total of 20,444,000 vehicles for civilian use were owned in the Jiangsu Province, representing an increase of 6.5% and a net increase of 1,252,000 vehicles. (Data source: Chinese governmental statistics information website)

The stable growth of car ownership could give play to the competitive advantage of highways in the short and medium distance transportation and would be the most direct drive to the growth of road traffic flow.

(3) *Changes in competition landscape*

As at the end of the Reporting Period, the total operating expressway mileage in the Jiangsu Province was 4,924 kilometers, with additional mileage of 59 kilometers. The railway operation mileage was 3,998 kilometers, with additional mileage of 459 kilometers. (Data source: Chinese governmental statistics information website)

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

(4) *Impact of policies related to toll roads*

During the Reporting Period, the vehicle tolls for the national toll roads will be exempted from 00:00 on 17 February 2020 to 00:00 on 6 May 2020. To coordinate and safeguard the legitimate interests of users of toll roads, creditors, investors and operators, the relevant ancillary compensation measures are still under study. 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 the ETC vehicles and ETC freight vehicles installed with “Unitoll Card” and the policy on inspection on of “Preferential Port Container Vehicles” were continuously implemented.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

2. Operation Management Measures

The Company implemented digitalization transformation in response to the new changes and new characteristics of the “One Network” operation pattern through the country, promoted the construction of “smart high speed”, implemented delicacy management, further enhanced the ability to comprehensively operate and manage its main business, and provided drivers and passengers with a safer, faster and higher-quality traffic service. Measures included:

Changing and innovating the operation mode according to the actual condition. **Firstly**, ensuring the steady operation of “One Network”. Starting from 00:00 on 1 January 2020, the national expressway network was incorporated into the “One Network” system, successfully completed the switch, and the provincial toll stations were removed to reduce traffic congestion and increase road use efficiency. **Secondly**, speeding was forbidden at the entrance to prevent over-limit vehicles from damaging roads and to prolong the service life of roads. **Thirdly**, ETC was strongly promoted and the ETC charges accounted for 65.66% during the Reporting Period. The efficiency was significantly improved and personnel input has been further reduced. **Fourthly**, by using big data analysis to combat dodging toll across the “One Network”, dodging toll was effectively prevented.

Scientific control to improve operational efficiency. **Firstly**, the Company has built a “high-speed brain”, to achieve dynamic forecast of vehicles’ distribution and improve the accuracy of advance estimation. It built parking bays and redistributed lane resources to make full use of the emergency lane as the “fifth lane”. It deepened the 3510 plan, and created a “10-Minutes rescue circle” to accelerate rescue after the accidents. The traffic efficiency of the whole road section was further improved. **Secondly**, the Company independently researched, developed and launched lane management and control system to implement coordinated management and control for ultra-large traffic flow sections, improving traffic efficiency by nearly 10%. **Thirdly**, the Company strengthened the management of congestion problem and the elimination of potential traffic danger, formulated a plan to reduce traffic flow during peak time, and relieved traffic conflicts at traffic nodes, and improved the traffic efficiency for the whole road section.

Smart maintenance to improve road quality. **Firstly**, the Company followed the concept of whole life cycle maintenance and conducted maintenance proactively, and to lengthen the service life of the roads to ensure minimum maintenance cost and best quality within the life cycle. **Secondly**, with the goal of maximum efficiency and minimum effect, the Company conducted concentrated maintenance and carried out long-distance maintenance for huge-traffic-flow sections, which is the first of such kind of maintenance in China. It completed the centralized maintenance of the 70-kilometer Suzhou section of the Shanghai-Nanjing Expressway in 8 working days and avoided loss resulting from congestion due to the regular maintenance. **Thirdly**, with the goal of being the most intelligent and having the best quality, the Company applied the intelligent control system for road maintenance quality for the first time, realizing intelligent supervision by means of information technology such as the Internet of Things, which improved the accuracy of preventive maintenance and ensured road traffic safety. During the Reporting Period, the MQI and PQI indicators of Shanghai-Nanjing Expressway were 96.97% and 95.67%, respectively.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

3. Business performance and analysis of project operation

During the Reporting Period, the Group recorded toll revenue of approximately RMB6,016,299,000, representing a year-on-year decrease of approximately 23.19% and representing approximately 74.90% of the total operating revenue of the Group. Of which, Shanghai-Nanjing Expressway recorded an average daily toll revenue of approximately RMB10,727,080, representing a year-on-year decrease of approximately 25.15%. 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 3.49% throughout the year, representing approximately 80.81% of the total traffic volume. Whereas traffic volume of trucks decreased year on year by 4.46% throughout the year, representing approximately 19.19% of the total traffic volume. The total traffic volume of both passenger vehicles and trucks increased by 1.86% (The average daily traffic volume in 2020 included the traffic volume recorded during the toll-free travel period).

The data of the operations of each of the road and bridge projects is set out as below:

Project		2020		2019		Year-on-year %
Shanghai-Nanjing Expressway	Traffic volume of passenger vehicles (vehicle/day)	83,265	80.81%	80,459	79.54%	3.49%
	Traffic volume of trucks (vehicle/day)	19,770	19.19%	20,692	20.46%	-4.46%
	Total traffic volume (vehicle/day)	103,035	-	101,151	-	1.86%
	Average daily toll revenue (RMB'000/day)	10,727.08	-	14,330.76	-	-25.15%
Ningchang Expressway	Traffic volume of passenger vehicles (vehicle/day)	35,569	72.94%	29,842	73.74%	19.19%
	Traffic volume of trucks (vehicle/day)	13,195	27.06%	10,630	26.26%	24.13%
	Total traffic volume (vehicle/day)	48,764	-	40,472	-	20.49%
	Average daily toll revenue (RMB'000/day)	1,940.60	-	2,522.99	-	-23.08%
Zhenli Expressway	Traffic volume of passenger vehicles (vehicle/day)	13,723	70.15%	10,448	68.79%	31.35%
	Traffic volume of trucks (vehicle/day)	5,840	29.85%	4,740	31.21%	23.19%
	Total traffic volume (vehicle/day)	19,562	-	15,188	-	28.80%
	Average daily toll revenue (RMB'000/day)	630.93	-	748.52	-	-15.71%
Guangjing Expressway	Traffic volume of passenger vehicles (vehicle/day)	66,961	79.28%	58,659	78.02%	14.15%
	Traffic volume of trucks (vehicle/day)	17,500	20.72%	16,527	21.98%	5.89%
	Total traffic volume (vehicle/day)	84,461	-	75,186	-	12.34%
	Average daily toll revenue (RMB'000/day)	650.67	-	896.27	-	-27.40%
Xicheng Expressway	Traffic volume of passenger vehicles (vehicle/day)	72,156	80.12%	66,258	78.65%	8.90%

DISCUSSION AND ANALYSIS OF THE OPERATIONS

Project		2020		2019		Year-on-year %
Xiyi Expressway	Traffic volume of trucks (vehicle/day)	17,906	19.88%	17,985	21.35%	-0.44%
	Total traffic volume (vehicle/day)	90,062	-	84,243	-	6.91%
	Average daily toll revenue (RMB'000/day)	1,410.19	-	1,735.41	-	-18.74%
	Traffic volume of passenger vehicles (vehicle/day)	21,848	83.22%	20,308	84.78%	7.58%
	Traffic volume of trucks (vehicle/day)	4,406	16.78%	3,646	15.22%	20.86%
	Total traffic volume (vehicle/day)	26,255	-	23,954	-	9.61%
Wuxi Huantaihu Expressway (Note 3)	Average daily toll revenue (RMB'000/day)	751.54	-	917.22	-	-18.06%
	Traffic volume of passenger vehicles (vehicle/day)	10,793	79.18%	7,408	84.10%	45.70%
	Traffic volume of trucks (vehicle/day)	2,838	20.82%	1,400	15.90%	102.71%
	Total traffic volume (vehicle/day)	13,631	-	8,808	-	54.76%
	Average daily toll revenue (RMB'000/day)	136.59	-	99.56	-	37.19%
	Traffic volume of passenger vehicles (vehicle/day)	16,843	85.92%	13,842	87.84%	21.68%
Zhendan Expressway	Traffic volume of trucks (vehicle/day)	2,760	14.08%	1,916	12.16%	44.01%
	Total traffic volume (vehicle/day)	19,602	-	15,758	-	24.39%
	Average daily toll revenue (RMB'000/day)	189.22	-	209.75	-	-9.79%
	Traffic volume of passenger vehicles (vehicle/day)	75,620	76.34%	71,398	74.97%	5.91%
	Traffic volume of trucks (vehicle/day)	23,438	23.66%	23,840	25.03%	-1.68%
	Total traffic volume (vehicle/day)	99,058	-	95,238	-	4.01%
Jiangyin Bridge	Average daily toll revenue (RMB'000/day)	2,747.06	-	3,505.18	-	-21.63%
	Traffic volume of passenger vehicles (vehicle/day)	45,431	81.24%	47,590	67.75%	-4.54%
	Traffic volume of trucks (vehicle/day)	10,488	18.76%	22,651	32.25%	-53.69%
	Total traffic volume (vehicle/day)	55,919	-	70,241	-	-20.39%
	Average daily toll revenue (RMB'000/day)	2,032.62	-	4,090.11	-	-50.30%
	Traffic volume of passenger vehicles (vehicle/day)	41,909	72.72%	40,788	74.04%	2.75%
Sujiahang Expressway	Traffic volume of trucks (vehicle/day)	15,720	27.28%	14,300	25.96%	9.93%
	Total traffic volume (vehicle/day)	57,629	-	55,088	-	4.61%
	Average daily toll revenue (RMB'000/day)	3,529.08	-	4,250.10	-	-16.96%

DISCUSSION AND ANALYSIS OF THE OPERATIONS

Project		2020		2019		Year-on-year %
Changjia Expressway (Note 4)	Traffic volume of passenger vehicles (vehicle/day)	29,588	56.09%	12,971	67.38%	128.11%
	Traffic volume of trucks (vehicle/day)	23,164	43.91%	6,279	32.62%	268.90%
	Total traffic volume (vehicle/day)	52,752	-	19,250	-	174.04%
	Average daily toll revenue (RMB'000/day)	924.39	-	413.35	-	123.63%

- Note:
- The average daily traffic volume in 2020 included the traffic volume recorded during the toll-free travel period, which resulted in a year-on-year increase in the average daily traffic volume of road and bridge projects of the Group but a year-on-year decrease in average daily revenue (The average daily volume in 2019 referred to that recorded during the toll charging period).
 - The tolls on toll roads nationwide were waived from 00:00 on 17 February 2020 until 00:00 6 May 2020. In general, at the beginning of the epidemic outbreak, the traffic flow on the expressway network continued to decline. After the implementation of the policy of exempting vehicle tolls, the traffic flow recovered quickly. The growth of traffic flow slowed down after the tolls were restored on 6 May.
 - During the Reporting Period, road maintenance operations were carried out at the G42 Hurong Expressway Shuofang Hub-Suzhou North Hub (from Nanjing to Shanghai), during which half-opening traffic control measures were taken to divert vehicles to Wuxi Huantaihu Expressway; and benefiting from the opening of the Hutong Yangtze River Bridge, the traffic volume of Wuxi-Zhangjiagang Expressway soared, which drove the growth of traffic volume of Wuxi Huantaihu Expressway; being affected by the above-mentioned circumstances, the toll revenue of Wuxi Huantaihu Expressway significantly increased as compared with the corresponding period of the previous year.
 - During the Reporting Period, the main line of Changjia Expressway was opened and the traffic volume increased significantly. Being affected by this, the toll revenue of Changjia Expressway had a large increase as compared with the corresponding period of the previous year.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

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 manner. In 2020, the construction of Wufengshan Toll Bridge Project incurred an investment of RMB1,960 million and had incurred an aggregate investment of approximately RMB10,968 million, representing 87.40% of the total investment of the project, and it is expected to be completed in 2021. The construction of Longtan Bridge Project incurred an investment of RMB967 million and had incurred an aggregate investment of approximately RMB1,338 million, representing 21.40% 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 Ninghu International Company, 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 Inland Revenue Department, respectively in Hong Kong. As of the end of the Reporting Period, this overseas investment has obtained the Enterprise Overseas Investment Certificate (Enterprise Overseas Investment Certificate No. N1000202000290 and Enterprise Overseas Investment Certificate No. N1000202000301) issued by the Ministry of Commerce of the People's Republic of China and the Filing Notice of Overseas Investment Project (Fa Gai Ban Wai Zi Bei (發改辦外資備) [2020] No.303) issued by the National Development and Reform Commission of the People's Republic of China. Other approval procedures required for this overseas investment are being processed.

(3) *Investment in the Establishment of Yangtze Commerce and Energy, a Wholly-owned Subsidiary*

As considered and approved at the twenty-sixth meeting of the ninth session of the board of directors of the Company on 24 December 2020, it was approved that the Company contribute RMB100 million for the establishment of Jiangsu Communications & Commercial Energy Company Limited (tentative name, subject to the name registration at the administrative authorities for industry and commerce). 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 25 December 2020 and on the website of the Stock Exchange (www.hkex.com.hk) on 24 December 2020, respectively.

In February 2021, Yangtze Commerce and Energy, the newly established wholly-owned subsidiary of the Company completed the business registration, and obtained the Business License from the market supervision and administration department. For details of the establishment of wholly-owned subsidiary, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 9 February 2021 and on the website of the Stock Exchange (www.hkex.com.hk) on 8 February 2021, respectively.

(II) Operation of ancillary services

During the Reporting Period, the Company realized revenue of approximately RMB1,311,493,000 from ancillary services, representing a year-on-year decrease of approximately 2.69%. In particular, revenue from the service areas rental business amounted to approximately RMB218,044,000, representing a year-on-year decrease of 2.33%, which was mainly due to the rental exemption for some commercial tenants during the pandemic outbreak period. The sales volume of petroleum products was 203,080,000 litres, representing a year-on-year increase of 13.23%, the revenue from which was approximately RMB1,061,060,000, representing a year-on-year decrease of approximately 1.92%, which was mainly due to the decline in oil price; and the gross profit from sales was approximately RMB215,553,000, representing a year-on-year increase of 40.03%. Revenue from other business was approximately RMB32,389,000.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(III) Business of property development and sales

During the Reporting Period, the sales area of commodity housing of the Group was 20,975 square meters, realizing a pre-sale income of RMB503,734,000 and sales revenue carried forward amounted to approximately RMB621,676,000. The net profit after tax realized was approximately RMB76,510,000, representing a year-on-year decrease of approximately 46.74%. The delivery of properties was affected by the pandemic.

For the cost of property development and the products ready-for-sale, please refer to Part [7. Inventories] in [Section XI Financial Reporting].

(IV) Other businesses

The Company's other businesses mainly comprises advertising businesses and factoring business 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 RMB82,999,000, representing a year-on-year increase of approximately 15.06% and it was mainly attributable to the increase in revenue from commissioned operation and management services and factoring business.

II. Primary Operating Conditions during the Reporting Period

During the Reporting Period, under the impact of the pandemic and the policy on toll-free travel, the Group accumulatively realized a total operating revenue of approximately RMB8,032,467,000, representing a year-on-year decrease of approximately 20.30%, of which, toll revenue amounted to approximately RMB6,016,299,000, representing a year-on-year decrease of approximately 23.19%; revenue from the ancillary business amounted to approximately RMB1,311,493,000, representing a year-on-year decrease of approximately 2.69%; revenue from property sales amounted to approximately RMB621,676,000, representing a year-on-year decrease of approximately 24.67%; and revenue from other business amounted to approximately RMB82,999,000, representing a year-on-year increase of approximately 15.06%. Under the PRC Accounting Standards, the Group realized operating profit of approximately RMB3,238,821,000 during the Reporting Period, representing a year-on-year decrease of approximately 41.56%; net profit attributable to shareholders of the Company amounted to approximately RMB2,464,214,000, and earnings per share was approximately RMB0.4891, representing a year-on-year decrease of approximately 41.33%.



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	8,032,466,746.34	10,078,181,218.81	-20.30
Operating costs	4,686,890,023.93	4,576,009,544.69	2.42
Selling expenses	24,698,386.89	35,971,797.28	-31.34
Administrative expenses	197,226,409.99	227,595,890.11	-13.34
Financial expenses	444,319,354.76	464,164,014.33	-4.28
Net cash flow from operating activities	3,137,401,530.39	5,763,283,624.15	-45.56
Net cash flow from investing activities	-5,699,867,768.28	-7,391,606,310.05	-22.89
Net cash flow from financing activities	2,464,045,195.61	1,562,605,899.87	57.69
Gain on change in fair value	33,547,488.70	71,295,344.11	-52.95
Investment income	618,460,042.64	886,313,895.55	-30.22
Gains from disposal of assets	220,298.98	-70,252,066.32	-100.31
Other gains	33,219,560.42	7,257,958.52	357.70
Non-operating income	82,926,177.75	32,336,183.87	156.45
Non-operating expenses	88,111,461.54	52,532,595.64	67.73
Other comprehensive income, net of tax	-467,550,226.48	453,657,154.34	-203.06

2. Analysis of revenue and costs

Applicable N/A

The Group had an aggregate operating revenue of approximately RMB8,032,467,000 during the Reporting Period, representing a decrease of approximately 20.30% as compared to the same period in 2019, which was mainly due to the COVID-19 pandemic and the toll-free travel policy. Total operating costs were approximately RMB4,686,890,000, representing an increase of approximately 2.42% as compared to the same period in 2019, which was mainly due to the increase in depreciation and amortisation of roads resulting from the increased traffic volume. The consolidated gross profit margin of the Group decreased by approximately 12.94 percentage points as compared to the same period in 2019.

Components of revenue:

Item of operating revenue	For the Reporting Period		For the same period in 2019		Year-on-year increase/decrease
	Amount	Percentage (%)	Amount	Percentage (%)	
Toll road business	6,016,298,931.46	74.90	7,833,075,472.21	77.72	-2.82
Ancillary services business	1,311,492,871.44	16.33	1,347,754,062.96	13.37	2.96
Property sales business	621,675,771.55	7.74	825,216,616.96	8.19	-0.45
Other businesses	82,999,171.89	1.03	72,135,066.68	0.72	0.31
Total	8,032,466,746.34	100.00	10,078,181,218.81	100.00	-

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(1) Principal businesses classified by industries, products and regions

Unit: Yuan Currency: RMB

By industries	Principal operating activities classified by industries					
	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 (%)	Change in gross profit margin over the corresponding period of last year (%)
Toll road business	6,016,298,931.46	3,096,480,407.77	48.53	-23.19	7.66	Decreased by 14.75 percentage points
Shanghai-Nanjing Expressway	3,926,110,186.74	1,764,679,609.32	55.05	-24.94	7.49	Decreased by 13.56 percentage points
Guangjing Expressway and Xicheng Expressway (Note 1)	754,274,294.15	278,906,462.36	63.02	-21.48	-25.03	Increased by 1.75 percentage points
Ningchang Expressway and Zhenli Expressway	941,181,964.98	747,271,649.26	20.60	-21.18	27.43	Decreased by 30.29 percentage points
Xiyl Expressway and Wuxi Huantaihu Expressway	325,057,442.18	251,047,092.77	22.77	-12.41	12.36	Decreased by 17.03 percentage points
Zhendan Expressway	69,256,321.13	53,306,239.56	23.03	-9.54	1.22	Decreased by 8.18 percentage points
Changyi Expressway (Note 2)	418,722.28	1,269,354.50	-	-	-	-
Ancillary services business	1,311,492,871.44	1,178,933,604.08	10.11	-2.69	-5.08	Increased by 2.27 percentage points
Property sales business	621,675,771.55	351,563,142.96	43.45	-24.67	-18.71	Decreased by 4.14 percentage points
Other businesses (Note 3)	82,999,171.89	59,912,869.12	27.82	15.06	137.70	Decreased by 37.24 percentage points
Total	8,032,466,746.34	4,686,890,023.93	41.65	-20.30	2.42	Decreased by 12.94 percentage points



DISCUSSION AND ANALYSIS OF THE OPERATIONS

Note 1: During the Reporting Period, the gross profit margin for toll business increased due to the year-on-year decrease in costs on road maintenance of Guangjing Xicheng Expressway as a result of the overhaul of Guangjing Xicheng Expressway during the corresponding period of last year.

Note 2: Changyi Expressway was open for traffic on 28 December 2020.

Note 3: During the Reporting Period, the operating costs of other businesses increased year-on-year, mainly due to the increase in operating costs of Yangtze River Management Company, which was established on 6 June 2019, and the increase in financing costs of Factoring Company as its business developed.

Explanation on principal businesses classified by industries, products and regions

During the Reporting Period, the Group conducted its principal business in Jiangsu Province.

(2) *Analysis on production and sales volume*

Applicable N/A

(3) *Analysis of costs*

Unit: Yuan

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	-	3,096,480,407.77	66.07	2,876,262,069.44	62.86	7.66	-
-	Depreciation and amortization	1,515,831,069.72	32.34	1,420,364,799.11	31.04	6.72	Mainly due to that fact that the traffic volume maintained a stable increase during the Reporting Period, and the increase in the amortisation of toll roads.
-	Costs on maintenance	551,889,351.53	11.78	531,109,367.09	11.61	3.91	Mainly due to the centralized maintenance of pavement on some sections of Nanjing-Shanghai Expressway and a year-on-year increase in the costs on road maintenance as a result of a comprehensive renovation of the facilities and greening along the expressway in response to the national maintenance inspection during the Reporting Period.
-	Costs on system maintenance	95,132,016.72	2.03	35,594,808.25	0.78	167.26	Mainly due to the year-on-year increase in costs on system maintenance as a result of postponement in implementation of some system maintenance projects till the Reporting Period as affected by the withdrawal of provincial toll stations during the corresponding period of last year.

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 (%)		
-	Costs on toll collection	187,124,608.79	3.99	169,742,752.56	3.71	10.24	Mainly due to the year-on-year increase in costs on toll collection, as a result of the renovation for standardized station areas along the whole line of Ningchang Zhenli Expressway
-	Labour costs	746,503,361.01	15.93	719,450,342.43	15.72	3.76	-
-	Ancillary service businesses	1,178,933,604.08	25.15	1,242,077,560.33	27.14	-5.08	-
-	Raw materials	796,741,609.02	17.00	890,135,140.61	19.45	-10.49	Mainly due to the year-on-year decrease in procurement cost of raw materials as a result of the impact of the COVID-19 and the drop in oil prices during the Reporting Period.
-	Depreciation and amortization	52,785,198.48	1.13	53,963,009.67	1.18	-2.18	-
-	Labour costs	199,971,366.79	4.27	202,248,843.80	4.42	-1.13	-



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 (%)		
-	Other costs	129,435,429.79	2.76	95,730,566.25	2.09	35.21	Mainly due to the year-on-year increase in the cost of property management and maintenance and in the service areas during the Reporting Period.
Property sales business	-	351,563,142.96	7.50	432,465,133.96	9.45	-18.71	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	-	59,912,869.12	1.28	25,204,780.96	0.55	137.70	Mainly due to a year-on-year increase in the costs of other business as a result of the increase in the management cost of Yangtze River Management Company, and the financing cost of Factoring Company and the increase in the scale of the property management concerning the property projects delivered by the subsidiaries during the Reporting Period.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

Explanation on other details of cost analysis

As Changyi Expressway and Yichang Expressway were put into operation and Wufengshan Toll Bridge will be opened in the future, the depreciation and amortization expenses of the Group will further increase.

(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 RMB197,226,000 in aggregate, representing a decrease by approximately 13.34% over the same period last year. The year-on-year decrease in administrative expenses was mainly due to the strengthening of budget management and strict control over expenses by the Group to reduce the impact of the COVID-19 during the Reporting Period.

(2) *Financial expenses*

During the Reporting Period, the Group's financial expenses were approximately RMB444,319,000 in aggregate. By way of the positive and flexible financing strategy, the financing cost for interest-bearing debts significantly decreased, representing a year-on-year decrease of approximately 4.28% in expenditures, realizing the cost reduction and efficiency enhancement.

(3) *Selling expenses*

During the Reporting Period, the Group's aggregate selling expenses were approximately RMB24,698,000, representing a year-on-year decrease of approximately 31.34%. The year-on-year decrease in selling expenses was mainly due to the year-on-year decrease in advertisement and promotion fee and commission fee for agent of real estate sales of Ninghu Properties Company and Hanwei Company during the Reporting Period as a result of the impact of the COVID-19.

(4) *Taxes and surcharges*

During the Reporting Period, the taxes and surcharges incurred by the Group were RMB125,865,000 in aggregate, representing a year-on-year decrease of approximately 0.89%. The year-on-year decrease in the provision for taxes and surcharges was mainly due to the decrease in operating income of the Group as compared to the corresponding period of last year and the tax relief on some items during the Reporting Period.

(5) *Income tax*

The statutory income tax rate for companies of the Group was 25% and 20%. During the Reporting Period, the income tax expense of the Group was approximately RMB714,881,000 in aggregate, representing a year-on-year decrease of approximately 41.46%.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

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 toll revenue of the Group is received in cash and bank balances, contributing to a stable operating cash flow. During the Reporting Period, the Group's net cash flow generated from operating activities was approximately RMB3,137,402,000, representing a year-on-year decrease of approximately 45.56%, mainly due to the significant year-on-year decrease in the net cash flow from operation activities as a result of a year-on-year decrease in toll revenue and revenue from property projects caused by the impact of the pandemic and the toll-free travel policy during the Reporting Period. The net cash outflow generated from investment activities was approximately RMB5,699,868,000, representing a year-on-year decrease of approximately 22.89%, mainly due to a decrease in the net cash outflow from investment activities as a result of the year-on-year decrease in the construction expenditures of road and bridge projects under construction and equity investment expenditures during the Reporting Period. The net cash inflow incurred from financing activities was approximately RMB2,464,045,000, representing a year-on-year increase of 57.69%, mainly due to the year-on-year increase in the net cash inflow incurred from financing activities as a result of a decrease in the Group's revenue, and the expenditures of the projects under construction through an increase in the cash inflow from the borrowings made by the Group caused by the impact of the pandemic and toll-free travel policy 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 RMB33,547,000, representing a year-on-year decrease of approximately 52.95%. It was mainly due to the year-on-year decrease in the growth of the estimated fair value of other non-current 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 RMB618,460,000, representing a year-on-year decrease of approximately 30.22%, mainly due to the year-on-year decrease in the operating results of the road and bridge sector which accounted for the majority of the business of the associates under the impact of the COVID-19 pandemic and the policy on toll-free travel during the Reporting Period; and the year-on-year decrease in dividend from investment in other equity instruments. During the Reporting Period, associates, in which the Group had a participating interest, contributed investment income of approximately RMB375,141,000, representing a year-on-year decrease of approximately 42.20%. Operating results of major companies in which the Group held equity interests are as follows:

Unit: Yuan Currency: 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)	The management and operation businesses of Sujiahang Expressway and Changjia Expressway	526,090,677	30.01	374,455,854.55	112,374,201.95	4.46	-46.30
Yangtze Bridge Company	Mainly responsible for the management and operation of Jiangyin Bridge	631,159,243	26.66	392,774,815.84	104,713,765.90	4.16	-49.04
Yanjiang Company	Mainly responsible for the management and operation of Yanjiang Expressway	1,466,200,000	25.15	265,088,993.34	73,164,562.16	2.90	-58.56

* As affected by the outbreak of COVID-19 and the toll-free travel policy, the operating results of the Group's associates in the road and bridge sector decreased significantly year-on-year, resulting in a year-on-year decrease in investment income contributed; the investment income contributed by the Group's associates in business sectors other than the road and bridge sector and dividends on other non-current financial assets increased significantly.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

8. Other income

During the Reporting Period, the Group recorded other income of approximately RMB33,220,000, representing a year-on-year increase of approximately 357.70%. It was mainly due to the inclusion of deductible portion into other income as a result of the implementation of national policies which stipulated that commencing from 1 April 2019, an extra 10% shall be credited against deductible input VAT, in line with the policy for deduction of tax amount payable; and due to the receipt of the subsidies concerning the construction of transformation project of expressway provincial boundary toll stations.

9. Non-operating income and expenses

During the Reporting Period, the Group achieved a non-operating income of approximately RMB82,926,000, representing a year-on-year increase of approximately 156.45%, which was mainly due to the receipt of pit compensation and the provision made for liquidated damages receivable from Luode Company for the delayed delivery of South Nanjing New City project during the Reporting Period.

During the Reporting Period, the Group incurred a non-operating expense of approximately RMB88,111,000, representing a year-on-year increase of approximately 67.73%, which was mainly due to the expenses for maintenance and repair of road assets and the provision for penalty of RMB56,606,000 for delayed delivery of South Nanjing New City project as affected by the COVID-19 pandemic 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: Yuan Currency: 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
Held-for-trading financial assets	1,533,818,523.40	2.51	676,935,184.62	1.22	126.58	Mainly due to the increase in wealth management products held by the Group at the end of the Reporting Period as compared to the beginning of the period.
Notes receivable	10,859,500.00	0.02	-	-	-	Mainly due to the increase in the bank acceptances receivable at the end of the Reporting Period.
Accounts Receivable	309,072,553.64	0.51	224,285,157.62	0.40	37.80	Mainly due to the increase in toll road fee receivable at the end of the Reporting Period as compared to the beginning of the period.
Other current assets	1,052,050,289.90	1.72	379,340,961.34	0.68	177.34	Mainly due to the increase in the Group's financing factoring balance, prepaid VAT and enterprise income tax at the end of the Reporting Period as compared to the beginning of the period.
Other equity instruments investment	5,471,025,963.66	8.95	5,655,468,613.24	10.17	-3.26	Mainly due to the decrease in the book value of the other equity instruments investment recognized at fair value by the Group during the Reporting Period.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

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 non-current financial assets	2,039,192,599.15	3.34	1,446,175,745.21	2.60	41.01	Mainly due to the additional investment in Luode Huizhi and CDB Kai Yuan Phase II Fund during the Reporting Period and the increase in valuation of other non-current financial assets held as compared to the beginning of the period.
Construction in progress	15,280,716,856.65	25.01	14,501,734,494.95	26.07	5.37	Mainly due to the investment in construction of road and bridge projects in progress.
Intangible assets	21,298,818,056.01	34.86	18,927,999,470.50	34.03	12.53	Mainly due to the completion and being open for traffic of Changyi Expressway during the Reporting Period, resulting in the adjustment to its classification from construction in progress to intangible assets.
Right-of-use assets	18,893,134.89	0.03	637,434.33	0.00	2,863.93	Mainly due to the increase in the leased assets at the end of the Reporting Period as compared to the beginning of the period.
Short-term borrowings	1,475,103,433.33	2.41	1,972,708,495.84	3.55	-25.22	Mainly due to the partial repayment of short-term borrowings during the Reporting Period.
Notes payable	38,400,000.00	0.06	-	-	-	Mainly due to the issuance of bank acceptances by the subsidiaries engaged in the construction of roads and bridges, concerning the payment of construction projects during the Reporting Period.
Receipts in advance	8,590,278.75	0.01	10,698,899.04	0.02	-19.71	Mainly due to the decrease in lease payments received in advance at the end of the Reporting Period as compared to the beginning of the period.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

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
Contract liabilities	876,391,923.12	1.43	1,134,150,940.01	2.04	-22.73	Mainly due to the slowing down of sales progress of the property business as a result of the COVID-19 during the Reporting Period, resulting in the revenue carried forward after delivery greater than the revenue from pre-sales.
Accounts payable	1,701,582,093.30	2.79	1,262,414,819.54	2.27	34.79	Mainly due to the increase in construction payable at the end of the Reporting Period as compared to the beginning of the period.
Non-current liabilities due within one year	1,103,456,242.14	1.81	3,161,145,193.63	5.68	-65.09	Mainly due to the adjustment of RMB1 billion of medium-term notes due within one year to non-current liabilities due within one year and the return of RMB2 billion of medium-term notes due within one year during the Reporting Period.
Other current liabilities	8,327,987,272.56	13.63	5,092,083,748.87	9.15	63.55	Mainly due to the ultra-short-term notes newly issued during the Reporting Period, resulting in the increase in the balance as compared to the beginning of the period.
Long-term borrowings	11,545,381,743.39	18.90	8,335,475,444.12	14.99	38.51	Mainly due to the increase in loans for road and bridge projects under construction and borrowings from related parties during the Reporting Period as compared to the beginning of the period.
Bonds payable	1,984,606,358.58	3.25	997,460,933.93	1.79	98.97	Mainly due to the adjustment of RMB1 billion of medium-term notes due within one year to non-current liabilities due within one year and the additional issuance of RMB2 billion of medium-term notes during the Reporting Period.
Provisions	54,115,762.42	0.09	30,211,590.82	0.05	79.12	Mainly due to the newly-added provision for penalty for the delayed delivery of the South Nanjing New City project during the Reporting Period.
Lease liabilities	11,835,601.70	0.02	-	-	-	Mainly due to the lease liabilities recognized in accordance with the New Lease Standards during the Reporting Period.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

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
Deferred tax liabilities	305,018,990.45	0.50	416,613,871.66	0.75	-26.79	Mainly due to the adjustment to other comprehensive income based on the fair value of other equity instruments held by the Group, and the adjustment to the deferred incomes tax liabilities accordingly during the Reporting Period.
Deferred income	112,227,270.52	0.18	41,177,151.42	0.07	172.55	Mainly due to the receipt of subsidies concerning the construction of transformation project of expressway provincial boundary toll stations during the Reporting Period.
Other comprehensive income	806,954,969.94	1.32	1,291,748,071.42	2.32	-37.53	Mainly due to the adjustment to other comprehensive income based on the fair value of other equity instruments held by the Group during the Reporting Period.
Total assets	61,095,560,365.16	100	55,625,048,624.75	100	9.83	
total gearing ratio	45.91%	-	41.24%	-	4.67	
Net gearing ratio	84.86%	-	70.20%	-	14.66	

Other explanations

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



DISCUSSION AND ANALYSIS OF THE OPERATIONS

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

Applicable N/A

Unit: Yuan Currency: RMB

Item	Book value as at the end of the Reporting Period	Reasons for restriction
Bank deposits	2,486,611.60	Customers' mortgage deposit
Bank deposits	31,796,997.89	Regulated pre-sale proceeds
Bank deposits	1,440,000.00	Margin deposits for notes issued
Intangible assets	271,422,408.99	Pledge of toll road concession rights of expressways
Total	307,146,018.48	

(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 RMB2,487,000, regulated pre-sale proceeds of RMB31,797,000 and margin deposits for notes issued of RMB1,440,000. Among these items, the regulated pre-sale proceeds are required by the requirements on regulated pre-sale proceeds implemented by some local authorities in China (such as Nanjing, Suzhou, Jurong, Kunshan etc.). Real estate developers need to open a supervised bank account when applying for pre-sale permit for new commercial properties. All the pre-sale proceeds should be deposited in such account which are supervised by regulator. The developer must apply for the supervised funds according to the construction progress in order to ensure the pre-sale proceeds being used for property construction on a priority basis.

(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 RMB511,000,000.

3. Other explanations

Applicable N/A



DISCUSSION AND ANALYSIS OF THE OPERATIONS

(1) Capital input

During the Reporting Period, the Group incurred the planned capital expenditure in a sum of approximately RMB6,162,081,000, representing a decrease of approximately RMB1,923,607,000 or approximately 23.79% as compared to RMB8,085,688,000 in 2019. The decrease was mainly due to the year-on-year decrease of other equity instruments investment and equity investment of the Group during the Reporting Period. 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	1,960,301,992.14
Investment in the construction of Changyi Expressway (Phase I)	904,056,308.00
Investment in the construction of Yichang Expressway	831,203,393.60
Investment in the construction of Longtan Bridge	966,987,101.55
Payment for final construction fees of the construction of Zhendan Expressway	115,089,147.27
Equity investment in Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership)	65,024,383.36
Participation in the placing of shares of Bank of Jiangsu	461,295,000.00
Capital contribution to Hanwei Company	190,000,000.00
Participation in the subscription for Real Estate Parent Fund Phase III initiated by Luode Fund (Luode Huizhi)	500,000,000.00
Alteration and addition of service areas and toll collection points	12,178,118.82
Three major systems and information construction project	18,989,557.26
Other capital expenditures of the Group	136,955,769.10
Total	6,162,080,771.10

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

(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 RMB28,046,291,000. The overall gearing ratio of the Group was approximately 45.91%, an increase of approximately 4.67 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.



DISCUSSION AND ANALYSIS OF THE OPERATIONS

(3) Financial strategy and financing arrangement

During the Reporting Period, the Group actively expanded its financing channels, adjusted its debt structure and reduced 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 RMB19,090,000,000 was obtained through direct financing. As at 31 December 2020, the Group's borrowings amounted to RMB10,322,110,000, of which RMB12,933,000 were fixed loans. As at the end of the Reporting Period, the balance of interest-bearing liabilities amounted to approximately RMB24,252,110,000, representing an increase of approximately RMB4,919,190,000 as compared with the beginning of the year. During 2020, 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 3.80%, representing a decrease of approximately 0.53 percentage point year-on-year, approximately 0.91 percentage point lower than the bank lending rate over 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	8 January 2020	93 days	720,000	2.20	4.35	-2.15
Super short-term commercial paper	9 January 2020	92 days	340,000	2.20	4.35	-2.15
Super short-term commercial paper	10 January 2020	97 days	600,000	2.29	4.35	-2.06
Super short-term commercial paper	10 January 2020	98 days	200,000	2.20	4.35	-2.15
Super short-term commercial paper	3 March 2020	227 days	500,000	2.10	4.35	-2.25
Super short-term commercial paper	1 April 2020	198 days	400,000	2.20	4.35	-2.15
Super short-term commercial paper	8 April 2020	190 days	600,000	1.78	4.35	-2.57
Super short-term commercial paper	8 April 2020	190 days	500,000	1.77	4.35	-2.58
Super short-term commercial paper	15 April 2020	191 days	600,000	1.75	4.35	-2.6
Super short-term commercial paper	15 April 2020	191 days	700,000	1.74	4.35	-2.61
Super short-term commercial paper	26 April 2020	187 days	300,000	1.68	4.35	-2.67
Super short-term commercial paper	6 May 2020	184 days	500,000	1.67	4.35	-2.68
Super short-term commercial paper	13 May 2020	184 days	500,000	1.65	4.35	-2.7
Super short-term commercial paper	13 May 2020	184 days	500,000	1.67	4.35	-2.68
Super short-term commercial paper	20 May 2020	184 days	400,000	1.65	4.35	-2.7
Super short-term commercial paper	20 May 2020	184 days	500,000	1.65	4.35	-2.7
Super short-term commercial paper	27 May 2020	142 days	250,000	1.65	4.35	-2.7
Super short-term commercial paper	17 July 2020	112 days	350,000	1.40	4.35	-2.95
Super short-term commercial paper	22 July 2020	107 days	400,000	1.40	4.35	-2.95
Super short-term commercial paper	14 August 2020	168 days	730,000	1.90	4.35	-2.45
Medium-term commercial paper	21 August 2020	5 years	2,000,000	3.98	4.75	-0.77
Super short-term commercial paper	22 October 2020	176 days	500,000	1.87	4.35	-2.48
Super short-term commercial paper	28 October 2020	177 days	1,000,000	1.80	4.35	-2.55
Super short-term commercial paper	29 October 2020	148 days	1,000,000	2.10	4.35	-2.25
Super short-term commercial paper	29 October 2020	70 days	1,000,000	2.20	4.35	-2.15
Super short-term commercial paper	11 November 2020	120 days	1,000,000	1.68	4.35	-2.67
Super short-term commercial paper	17 November 2020	80 days	1,000,000	2.05	4.35	-2.3
Super short-term commercial paper	27 November 2020	210 days	1,000,000	2.50	4.35	-1.85
Super short-term commercial paper	1 December 2020	90 days	1,000,000	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 receivables on each balance sheet date to ensure that adequate provisions are made for bad debts. In view of the above, the management considers that the Group's credit risk is relatively low.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(5) Contingencies

As an industrial practice in the real estate industry, Ninghu Properties Company and Hanwei Company, subsidiaries of the Group, provide joint and 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 property is completed and the Building Right Encumbrances Certificate is submitted to banks for enforcement. As at 31 December 2020, the outstanding guarantees amounted to approximately RMB595,334,000.

The Company has provided a wholly-owned subsidiary, Factoring Company, with guarantees for their application for comprehensive credit, with a maximum guarantee balance of RMB810,000,000. The guarantee is joint and several guarantees in nature, with a guarantee period of one year; as of 31 December 2020, the guarantee balance was approximately RMB293,600,000.

(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 mature on 18 July 2027. As at 31 December 2020, the balance of the loan was equivalent to approximately RMB12,933,000, 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 2019	5,037,747,500	10,428,388,234.50	837,827,667.08	3,411,194,284.79	-	6,422,040,045.25	26,137,197,731.62
Profit for the year	-	-	-	-	-	4,199,704,371.82	4,199,704,371.82
Other capital reserve	-	73,524,949.37	-	-	-	-	73,524,949.37
Total amount of comprehensive income	-	-	453,920,404.34	-	-	-	453,920,404.34
Profit distributed	-	-	-	139,972,715.63	-	-139,972,715.63	-
Appropriation to general risk reserve	-	-	-	-	141,891.32	-141,891.32	-
Dividends distributed	-	-	-	-	-	-2,317,363,850.00	-2,317,363,850.00
As at 31 December 2019	5,037,747,500	10,501,913,183.87	1,291,748,071.42	3,551,167,000.42	141,891.32	8,164,265,960.12	28,546,983,607.15
As at 1 January 2020	5,037,747,500	10,501,913,183.87	1,291,748,071.42	3,551,167,000.42	141,891.32	8,164,265,960.12	28,546,983,607.15
Profit for the year	-	-	-	-	-	2,464,213,675.74	2,464,213,675.74
Other capital reserve	-	920,767.42	-	-	-	-	920,767.42
Total amount of comprehensive income	-	-	-484,793,101.48	-	-	-	-484,793,101.48
Profit distributed	-	-	-	99,238,305.13	-	-99,238,305.13	-
Appropriation to general risk provision	-	-	-	-	3,345,822.39	-3,345,822.39	-
Dividends distributed	-	-	-	-	-	-2,317,363,850.00	-2,317,363,850.00
As at 31 December 2020	5,037,747,500	10,502,833,951.29	806,954,969.94	3,650,405,305.55	3,487,713.71	8,208,531,658.34	28,209,961,098.83

Note: 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 2020, reserves distributable to the shareholders were RMB8,208,531,658.34 under the PRC Accounting Standards (as at 31 December 2019, reserves distributable to the shareholders were RMB8,164,265,960.12 under the PRC Accounting Standards).

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(IV) Analysis of operating information

Applicable N/A

(V) Analysis of investment

1. Overall analysis of external equity investment

Applicable N/A

During the Reporting Period, the total amount of external equity investment of the Group was approximately RMB1,216,319,000, representing a decrease of approximately 43.52% as compared to 2019. The specific items are as follows:

(1) Material equity investments

Applicable N/A

① Subscription for CDB Kai Yuan Phase II Fund

As approved 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 RMB65,024,000. As at the end of the Reporting Period, Ninghu Investment Company has made an aggregate capital contribution of RMB984,555,000.

② Investment in Luode Parent Real Estate Fund

On 24 April 2020, the 20th 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 Real Estate Parent Fund Phase III initiated by Luode Fund Company, with total size of the fund no more than RMB1.5 billion, in which Ninghu Investment Company will invest no more than RMB500 million. As at the end of the Reporting Period, Ninghu Investment Company has made an investment of RMB500 million and the total investment in the fund amounted to RMB1,198,000,000.

③ Participation in the placing of shares of Bank of Jiangsu

On 27 November 2020, the 25th meeting of the ninth session of the board of directors of the Company considered and approved the subscription of all entitlements of shares under the placing proposal of Bank of Jiangsu in full by the Company and its direct subsidiaries Ninghu Investment Company and Ningchang Zhenli Company using internal funds. The specific investment amount will be determined according to the final proportion and price of the placing of Bank of Jiangsu.

On 15 December 2020, Bank of Jiangsu completed the issuance of shares for placing; the Company and its direct subsidiaries Ninghu Investment Company and Ningchang Zhenli Company subscribed for the shares of Bank of Jiangsu using self-owned funds of RMB461,295,000.

④ Increase in registered capital of Hanwei Company

On 24 December 2020, the 26th meeting of the ninth session of the board of directors of the Company considered and approved an increase of RMB190,000,000 in the registered capital of Hanwei Company, a wholly-owned subsidiary of the Company. Upon the capital increase, the registered capital of Hanwei Company was increased to RMB290,000,000.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(2) *Material non-equity investments*

Applicable N/A

For details, please refer to “(1) Actively advancing the construction of projects under construction” of “4. Business Development” under “I. Discussion and Analysis of the Operation”.

(3) *Financial assets measured at fair value*

Applicable N/A

Unit: Yuan Currency: RMB

Item	Initial		Purchased/Sold	Investment income	Change in fair value
	investment cost	Source of funds			
Fund investments-Fuanda Advantageous Growth	9,999,400.00	Internal funds	-	-	7,358,558.46
Wealth management products	-	Internal funds	1,499,000,000.00	18,623,534.20	-
Gold investments	10,473,491.95	Internal funds	-7,564,479.66	3,351,122.79	-1,803,540.34
Other non-current financial assets (CDB Kai Yuan Phase II)	919,531,171.55	Internal funds	65,024,383.36	30,755,152.68	50,340,087.37
Other non-current financial assets (Luode Dening)	150,000,000.00	Internal funds	-150,000,000.00	40,862,000.00	-38,381,550.76
Other non-current financial assets (Zhongbei Zhiyuan)	300,000,000.00	Internal funds	-	-	17,221,761.15
Other non-current financial assets (Luode Huizhi)	-	Internal funds	500,000,000.00	-	-1,187,827.18
Fuanda Asset Management Scheme	2,000,000,000.00	Internal funds	-	-	-290,142,649.58
Other equity instruments (Bank of Jiangsu)	1,947,506,804.71	Internal funds	461,295,000.00	93,130,000.00	-508,865,000.00
Other equity instruments (Jiangsu Leasing Company)	270,898,456.89	Internal funds	-	56,160,000.00	153,270,000.00
New shares subscription	-	Internal funds	242,800.32	436,825.29	

During the Reporting Period, Ninghu Investment Company, a subsidiary of the Company, continued to hold Fuanda Advantageous Growth Fund purchased in 2011, being approximately 10,000,000 units in total with a net value of approximately RMB22,891,000 at the beginning of the Reporting Period. Investment cost amounted to approximately RMB9,999,000. There was an increase in fair value of approximately RMB7,359,000 during the Reporting Period with an increase in cumulative fair value of approximately RMB20,249,000.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

During the Reporting Period, Ninghu Investment Company continued to engage in gold bullion investment purchased in 2014 at an investment cost of approximately RMB10,473,000 with a net value of approximately RMB13,695,000 at the beginning of the Reporting Period, and sold approximately RMB7,564,000 of the gold bullion with an investment income of approximately RMB3,351,000 during the Reporting Period. At the end of the Reporting Period, the net value of the investment was approximately RMB4,327,000. There was a decrease in fair value of approximately RMB1,803,000 during the Reporting Period with an increase in its cumulative fair value of approximately RMB1,417,000.

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 RMB919,531,000 with its net value of approximately RMB1,107,666,000 at the beginning of the Reporting Period. There was an increase in principal amount of investment of RMB65,024,000 during the Reporting Period with an investment income of RMB30,755,000. At the end of the Reporting Period, the net value of the investment was approximately RMB1,223,030,000. There was an increase in fair value of approximately RMB50,340,000 during the Reporting Period with an increase in cumulative fair value of approximately RMB238,475,000.

During the Reporting Period, Ninghu Investment Company continued to hold Luode Dening Parent Fund subscribed for in 2016 with a net value of approximately RMB38,414,000 at the beginning of the Reporting Period, and it fully recovered principal amount with an investment income of RMB40,862,000. At the end of the Reporting Period, the net value of the investment amounted to approximately RMB32,000. There was a decrease in fair value by approximately RMB38,382,000 during the Reporting Period while cumulative fair value increased by approximately RMB32,000. Ninghu Investment Company continued to hold Zhongbei Zhiyuan Fund which it subscribed for in 2019 at an investment cost of RMB300,000,000 with its net value of approximately RMB300,096,000 at the beginning of the Reporting Period. At the end of the Reporting Period, the net value was approximately RMB317,317,000. There was an increase in fair value of approximately RMB17,221,000 during the Reporting Period with an increase in cumulative fair value of approximately RMB17,317,000. Ninghu Investment Company participated in Luode Huizhi Fund initiated and established by Luode Fund Company at an investment cost of RMB500,000,000. At the end of the Reporting Period, the net value was approximately RMB498,812,000, which represented a decrease in fair value of approximately RMB1,188,000 during the Reporting Period.

(VI) Material disposal of assets and equity interest

Applicable N/A

DISCUSSION AND ANALYSIS OF THE OPERATIONS

(VII) Analysis of major subsidiaries and investee companies

Applicable N/A

Unit: Yuan Currency: RMB

Name of company	Principal business	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 %
Guangjing Xicheng Company	Expressway construction, management, maintenance and toll collection	2,125,000,000	85	13,448,240,905.82	7,312,297,876.85	465,855,759.13	18.50	-31.55
Zhendan Company	Expressway construction, management, maintenance and toll collection	423,910,000	70	1,773,493,630.95	490,568,580.39	-51,490,307.78	-	16.80
Wufengshan Toll Bridge Company	Expressway construction, management, maintenance and toll collection	3,112,980,000	64.5	11,475,593,425.01	4,829,017,910.27	208,944.57	0.01	-88.11
Ninghu Investment Company	Investments in various types of infrastructure, industries and assets	1,820,100,000	100	2,750,977,900.55	2,382,699,216.82	120,109,689.35	4.77	45.76
Ninghu Properties Company	Real estate development, operation and consultancy	500,000,000	100	2,598,111,488.15	1,195,739,141.06	75,140,263.84	2.98	-60.14
Hanwei Company	Real estate development and operation	374,499,800	100	1,890,599,846.80	190,693,003.47	1,370,283.68	0.05	-103.05
Yangtze River Management Company	Expressway construction, management and maintenance	50,000,000	100	51,482,738.76	50,268,040.40	256,125.61	0.01	2049.64
Longtan Bridge Company	Expressway construction, management, maintenance and toll collection	785,090,000	53.6	1,629,866,540.81	1,591,175,513.31	-74,207.80	-	84.24



DISCUSSION AND ANALYSIS OF THE OPERATIONS

- * On 25 March 2020, the State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government (Jiangsu SASAC) issued the Reply From Jiangsu SASAC for the Approval of the Implementation of the Absorbing and Merging the Project of Ningchang Zhenli Company by Ninghu Company (Su Guo Zi Fu [2020] No. 10) (《省國資委關於同意實施寧滬公司吸收合併寧常鎮溧公司項目的批覆》(蘇國資復[2020]10號)), pursuant to which Jiangsu SASAC agreed that the Company, as the surviving entity, to absorb and merge Ningchang Zhenli Company. On 23 April 2020, the Resolution Relating to the Absorption and Merger of the Wholly-owned Subsidiary Ningchang Zhenli Company was considered and approved at the second extraordinary general meeting in 2020 of the Company. On 11 November 2020, the Transportation Department of Jiangsu Province issued the Reply to the Change in Operating Entity of Ningchang Expressway and Zhenli Expressway (Su Jiao Cai Han [2020] No. 87) (《關於寧常高速公路及鎮溧高速公路經營權主體變更的覆函》(蘇交財函[2020]87號)), clarified that the Company, as the surviving entity of Ningchang Expressway and Zhenli Expressway, was entitled to the rights and interests of the toll roads. Ningchang Zhenli Company is a wholly-owned subsidiary of the Company acquired through a merger of enterprises under common control in 2015. Upon the completion of the absorption and merger during the period, the Company recognized the relevant assets and liabilities of the former Ningchang Zhenli Company at the carrying amounts as at the date of merger of enterprises under the same control until the carrying amounts of assets and liabilities as at the date of the absorption and merger had been confirmed. The net profit or loss realized by the former Ningchang Zhenli Company from the date of merger of enterprises under common control to the date of absorption and merger was transferred to the retained earnings of the Company. The difference between the carrying amounts of the long-term equity investment in the former Ningchang Zhenli Company by the Company and the transfer of the assets and liabilities of the former Ningchang Zhenli Company to the Company in accordance with the above-mentioned principles shall be included in capital surplus.
- * During the Reporting Period, as affected by the COVID-19 and the toll-free policy, the operating results of Guangjing Xicheng Company and Zhendan Company, subsidiaries of the Group in road and bridge sector, decreased significantly on a year-on-year basis.
- * During the Reporting Period, Ninghu Investment Company recorded an increase in net profit by approximately 45.76% on a year-on-year basis due to an increase in dividend of its other non-current financial assets during the Reporting Period.
- * For the operational performance and changes in the results of Ninghu Properties Company and Hanwei Company, please refer to the section headed "Business of property development and sales" in this report.

(VIII) Structured entities controlled by the Company

Applicable N/A



DISCUSSION AND ANALYSIS OF THE OPERATIONS

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, with the gradual recovery of the economy, the adjustment of industrial structure posed new challenges to the transportation industry; in respect of the development of industry policies, the Company will implement the requirements of the “Outline on Building a Strong Transportation Power” and deepen the supply-side structural reform in transportation, and lay a solid foundation for the medium-to-long-term development of expressways in China; in respect of the development of traffic demand, with the increase in urban population, the demand for short-distance intercity traffic will grow further; in respect of business development, on the basis of continuing to preferentially select investment opportunities in new projects and asset consolidation projects in the region, the Group has practiced the strategy of “going out” as appropriate, and deeply explore merger opportunities on quality road and bridge projects outside the country. At the same time, the Group has implemented the industrial ecosystem strategy, explored to offer service relating to expressways to promote the realization of traffic flow, and based on the principle of industry-finance integration, moderately expanded investment in high-quality projects in the financial field that promotes production through financing.

(II) Development strategies of the Company

Applicable N/A

During the “14th Five-Year Plan” period, in the face of opportunities and challenges, the Group has focused on the five major strategies of “ecologicalization for industry, internationalisation for business, synergy for capital, digitisation for development and marketization for operation”. With the principal business of road and bridge as its foundation, the Group has concentrated on optimising the industrial structure of the Company, enhanced the “two-wheel” drive of asset operation and capital operation, advanced the transformation of resource capitalisation, assets capitalisation and capital securitisation, promoted the four major empowerments of digitisation, openness, safety and green, adjusted the five major structures of industry, assets, financing, profit and personnel, and continuously drove the Company to become better, stronger and larger.

(III) Operational Plan

Applicable N/A

The year 2021 is the beginning of the “14th Five-Year Plan”, and the Group will make new breakthroughs, take new actions and implement new development from a new starting point. The major tasks involve:

Implementing ingenious “layout” for drawing up a new blueprint for the industry. **Firstly**, the Company will strengthen the foundation and further explore its principal business. The Company will adhere to the principal business of roads and bridges, actively seize the opportunities arising from the integration of Yangtze River Delta, invest in road and bridge projects with promising long-term benefits, continue to promote the construction of projects such as Wufengshan Toll Bridge and Longtan Bridge, and refine its operation and management, to lay a solid foundation for the long-term development of the Group. **Secondly**, by observing the tradition while pursuing innovation, the Company will expand profits from its ancillary business. It will vigorously develop its subsidiary, Yangtze Commerce and Energy and explore its potential for services and business, and promote the application of intelligent management system, so as to gradually enhance the asset operation capability and achieve the “dual improvement” in economic and social benefits. **Thirdly**, the Company will explore and innovate to optimize financial investments. It will continue to focus on opportunities for investment in quality financial targets, carry out strategic allocation when appropriate, and increase the proportion of financial assets and profits.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

Making a dedicated “plan” for creating a new operating journey. **Firstly**, the Company will maintain the technology empowerment. Focusing on digital operation, it will deeply integrate the new generation of information technologies such as 5G, artificial intelligence, big data and cloud computing to promote the construction of smart expressways, expand travelling technology, test vehicle-road synergy, and explore the application of autonomous driving scenarios to improve traffic efficiency on roads. **Secondly**, the Company will strengthen intelligent capacity expansion. Aiming at improving traffic capacity, it will continue to carry out the construction of parking bay projects to fully release traffic resources and improve traffic efficiency and rescue efficiency. **Thirdly**, the Company will resolutely uphold the smart maintenance. With operation and maintenance system based on information technology platform, it will systematically develop the research on the smart maintenance technology and management system to advance smart management of operation and maintenance. It will enhance traffic safety and service quality, launch meticulous and precise maintenance operations to reduce the frequency and time of road occupation for maintenance operations and improve the safety for maintenance operations and the traffic efficiency; implement special actions on traffic safety facilities and focus on the improvement of safety facilities such as guardrails and marking lines to reduce traffic safety and operational management risks.

Carefully “planning” for achieving new efficiency in management. **Firstly**, the Company will continuously promote the construction of the compliance management system. It will establish a comprehensive, scientific, standardized and effective compliance management system; explore the establishment of a mechanism of integration of laws, compliance, internal control and risk control to achieve information sharing, reduce management steps and form management synergy, improve management efficiency and quality and provide compliance guarantee for the stable development of the Company. **Secondly**, it will continuously improve the structure of leader and talent teams. Focusing on the optimization of personnel structure and echelon building in line with the Company’s high-quality development, the Company will broaden the recruitment and appointment channels in accordance with the principles of “simplified positions, limited number of staff, optimized structure, accurate assessment and adequate training”, and cultivate outstanding young leaders to realize an increasingly rational structure of leader and talent teams. **Thirdly**, the Company will continuously strengthen the prevention and control of risks. It will strive to achieve “three avoiding”, i.e. avoiding the occurrence of major and serious accidents in terms of safety risks, avoiding material legal disputes arising from mismanagement in respect of legal risks, and avoiding material asset losses resulting from decision-making mistakes in respect of investment risks.

- 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 2021 will be approximately RMB4,340,344,000, representing a decrease of RMB1,821,737,000 as compared with the actual expenditure of RMB6,162,081,000 in 2020. Capital expenditure for the year of 2021 mainly includes:

Capital expenditure item	Amount (RMB Yuan)
Investment in the construction of Wufengshan Toll Bridge and north-south approach expressways	1,078,000,000.00
Investment in the construction of Yichang Expressway	300,000,000.00
Investment in the construction of Changyi Expressway	200,000,000.00
Investment in the construction of Zhendan Expressway	26,893,400.00
Investment in the construction of Longtan Bridge Project	880,000,000.00
Investment in ICA Project in Turkey	1,000,000,000.00
Investment in the establishment of Yangtze Commerce and Energy	100,000,000.00
Investment in CDB Kai Yuan Phase II Fund	100,000,000.00
Other capital expenditure of the Group	655,451,000.00
Total	4,340,344,400.00

Note: Future capital expenditures of investment in the construction of Yichang Expressway, Changyi Expressway and Zhendan Expressway will mainly be the payment for final settlement of the project and fees for quality assurance.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

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. Meanwhile, the Group is actively exploring various types of financing channels such as convertible 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. As of the end of the Reporting Period, the Group's super short-term bonds registered in National Association of Financial Market Institutional Investors but not issued with a time limit over one year were approximately RMB1,770 million, medium-term notes registered in National Association of Financial Market Institutional Investors but not issued with a time limit over one year were approximately RMB2 billion and the available unutilized bank loan facilities with a time limit over one year were approximately RMB23,572 million; the application for registration of the public issuance of corporate bonds with an aggregate face value of not more than RMB8 billion in aggregate has approved by the CSRC; 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.

(IV) Possible risks

Applicable N/A

According to the macro environment and the current business situation, the Group will mainly face the following risks:

1. Risks associated with industry policy

Risk analysis: Toll fees are the major source of revenue for the Group at present. The business revenue of the Group is subject to the direct and indirect influence of adjustments in the industrial policy and taxation policy, and thus the Group is exposed to operational risks.

Counter-measures: The Group will actively interpret policies, establish a dynamic tracking and assessment mechanism and enhance the contact and communication with government authorities to adjust business decisions accordingly in a timely manner. The Group will strive for favorable policies and flexible and differentiated charging standards; develop operational activities in relation to its principal business and establish new profit growth points to reduce the risks associated with a relatively simple industrial structure.

2. Risks associated with competition pattern

Risk analysis: As the expressway network is improved gradually, the industry faces more fierce competition. The opening of roads and bridges with substitution effects may reduce the market share and growth in revenue of the Group; with the expansion of railway network in Jiangsu Province, the existing market share of the Group will be occupied, which will affect the future development of the principal business of the Group.

Counter-measures: The Group will establish high quality traffic condition and road appearance to create comfortable travelling environment and establish sound brand image; construct a coordinated platform for road network operation to improve the road information sharing and control capacity and the service quality; promote the construction of "smart expressway" to explore the 5G scenario application and increase the dependence of the drivers and passengers on the roads of the Group. Meanwhile, the Group will pay close attention to regional planning of road network and formulate strategies to respond to different situations in a timely manner.

3. Risks associated with project investment

Risk analysis: Road and bridge projects newly constructed or under construction of the Group are subject to the influence of regional economic and other related factors. In particular, with the further development of the "going-out" strategy of the Group, more merger and acquisition 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: The Group will improve the mechanism on the enrolment and cultivation of professional talents and boosts the capacity on researches on projects to enhance the forward-looking judgment and increase the chances of successful investment; The Group will strengthen internal control measures on external investment and establish scientific investment decision-marking procedures to reduce investment risks.

DISCUSSION AND ANALYSIS OF THE OPERATIONS

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

Risk analysis: In the context of that “houses are for living, not for speculative investment”, the regulation on the real estate will not be relaxed in the short term. With the increase in demand in real estate-related business, the service models of real estate are also being upgraded, which brings new purchase and residential experiences to customers. If the services provided by the Group do not keep pace with contemporary development, the sales performance may be affected, leading to an extension of the sales cycle and affecting the progress of destocking.

Counter-measures: The Group will implement specialized management of projects and strengthen brand building to enhance the service quality; strengthen the project promotion and launch online marketing to accelerate the destocking rate; paying attention to the development trend of the macro-economy and the industry, establishing risk management system and adopting effective prevention measures to reduce risks to the largest extent.

(V) Others

Applicable N/A

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 RMB2,464,214,000 and earnings per share were approximately RMB0.4891. 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 2019, as considered and approved at the 2019 annual general meeting of the Company held on 23 June 2020, 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 2019.

(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 share <i>(share)</i>	Amount of cash dividends for every share <i>(Yuan)</i> <i>(tax inclusive)</i>	Number of shares issued for every share <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>(tax inclusive)</i>	<i>(%)</i>
2020	-	0.46	-	2,317,363,850	2,464,213,675.74	94.04
2019	-	0.46	-	2,317,363,850	4,199,704,371.82	55.18
2018	-	0.46	-	2,317,363,850	4,376,603,924.73	52.95

(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

SIGNIFICANT MATTERS

II. Performance of Undertakings

- (I) Undertakings of the de facto controller, Shareholders, related parties/connected persons, 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

1. Changes in Accounting Policies

Interpretation No. 13 on Accounting Standards for Business Enterprises (Cai Kuai [2019] No. 21) (“Interpretation No. 13”)

Interpretation No. 13 revised the three elements of business composition and refined the judgment conditions of business. When the acquirer of a business combination not under common control determines whether the acquired business activity or asset combination constitutes a business, the option of “concentration test” is introduced. In addition, Interpretation No. 13 further clarifies that related parties of an entity also include the joint venture(s) or associate(s) of the other members (including the parent and subsidiaries) in the same group that includes the entity, and the other joint venture(s) or associate(s) of the investors who exercise joint control over the entity, etc.

Interpretation No. 13 has been implemented since 1 January 2020. The Group adopts the prospective application method to account for the abovementioned accounting policy changes. The adoption of this interpretation does not have an impact on the Group’s financial statements.

Regulations on Accounting Treatment for Rental Concessions in relation to COVID-19 (Cai Kuai [2020] No. 10)

On 19 June 2020, the Ministry of Finance issued the Regulations on Accounting Treatment for Rental Concessions in relation to COVID-19 (Cai Kuai [2020] No. 10). For the entity listed on both domestic and overseas, as the lessee, its rental concessions in relation to COVID-19 pandemic shall choose to adopt a practical expedient as required under such accounting treatment. The provision shall be implemented from the date of its publication, and is also applicable to the relevant rental concessions that occurred between 1 January 2020 and the date of publication. This notice does not have a material impact on the Group’s financial statements.

SIGNIFICANT MATTERS

2. Changes in Accounting Estimates

Content of and reason for the changes in accounting estimates	Procedure of Approval	Time of Adoption	Affected items and amounts in the statements																																	
<p>The right to operate the road of the Group 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. Due to the changes in the toll model of the highway network in 2020, the Group adopts the standard traffic flow of passenger cars converted according to the new vehicle classification standard to count the actual traffic flow and adjust the expected remaining future traffic flow ("new traffic flow"), and calculate the amortization of toll road operation rights based on the revised actual traffic flow and the new traffic flow starting from 1 January 2020.</p>	<p>Considered and approved at the twentieth meeting of the ninth session of the board of directors of the Group on 24 April 2020.</p>	<p>1 January 2020</p>	<p>For the changes in accounting estimates, the Company apply them prospectively, which may have the impact on the items of the accounting statements for the year as follows:</p> <p style="text-align: right;"><i>RMB</i></p> <table border="1"> <thead> <tr> <th></th> <th>Consolidated financial statements</th> <th>The Company's financial statements</th> </tr> </thead> <tbody> <tr> <td>Increase in intangible assets</td> <td>59,538,432.06</td> <td>62,284,509.96</td> </tr> <tr> <td>Decrease in operating costs</td> <td>59,538,432.06</td> <td>62,284,509.96</td> </tr> <tr> <td>Increase in deferred income</td> <td>40,133.66</td> <td>40,133.66</td> </tr> <tr> <td>Decrease in other income</td> <td>40,133.66</td> <td>40,133.66</td> </tr> <tr> <td>Increase in tax payable</td> <td>14,884,608.02</td> <td>15,571,127.49</td> </tr> <tr> <td>Increase in income tax expenses</td> <td>14,884,608.02</td> <td>15,571,127.49</td> </tr> <tr> <td>Decrease in minority interests</td> <td>613,686.34</td> <td>–</td> </tr> <tr> <td>Decrease in profit or loss attributable to minority interests</td> <td>613,686.34</td> <td>–</td> </tr> <tr> <td>Increase in net profit attributable to the Company</td> <td>45,227,376.74</td> <td>46,673,248.81</td> </tr> <tr> <td>Increase in net assets attributable to the Company</td> <td>45,227,376.74</td> <td>46,673,248.81</td> </tr> </tbody> </table>		Consolidated financial statements	The Company's financial statements	Increase in intangible assets	59,538,432.06	62,284,509.96	Decrease in operating costs	59,538,432.06	62,284,509.96	Increase in deferred income	40,133.66	40,133.66	Decrease in other income	40,133.66	40,133.66	Increase in tax payable	14,884,608.02	15,571,127.49	Increase in income tax expenses	14,884,608.02	15,571,127.49	Decrease in minority interests	613,686.34	–	Decrease in profit or loss attributable to minority interests	613,686.34	–	Increase in net profit attributable to the Company	45,227,376.74	46,673,248.81	Increase in net assets attributable to the Company	45,227,376.74	46,673,248.81
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(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

SIGNIFICANT MATTERS

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	17

	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 2020 was approved at the Company's 2019 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 2020 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.

Meanwhile, Deloitte was also appointed as the internal control auditor of the Company for the year of 2020 at the general meeting. The audit fee was RMB800,000.

Deloitte has been providing audit services to the Company for 17 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

SIGNIFICANT MATTERS

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 Acquirer

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 Party/Connected Transactions

(I) Related party 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 23 March 2018, Guangjing Xicheng Company, a direct subsidiary of the Company, entered into Service Area Petrol Stations Leasing and Operation Agreement with each of Expressway Petroleum Company and Taixing Oil Products Company (both were associates of controlling shareholder of the Company) respectively. The lease price would be determined based on the fuel sales volume. The agreements shall be valid from 1 April 2018 to 31 December 2020. The aggregate rental for 2020 would not exceed RMB12,000,000, 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 26 March 2018 and on the website of the Stock Exchange at www.hkexnews.hk on 23 March 2018 respectively.</p>
<p>Due to the increase in pricing by Expressway Petroleum Company, on 31 March 2020, Guangjing Xicheng Company entered into Supplementary Agreements on the Service Areas Petrol Stations Leasing with each of Expressway Petroleum Company and Taixing Oil Products Company (both were associates of controlling shareholder of the Company) respectively. Based on the estimated fuel sales volume in 2020, the annual rental for 2020 would not exceed RMB13,200,000.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions and the supplemental announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 1 April 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 21 April 2020 respectively.</p>
<p>Due to the increase in fuel sales volume resulting from an increase in traffic flow and promotion activities in winter, on 24 December 2020, Guangjing Xicheng Company, a direct subsidiary of the Company, entered into a supplemental agreement on the petrol stations leasing in service area with Expressway Petroleum Company and its wholly-owned subsidiary (both were associates of controlling shareholder of the Company) with the term of the agreements remaining unchanged. The contractual amount of the petrol stations leasing service provided by Guangjing Xicheng Company was adjusted from not exceeding RMB13,200,000 to not exceeding RMB14,500,000 for 2020.</p>	<p>For details, please refer to the announcements on adjustment to the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 25 December 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 24 December 2020 respectively.</p>
<p>On 23 March 2018, the Company entered into a property leasing agreement in respect of the office property located at No. 189 Maqun Avenue, Nanjing City, Jiangsu Province with Railway Group Company (being an associate of controlling shareholder of the Company), with a term of lease commencing on 1 April 2018 ending on 31 December 2020. The annual rent for the year of 2020 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 27 April 2018, the Company entered into a property lease contract with Sundian Testing Company (being 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 31 December 2020 and the rent cap for the year of 2020 was not more than RMB1,500,000.</p>	<p>For details, please refer to the announcements on Board 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>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 26 October 2018, each of Ninghu Investment Company, Guangjing Xicheng Company and Ningchang Zhenli Company, being subsidiaries of the Company, entered into 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 (being an associate of controlling shareholder of the Company) for a valid term commencing from 1 January 2019 and ending on 31 December 2021. The contractual amounts for the year of 2020 would not exceed RMB50,000,000, RMB12,000,000 and RMB5,000,000, respectively.</p> <p>On 22 March 2019, the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company respectively entered into Technical Service Contract on Coordination, Command and Dispatch of the Cloud Platform with Tongxingbao Company (being an associate of controlling shareholder of the Company) with a term from 22 March 2019 to 31 December 2021. It was estimated that the annual cloud platform usage fee would not exceed RMB2,000,000, RMB900,000, RMB700,000 and RMB210,000, respectively.</p> <p>On 22 March 2019, Ningchang Zhenli Company entered into Service Area Petrol Stations Leasing Contract with Expressway Petroleum Company (being an associate of controlling shareholder of the Company) with a term commencing on 1 April 2019 and ending on 31 December 2021. It was expected that the total contractual amount in 2020 would not exceed RMB6,640,000.</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 27 October 2018 and on the website of the Stock Exchange at www.hkexnews.hk on 26 October 2018 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>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>



SIGNIFICANT MATTERS

Summary of the event

On 22 March 2019, the Company, Guangjing Xicheng Company and Ningchang Zhenli Company respectively entered into Contracts on Maintenance of Monitoring and Communication Systems and Procurement of Spare Parts with Information Company (being an associate of controlling shareholder of the Company) for a term from 1 April 2019 to 31 March 2020. For the period from 1 January 2020 to 31 March 2020, the contractual amount would not exceed RMB1,000,000, RMB1,500,000 and RMB500,000 respectively.

On 31 March 2020, the Company and Guangjing Xicheng Company respectively entered into Contract involving the Maintenance Service for Three Systems, Procurement of Spare Parts and Upgrading of Other Three Relevant Systems and Contract on Maintenance of Monitoring and Communication Systems and Procurement of Spare Parts with Information Company (being an associate of controlling shareholder of the Company) for a term from 1 April 2020 to 31 March 2021. For the period from 1 April 2020 to 31 December 2020, the contractual amount would not exceed RMB31,500,000 and RMB13,500,000, respectively.

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 (being 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. From 1 January 2020 to 31 March 2020, the total amount cap of three ETC Customer Service Outlets Management Agreements was no more than RMB200,000, RMB50,000 and RMB20,000, respectively.

Document for inspection

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.

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 1 April 2020.

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.



SIGNIFICANT MATTERS

Summary of the event

On 31 March 2020, the Company and Guangjing Xicheng Company (a direct subsidiary of the 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 2020 to 31 March 2021. The contractual amount for the period from 1 April 2020 to 31 December 2020 was expected to be not exceeding RMB600,000 and RMB150,000, respectively.

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 direct subsidiary Hutong Bridge Company, and Guangjing Xicheng Company (a connected subsidiary of the Company) and its direct 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 would 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 would not exceed RMB11,500,000 with total entrusted management fee not exceeding RMB21,250,000.

Document for inspection

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 1 April 2020.

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.



SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 31 March 2020, 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 direct subsidiary Hutong Bridge Company, and Guangjing Xicheng Company (a connected subsidiary of the Company) and its direct subsidiaries Changyi Company and Yichang Company, respectively, from 1 April 2020 to 31 March 2021, the entrustment management fee shall be capped at RMB45,000,000. It was expected that from 1 April 2020 to 31 December 2021, the entrusted management fee of the agreements would be not more than RMB17,850,000, RMB1,810,000, RMB19,730,000, RMB0 and RMB0, respectively. As Changyi Company and Yichang Company had not commenced their operations in 2020, the entrusted management fee payable to Yangtze River Management Company was RMB0.</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 1 April 2020.</p>
<p>On 30 October 2020, the Company was entrusted to manage the operation of the northern section of the Changyi Expressway Phase I Project and entered into the Entrusted Operation Management Agreement with Changyi Company, a subsidiary of a connected subsidiary of the Company. The term of the agreement is from the opening date of the northern section of the Changyi Expressway Phase I Project to 31 December 2021, and the entrusted operation and management fee was expected to be not more than RMB9,000,000 and not more than RMB835,000 in 2020.</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 31 October 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 30 October 2020 and 1 November 2020, respectively.</p>
<p>On 23 August 2019, Zhendan Company and Media Company (an associate of controlling shareholder of the Company) entered into the Management Cooperation Agreement on entrusting the overall advertising business within the range of Zhendan Expressway to Media Company for management. The term of the agreement shall commence on 1 January 2020 and end on 31 December 2022. The contractual amount in 2020 did not exceed RMB100,000.</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 August 2019 and on the website of the Stock Exchange at www.hkexnews.hk on 23 August 2019, respectively.</p>
<p>On 31 March 2020, the Company, Guangjing Xicheng Company and Zhendan Company entered into the Expressway Network Technical Services Framework Agreement with Tongxingbao Company (an associate of controlling shareholder of the Company), respectively, with the term of three years from 1 January 2020 to 31 December 2022. The contractual amount in 2020 would not exceed RMB16,000,000, RMB3,500,000 and RMB220,000, 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 on the website of the Stock Exchange at www.hkexnews.hk, respectively on 1 April 2020.</p>
<p>On 31 March 2020, the Company, Guangjing Xicheng Company and Zhendan Company entered into the SDWAN Toll Standby Network Services Contract with Tongxingbao Company (an associate of controlling shareholder of the Company), respectively, with a term from 1 April 2020 to 31 December 2022. The contractual amount from 1 April 2020 to 31 December 2020 would not exceed RMB3,500,000, RMB1,300,000 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 on the website of the Stock Exchange at www.hkexnews.hk, respectively on 1 April 2020.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 24 December 2020, Guangjing Xicheng Company, a direct subsidiary of the Company, entered into a supplemental agreement regarding SD-WAN technical charge backup network services with Tongxinbao Company (an associate of controlling shareholder of the Company) with the term of the agreement remaining unchanged, to adjust the accumulative total amount and the amount for each year for the agreement from the original caps of not exceeding RMB3,900,000 and not exceeding RMB1,300,000, respectively, to not exceeding RMB4,710,000 and not exceeding RMB1,570,000, respectively, for the period from 1 April 2020 to 31 December 2022.</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 December 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 24 December 2020, respectively.</p>
<p>On 31 March 2020, the Company entered into the contract for renewal of the property lease with Xiandai R&B Company (an associate of controlling shareholder of the Company) in respect of the office building. The term of lease was from 1 January 2020 to 31 December 2022 and the annual rent for 2020 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 and on the website of the Stock Exchange at www.hkexnews.hk, respectively on 1 April 2020.</p>
<p>On 31 March 2020, the Company and Guangjing Xicheng Company entered into the Expressway Maintenance Services Contracts with Xiandai R&B Company (an associate of controlling shareholder of the Company), respectively. The term of relevant contracts is from 1 April 2020 to 31 March 2021. It was estimated that the total contractual amount of this project for the period 1 April 2020 to 31 December 2020 would not exceed RMB305,000,000 and RMB120,000,000, 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 on the website of the Stock Exchange at www.hkexnews.hk, respectively on 1 April 2020.</p>
<p>On 28 August 2020, the Company entered into the 2020 Traffic Security Facilities Quality Improvement and Upgrade Construction Contract with Xiandai R&B Company (an associate of controlling shareholder of the Company) for a term commencing from the date of signing the contract upon the approval of the Board to 31 December 2020. The contract amount will be no more than RMB75,000,000.</p>	<p>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 29 August 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 28 August 2020, respectively.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 31 March 2020, the Company, Guangjing Xicheng Company and Zhendan Company entered into the Expressway Network Management Services Framework Agreement with Network Operation Company (an associate of controlling shareholder of the Company), respectively, with the term of three years from 1 January 2020 to 31 December 2022. The contractual amounts in 2020 would not exceed RMB23,000,000, RMB5,000,000 and RMB500,000, 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 on the website of the Stock Exchange at www.hkexnews.hk, respectively on 1 April 2020.</p>
<p>On 31 March 2020, the Company, Guangjing Xicheng Company and Zhendan Company entered into the Maintenance Technology Research and Service Agreement with Maintenance Technology Company (an associate of controlling shareholder of the Company), respectively. The annual maintenance technology research and services fees paid to Maintenance Technology Company in 2020 were expected to be not exceeding RMB9,800,000, RMB1,600,000 and RMB130,000, 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 on the website of the Stock Exchange at www.hkexnews.hk, respectively on 1 April 2020.</p>
<p>On 24 December 2020, Guangjing Xicheng Company entered into a supplementary agreement of maintenance technology research and service with Maintenance Technology Company (an associate of controlling shareholder of the Company), with a term of the agreement remaining unchanged. The basic service fee and technology services fee paid to Maintenance Technology Company by Guangjing Xicheng Company in 2020 were adjusted from not exceeding RMB1,600,000 to not exceeding RMB5,680,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 25 December 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 24 December 2020, respectively.</p>



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Summary of the event	Document for inspection
<p>On 31 March 2020, the Company, Guangjing Xicheng Company, Zhendan Company, Yangtze River Management Company, being direct subsidiaries of the Company, entered into contracts involving panoramic HD camera installation, SDWAN network construction in service areas, gantry snapshot and Cloudification, video surveillance platform upgrade and reconstruction, use of Cloud dispatch platform, Cloud services for Cloud check-in system, etc., respectively, with Micro Video Company (being an associate of controlling shareholder of the Company). The term of the said four contracts between each of the Company, Guangjing Xicheng Company, Zhendan Company, Yangtze River Management Company with Micro Video Company is from 1 April 2020 to 31 March 2021, and the contractual amounts were estimated to not exceed RMB8,000,000, RMB1,200,000, RMB1,100,000 and RMB400,000, respectively for the period from 1 April 2020 to 31 December 2020.</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 on the website of the Stock Exchange at www.hkexnews.hk, respectively on 1 April 2020.</p>
<p>On 25 September 2020, Guangjing Xicheng Company, a direct subsidiary of the Company, entered into project contracts involving video, gantry snapshot and Cloudification in service areas, panoramic HD camera installation in Guangling and Yanqiao service areas and gantry snapshot in Guangling service areas, etc. with Micro Video Company (being an associate of controlling shareholder of the Company), with the contractual amount totaling not more than RMB1,600,000, with the term from 25 September 2020 to 31 December 2020; meanwhile, the contracts of continuing connected/ordinary related transactions were entered into between Guangjing Xicheng Company and Micro Video Company (being an associate of controlling shareholder of the Company), among the contractual amount of not exceeding RMB1,600,000 under the contract, to reallocate the transaction amount of not exceeding RMB400,000 originally for the period from 1 January 2021 to 31 March 2021 to the year of 2020; hence, the total contractual amount under the contract between Guangjing Xicheng Company and Micro Video Company for the year of 2020 would not exceed RMB3,200,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 26 September 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 25 September 2020, respectively.</p>
<p>On 31 March 2020, Guangjing Xicheng Company, a subsidiary of the Company, entered into the Bridge Inspection Agreement with Sundian Testing Company (being an associate of controlling shareholder of the Company), in which the transaction amount estimated to be incurred for bridge inspection for the year of 2020 would not exceed RMB1,600,000.</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 on the website of the Stock Exchange at www.hkexnews.hk, respectively on 1 April 2020.</p>
<p>On 24 June 2020, Guangjing Xicheng Company, a direct subsidiary of the Company, entered into the supplemental agreement for bridge inspection with Sundian Testing Company (being an associate of controlling shareholder of the Company). As an additional amount of RMB1,200,000 was required due to the adjustment of sections of bridge for inspection and task details, the aggregate of transaction amount incurred for the project of bridge inspection for the year 2020 between Guangjing Xicheng Company and Sundian Testing Company would not exceed RMB2,800,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 29 June 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 24 June 2020, respectively.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 24 June 2020, the Company and East Road & Bridge Company (being an associate of controlling shareholder of the Company) entered into the contract on new project of coating and renovation of steel box girders for a term from 1 July 2020 to 31 December 2020, with an aggregate contractual amount of not more than RMB1,500,000 for the project.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 29 June 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 24 June 2020, respectively.</p>
<p>On 24 June 2020, Guangjing Xicheng Company, a direct subsidiary of the Company and Engineering Maintenance Company (being an associate of controlling shareholder of the Company) entered into the contract for bridge inspection, maintenance, reinforcement and design, with an aggregate contractual amount of not more than RMB1,650,000, for a term commencing from 1 July 2020 and ending on 30 October 2020.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 29 June 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 24 June 2020, respectively.</p>
<p>On 28 August 2020, the Company entered into the Shanghai-Nanjing Expressway (Jiangsu-Shanghai Provincial Boundary) Weigh-in-Motion System Purchase Project Contract with Huatong Company (being an associate of controlling shareholder of the Company) for a term of three months from 28 August 2020, with the contractual amount of the project not more than RMB950,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 29 August 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 28 August 2020, respectively.</p>
<p>On 28 August 2020, Wufengshan Toll Bridge Company, a direct subsidiary of the Company, entered into the Wufengshan River Crossing Passage (Railway Section) Composite Girder Block Intelligent Monitoring Project Construction Contract with Huatong Company (being an associate of controlling shareholder of the Company) for a term commencing from 28 August 2020 to 31 December 2022, with the contractual amount not more than RMB2,500,000 and not exceeding RMB2,200,000 in 2020.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 29 August 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 28 August 2020, respectively.</p>
<p>On 25 September 2020, the Company entered into the Shanghai-Nanjing Expressway Bridge Bearing Replacement Project Construction Contract (Changzhou Section and Suzhou Section) and Bridge Maintenance and Reinforcement Project Construction Contract (Ningchang Zhenli Section) with Huatong Company (being an associate of controlling shareholder of the Company) for a term commencing from 25 September 2020 to 31 December 2020, with the contractual amount payable not more than RMB2,000,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 26 September 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 25 September 2020, respectively.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 30 October 2020, the Company and Huatong Company (being an associate of controlling shareholder of the Company) entered into the Construction Contract in Relation to the Project of Improvement of Overturning Resistance of Single-Column-Pier Bridge (Ningchang Zhenli Section) and the Contract in Relation to the Project of Emergency Repairs of the Foundation of Bridge Piers (Yanjiaxu) in Shanghai-Nanjing Expressway. The term of the Construction Contract in Relation to the Project of Improvement of Overturning Resistance of Single-Column-Pier Bridge (Ningchang Zhenli Section) is from 30 October 2020 to 31 March 2021, with a contractual amount of not more than RMB6,000,000 and not exceeding RMB2,400,000 in 2020. The term of the Contract in Relation to the Project of Emergency Repairs of the Foundation of Bridge Piers (Yanjiaxu) in Shanghai-Nanjing Expressway is from 30 October 2020 to 31 December 2021, with a contractual amount of not more than RMB8,000,000.</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 31 October 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 30 October 2020 and 1 November 2020, respectively.</p>
<p>On 28 August 2020, the Company, Guangjing Xicheng Company (a direct subsidiary of the Company) and Yangtze River Management Company (a wholly-owned subsidiary) entered into the training service agreement with Communications Holding Training Company (being an associate of controlling shareholder of the Company) for a term commencing from 1 September 2020 until 31 December 2022. The total contractual amount would be no more than RMB27,750,000, and not exceeding RMB8,150,000 in 2020.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 29 August 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 28 August 2020, respectively.</p>
<p>On 28 August 2020, the Company entered into the service and purchase agreement with Cuipingshan Hotel (being an associate of controlling shareholder of the Company) for a term commencing from the date of signing the contract upon the approval of the Board to 31 December 2020, with the contractual amount of not more than RMB200,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 29 August 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 28 August 2020, respectively.</p>
<p>On 28 August 2020, the Company entered into the Agreement Regarding the Lease and Operation of the Gas Station in Zhangzhu Service Area of Yichang Company with Yichang Company (a subsidiary of the Company), a subsidiary of a connected subsidiary of the Company, from which Yichang Company will lease its Gas Station in Zhangzhu Service Area to the Company for operation and management, for an operating and lease term of 3 years commencing from the official business commencement date of the gas station in Zhangzhu Service Area. The total amount of the lease will be no more than RMB5,320,000 during the lease. The gas station in Zhangzhu Service Area had not commenced its operations in 2020.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 29 August 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 28 August 2020, respectively.</p>
<p>On 25 September 2020, Factoring Company, a wholly-owned subsidiary of the Company, entered into the domestic commercial factoring service contract with Eastern Expressway Company (being an associate of controlling shareholder of the Company) for a term commencing from 25 September 2020 to 24 June 2021. The factoring limit involved in the contract was RMB4,670,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 26 September 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 25 September 2020, respectively.</p>

SIGNIFICANT MATTERS

Summary of the event

On 25 September 2020, Ninghu Investment Company (a wholly-owned subsidiary of the Company) and its wholly-owned subsidiary Factoring Company entered into the office leasing contract with Communications Holding Commercial Operation (being an associate of controlling shareholder of the Company). Communications Holding Commercial Operation, as the lessor, leased part of floors of Building A2 of its Zijin Financial Center to Ninghu Investment Company and Factoring Company as office premises for a lease term of 26 months commencing from October 2020 to December 2022. For Ninghu Investment Company, the total lease rental payable for the lease term shall be not exceeding RMB5,176,400, among which, the lease rental for the period from October 2020 to December 2020 would be not exceeding RMB579,400. For Factoring Company, the total lease rental payable for the lease term shall be not exceeding RMB2,816,600, among which, the lease rental for the period from October 2020 to December 2020 would be not exceeding RMB315,200.

On 25 September 2020, the Company entered into the contract for the fourth traffic informatization forum and the arrangement for the intelligent traffic products & technology expo with its wholly-owned subsidiary, Yangtze River Company, and Media Company, for a term commencing from the date of signing of the contract upon consideration and approval by the board of directors until 30 October 2020, of which, the contract value payable shall be not more than RMB110,000 by the Company, and not more than RMB120,000 payable by Yangtze River Company.

Document for inspection

For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 26 September 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 25 September 2020, respectively.

For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 26 September 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 25 September 2020, respectively.



SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 25 September 2020, the Company entered into the Training Contract Agreement with Cuipingshan Hotel (being an associate of controlling shareholder of the Company), pursuant to which, red education training services will be provided by Cuipingshan Hotel, for a term commencing from the date of signing of the contract upon approval by the board of directors until 31 December 2020. The total contract amount will be no more than RMB400,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 26 September 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 25 September 2020, respectively.</p>
<p>On 27 November 2020, the Company entered into the Shanghai-Nanjing Expressway All Line ETC Gantry Testing Project Contract with Sundian Testing Company (being an associate of controlling shareholder of the Company) for a term commencing from the date of signing of the contract upon approval by the board of directors until 31 December 2020. The contractual amount for the provision of testing service to the Company by Sundian Testing Company would be no more than RMB900,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 28 November 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 27 November 2020, respectively.</p>
<p>On 27 November 2020, the Company entered into the contract for the specified promotion service with Media Company (being an associate of controlling shareholder of the Company), for a term commencing from 27 November 2020 to 31 December 2020. The contract amount for provision of such specified promotion service to the Company by Media Company would be no more than RMB250,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 28 November 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 27 November 2020, respectively.</p>
<p>On 24 December 2020, Ninghu Investment Company, a wholly-owned subsidiary of the Company, gave reduction and exemption of advertising rent payable by advertising partner which was suffering from difficulties in its operations due to the impact of the COVID-19 pandemic, in accordance with the spirit of the documents issued by Jiangsu Provincial Government State-owned Assets Supervision and Administration Commission, and entered into a supplemental agreement regarding advertising operation and publication cooperation with Media Company (being an associate of controlling shareholder of the Company) to reduce and exempt the advertising publication fees payable by Media Company of not exceeding RMB6,554,150 and the late payment charges for performance of contract of not exceeding RMB2,600,000.</p>	<p>For details, please refer to the announcements on Board Resolutions published by the Company on the website of the SSE at www.sse.com.cn on 25 December 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 24 December 2020, respectively.</p>

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

Applicable N/A

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 similar transaction (%)	Settlement method of related party transactions	Market price	Reason for the difference between transaction price and market price
Media Company	Associated company	Receipt of services	Advertising release	Market price		80,000	100	Cash		
Total				/	/	80,000	100	/	/	/
Details of substantial sales return					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 2020 amounted to RMB80,000 in aggregate, which did not meet the disclosure standards and the approval requirements of the Board and a general meeting, therefore the Company did not disclose the transaction in the temporary announcement.					
Explanation of related party transactions										

(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

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(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
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/connected 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
<p>On 27 March 2017, the Company entered into a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company). The Company would lend up to RMB2 billion, in effect for three years from the date of approval by shareholders at the general meeting. Interest is calculated at the prevailing interest rate of the ultra-short-term notes to be issued by the Company. Repayment of the principal and the related interest expenses shall be borne by Guangjing Xicheng Company.</p>	<p>For details, please refer to the announcement and circular on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 27 March 2017 and 4 May 2017.</p>
<p>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; 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 party/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>



SIGNIFICANT MATTERS

Summary of the event

On 26 February 2020, the Company signed a loan agreement with Wufengshan Toll Bridge Company (an associate of controlling shareholder of the Company). The amount of loan that the Company provided to Wufengshan Toll Bridge Company (a direct subsidiary of the Company) was no more than RMB1.5 billion. The loans shall be valid for three years from the date of the approval at the general meeting, and the loans shall be applied towards road & bridge projects and shall be drawn in accordance with the progress of the projects with a term of three years commencing from the respective date of drawdown. Interest was calculated on the basis of the prevailing interest rates of the corporate bonds to be issued by the Company. The expenses in relation to the repayment of the principal and interest of the issued bonds shall be paid by Wufengshan Toll Bridge Company.

On 26 February 2020, the Company signed a loan agreement with Changyi Company and Yichang Company (both were subsidiaries of connected subsidiary of the Company) respectively. The amount of loans that the Company provided to Changyi Company and Yichang Company, indirect subsidiaries of the Company, was no more than RMB0.3 billion and RMB0.7 billion, respectively. The above loans shall be valid for three years from the date of the approval at the general meeting, and the loans shall be applied towards road & bridge projects and shall be drawn in accordance with the progress of the projects with a term of three years commencing from the respective date of drawdown. Interest was calculated on the basis of the prevailing interest rates of the corporate bonds to be issued by the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Changyi Company and Yichang Company.

On 31 March 2020, the Company signed a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company). The Company proposed to use proceeds raised from the medium-term notes and ultra-short term notes to be issued to provide loans to Guangjing Xicheng Company, a direct subsidiary of the Company, with an amount of no more than RMB0.6 billion and RMB0.5 billion, respectively, which shall be applied towards the repayment of due loans of Guangjing Xicheng Company. The above loans shall be valid for two years from the date of the approval at the general meeting, with a term of three years. Interest of loans is calculated on the basis of the prevailing interest rates of the medium-term notes and ultra-short term notes to be issued. The expenses in relation to the repayment of the principal and interest shall be paid by Guangjing Xicheng Company.

Document for inspection

For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 27 February 2020 and the relevant circular published by the Company on the website of the SSE at www.sse.com.cn on 6 March 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 5 March 2020.

For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 27 February 2020 and the relevant circular published by the Company on the website of the SSE at www.sse.com.cn on 6 March 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 5 March 2020.

For details, please refer to the announcements on the related party/connected transactions and discloseable transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020 and the relevant circular published by the Company on the website of the SSE at www.sse.com.cn on 7 May 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 6 May 2020.



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Summary of the event

On 31 March 2020, the Company signed a loan agreement with Wufengshan Toll Bridge Company (an associate of controlling shareholder of the Company). The Company proposed to use proceeds raised from the issued medium-term notes to provide Wufengshan Toll Bridge Company, a direct subsidiary of the Company, with loans of no more than RMB1.8 billion, which shall be applied towards road & bridge projects construction or the replacement of the late stage project loans. The above loans shall be valid for two years from the date of the approval at the general meeting, with a term of three years. Interest of loans is calculated on the basis of the prevailing interest rates of the medium-term notes to be issued. The expenses in relation to the repayment of the principal and interest shall be paid by Wufengshan Toll Bridge Company.

On 31 March 2020, the Company signed a loan agreement with Yichang Company (a subsidiary of the connected subsidiary of the Company). The Company provided Yichang Company, an indirect subsidiary of the Company, with loans of no more than RMB1 billion, which shall be applied towards road & bridge projects construction. The above loans shall be valid for two years from the date of the approval at the general meeting, with a term of three years. Interest of loans is calculated on the basis of the prevailing interest rates of the medium-term notes to be issued. The expenses in relation to the repayment of the principal and interest shall be paid by Yichang Company.

Document for inspection

For details, please refer to the announcements on the related party/connected transactions and discloseable transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020 and the relevant circular published by the Company on the website of the SSE at www.sse.com.cn on 7 May 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 6 May 2020.

For details, please refer to the announcements on the related party/connected transactions and discloseable transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020 and the relevant circular published by the Company on the website of the SSE at www.sse.com.cn on 7 May 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 6 May 2020.



SIGNIFICANT MATTERS

Summary of the event

On 24 June 2020, the Company signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (a controlling shareholder of the Company). Jiangsu Communications Holding shall provide the proceeds it applied from the local government raised through special bond, with a funding balance of no more than RMB500 million. The funding cost shall be calculated based on the amount, interest rate, term of the bond and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China with the same term. The repayment of the principal and related interest and expenses shall be paid by the Company. No pledge or guarantee is required to be provided by the Company. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement. Interest is calculated on the basis of the prevailing interest rates of the local government special bond issued by Jiangsu Communications Holding. The expenses in relation to the repayment of the principal and interest shall be paid by the Company. Wufengshan Toll Bridge Company, Changyi Company, Yichang Company, all being subsidiaries of the Company, signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (a controlling shareholder of the Company), pursuant to which Jiangsu Communications Holding will, as the principal, raise proceeds by way of issuance of short-term notes, ultra-short-term notes, medium-term notes, corporate bonds and insurance funds and other types of direct financing instrument for the aforesaid subsidiaries of the Company. The funds shall be used for the construction of Wufengshan Toll Bridge Project, Changyi and Yichang Expressway Projects, complementing current funds capital and repaying interest-bearing debts. Each of the funding balance shall not exceed RMB1,000 million. The funding cost shall be calculated based on the amount, interest rate, term of the financing product and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China with the same term. The repayment of the principal and related interest and expenses shall be born and paid by each of the subsidiaries. No pledge or guarantee is required to be provided by Wufengshan Toll Bridge Company, Changyi Company and Yichang Company. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement. Interest is calculated on the basis of the prevailing interest rates of the local government special bond issued by Jiangsu Communications Holding. The repayment of the principal and related interest and expenses shall be born and paid by Wufengshan Toll Bridge Company, Changyi Company and Yichang Company.

Document for inspection

For details, please refer to the announcement on resolution of the Board published by the Company on the website of the SSE at www.sse.com.cn on 29 June 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 24 June 2020.

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 30 October 2020, the Company entered into a loan agreement with Guangjing Xicheng Company (a direct subsidiary of the Company), pursuant to which, the Company shall use proceeds raised from the issuance of ultra-short term notes to provide a loan to Guangjing Xicheng Company, a direct subsidiary of the Company, with an amount of not more than RMB500 million. The loan shall be used by Guangjing Xicheng Company to repay the bank loans due. The term of the loan is three years. The interest of the loan is calculated on the basis of the prevailing interest rates of the ultra-short term notes to be issued. The expenses in relation to the Company's issuance of ultra-short term notes and the repayment of the principal and interest shall be borne and paid by Guangjing Xicheng Company.</p>	<p>For details, please refer to the announcements on the related party/connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 31 October 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 1 November 2020.</p>

During the Reporting Period, the average daily deposit of the Company in the Finance Company amounted to RMB206 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 Holding	Parent company				1,430,344,904.11	1,291,085,733.13	2,721,430,637.24
Group Finance Company	Subsidiary of the parent company				810,975,608.33	-660,833,608.33	150,142,000.00
Sutong Bridge Company	Subsidiary of the parent company				100,119,625.00	270,287,375.00	370,407,000.00
Husuzhe Company	Subsidiary of the parent company				-	100,106,944.44	100,106,944.44
Total					2,341,440,137.44	1,000,646,444.24	3,342,086,581.68
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.					

(V) Others

Applicable N/A

SIGNIFICANT MATTERS

- 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

- such transactions were entered into in the ordinary and usual course of business of the Group;
- such transactions were conducted on normal commercial terms; and
- 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.

- 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 2020 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:

- have been approved by the board of directors of the Company;
- followed in all material respects the Group's pricing policy, where provision of goods or services by the Group were involved;
- were conducted in all material aspects in accordance with the terms of relevant agreements for such transactions; and
- have not exceeded the caps as disclosed in the previous announcements.

- The related party/connected transactions set out in the Notes to Financial Statements of the Company for 2020

The related party/connected transactions set out in Notes X and XIV to the Financial Statements of the Company for 2020 are in compliance with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules:

- Note X:
 - 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 or Xiandai R&B Company	Road maintenance fee	385,810,522.52	430,344,485.97	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Sundian or Xiandai R&B Company	Inspection and design fee	-	250,000.00	Yes, continuing connected transactions (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 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 or Xiandai R&B Company	Quality improvement and upgrading construction contract fees for the traffic safety facilities	70,000,000.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 28 August 2020 on the Stock Exchange in accordance with the Listing Rules)
Sundian or Xiandai R&B Company	Construction costs for the Party School exhibition hall	1,875,000.00	1,685,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sundian or Xiandai R&B Company	ETC gantry construction fee	-	5,600,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Network Operation Company	Maintenance and operating administration fees for toll collection system	21,470,421.00	29,277,669.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Tongxingbao Company	Maintenance and operating administration fees for toll collection system	26,659,894.39	23,505,382.20	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 December 2020, 1 April 2020 and 25 March 2019 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
Tongxingbao Company	Purchase of fixed assets fee	-	6,970.00	Yes, continuing connected transactions (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	14,983,174.59	13,069,050.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 December 2020 and 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Information Company	Communication system maintenance fee	33,012,998.98	14,662,219.26	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Huatong Company	Project reinforcement maintenance fee	-	3,431,235.39	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 28 August 2020 on the Stock Exchange in accordance with the Listing Rules)
Huatong Company	Bridge bearing replacement fee	10,946,848.11	2,752,746.37	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 1 November 2020 and, 25 September 2020 on the Stock Exchange in accordance with the Listing Rules)
Kuaiju Company	Transportation service rental fee	8,983,247.48	7,087,766.00	No (an associate of the Company)	Not Applicable
Nanlin Hotel Company	Food and beverage	14,841.00	2,100.00	No (an associate of the Company)	Not Applicable
Micro Video Company	The renovation fee of computer rooms and offices	8,409,368.56	1,918,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 25 September 2020 and 1 April 2020 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
Engineering Maintenance Company	Speed-up transformation fee	-	2,807,331.07	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Engineering Maintenance Company	Regular bridge inspection fee	462,936.24	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sundian Testing Company	Bridge testing fee	2,280,932.47	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sundian Testing Company	ETC gantry construction fee	826,223.36	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Jiangsu Communications Holding	Interest expenses of loans from a related party	91,612,445.43	70,764,681.42	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Finance Company	Interest expenses of working capital loan	19,401,181.25	32,359,469.09	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 24 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Sutong Bridge Company	Interest expenses of entrusted loan	3,032,125.00	152,250.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	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
Communications Holding Training Company	Training fee	3,926,162.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Jinghu Company	Interest expenses of entrusted loan	620,277.78	-	Yes, continuing connected transactions (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 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 income from deposits	2,752,695.86	3,258,156.26	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 24 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Kuailu Company	Toll road income	270,000.00	932,038.84	No (an associate of the Company)	Not Applicable
Tongxingbao Company	ETC customer-service network management income	624,369.89	759,221.08	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Xieixin Ninghu Company	Management income	-	825,605.68	No (an associate of the Company)	Not Applicable
Media Company	Advertisement Income	32,733,131.19	32,248,966.99	Yes, continuing connected transactions (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 Bridge Company	Entrusted management income	14,679,716.98	6,785,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 1 April 2020 and 23 June 2019 on the Stock Exchange in accordance with the Listing Rules)
Hutong Bridge Company	Entrusted management income	1,707,547.17	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 1 April 2020 and 23 June 2019 on the Stock Exchange in accordance with the Listing Rules)

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	6,586,632.93	9,216,840.39	Yes, continuing connected transactions (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)
Guangjing Xicheng Company	Jiangsu Petroleum Company	Fixed assets	9,329,504.92	6,682,499.36	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 December 2020, 1 April 2020 and 23 March 2018 on the Stock Exchange in accordance with the Listing Rules)
Guangjing Xicheng Company	Taixing Hechang Oil Products Company	Fixed assets	5,146,640.33	4,231,805.28	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 December 2020, 1 April 2020 and 23 March 2018 on the Stock Exchange in accordance with the Listing Rules)
The Company	Railway Group Company	Fixed assets	3,612,400.00	3,612,400.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1) (a))
The Company	Sundian or Xiandai R&B Company	Fixed assets	1,690,000.00	1,690,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
The Company	Kuailu Company	Fixed assets	712,500.00	366,666.67	No (an associate of the Company)	Not Applicable
The Company	Sundian Testing Company	Fixed assets	556,190.46	545,656.62	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1) (a))

Note: During the Reporting Period, the Company absorbed and merged Ningcheng Zhenli Company; as at the end of the Reporting Period, the deregistration of business of Ningchang Zhenli Company was in process.

The Group as the lessee:

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Type of leased assets	Lease expenses recognized in the current year	Lease expenses 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
Communications Holding Commercial Operation	Ninghu Investment Company	Fixed assets	887,295.50	-	Yes, continuing connected transactions (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:

Unit: Yuan Currency: US\$

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
Jiangsu Communications Holding	US\$1,982,088.26	15 October 1998	18 July 2027	Not completed	Yes, continuing connected transactions (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) Jinghu Company	100,000,000.00	13 October 2020	30 October 2020	-	Entrusted loan with annual interest rate of 3.85%	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Jinghu Company	(100,000,000.00)	13 October 2020	30 October 2020	-	Entrusted loan with annual interest rate of 3.85%		
Jinghu Company	260,000,000.00	15 October 2020	30 October 2020	-	Entrusted loan with annual interest rate of 3.85%		
Jinghu Company	(260,000,000.00)	15 October 2020	30 October 2020	-	Entrusted loan with annual interest rate of 3.85%		
Finance Company	(300,000,000.00)	23 July 2019	22 July 2020	-	Entrusted loan with annual interest rate of 3.915%	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 24 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Finance Company	(60,000,000.00)	18 October 2019	28 May 2020	-	Borrowings from a related party with annual interest rate of 3.915%		
Finance Company	(15,000,000.00)	20 November 2019	28 May 2020	-	Borrowings from a related party with annual interest rate of 3.915%		
Finance Company	(85,000,000.00)	20 November 2019	20 July 2020	-	Borrowings from a related party with annual interest rate of 3.915%		
Finance Company	(50,000,000.00)	3 December 2019	15 October 2020	-	Borrowings from a related party with annual interest rate of 3.915%		

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	(100,000,000.00)	3 December 2019	2 December 2020		- Borrowings from a related party with annual interest rate of 3.915%		
Finance Company	(100,000,000.00)	3 December 2019	11 August 2020		- Borrowings from a related party with annual interest rate of 3.915%		
Finance Company	(100,000,000.00)	8 May 2019	9 March 2020		- Borrowings from a related party with annual interest rate of 4.1325%		
Finance Company	200,000,000.00	13 October 2020	29 October 2020		- Borrowings from a related party with annual interest rate of 3.550%		
Finance Company	(200,000,000.00)	13 October 2020	29 October 2020		- Borrowings from a related party with annual interest rate of 3.550%		
Finance Company	150,000,000.00	14 October 2020	29 October 2020		- Borrowings from a related party with annual interest rate of 3.550%		
Finance Company	(150,000,000.00)	14 October 2020	29 October 2020		- Borrowings from a related party with annual interest rate of 3.550%		
Finance Company	150,000,000.00	15 October 2020	29 October 2020		- Borrowings from a related party with annual interest rate of 3.550%		
Finance Company	(150,000,000.00)	15 October 2020	29 October 2020		- Borrowings from a related party with annual interest rate of 3.550%		
Finance Company	100,000,000.00	25 November 2020	24 November 2021	100,000,000.00	Borrowings from a related party with annual interest rate of 3.550%		
Finance Company	30,000,000.00	24 November 2020	27 December 2020		- Borrowings from a related party with annual interest rate of 3.550%		
Finance Company	(30,000,000.00)	24 November 2020	27 December 2020		- Borrowings from a related party with annual interest rate of 3.550%		
Finance Company	50,000,000.00	24 November 2020	1 December 2021	50,000,000.00	Borrowings from a related party with annual interest rate of 3.550%		
Jiangsu Communications Holding	-	14 November 2018	24 October 2023	500,000,000.00	Borrowings from a related party with annual interest rate of 4.43%	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Jiangsu Communications Holding	-	8 November 2019	29 August 2024	100,000,000.00	Borrowings from a related party with annual interest rate of 3.76%		

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
Jiangsu Communications Holding	50,000,000.00	22 July 2020	22 July 2025	50,000,000.00	Borrowings from a related party with annual interest rate of 3.85%		
Jiangsu Communications Holding	-	14 November 2018	24 October 2023	300,000,000.00	Borrowings from a related party with annual interest rate of 4.43%		
Jiangsu Communications Holding	200,000,000.00	22 July 2020	22 July 2025	200,000,000.00	Borrowings from a related party with annual interest rate of 3.85%		
Jiangsu Communications Holding	-	5 December 2012	3 December 2022	250,000,000.00	Borrowings from a related party with annual interest rate of 5.50%		
Jiangsu Communications Holding	-	17 May 2013	15 May 2023	250,000,000.00	Borrowings from a related party with annual interest rate of 5.30%		
Jiangsu Communications Holding	550,000,000.00	21 June 2020	23 July 2025	550,000,000.00	Borrowings from a related party with annual interest rate of 3.85%		
Jiangsu Communications Holding	500,000,000.00	28 May 2020	29 May 2035	500,000,000.00	Borrowings from a related party with annual interest rate of 3.45%		
Sutong Bridge Company	(100,000,000.00)	18 December 2019	17 December 2022	-	Borrowings from a related party with annual interest rate of 3.915%	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Sutong Bridge Company	190,000,000.00	1 December 2020	30 November 2021	190,000,000.00	Borrowings from a related party with annual interest rate of 3.60%		
Sutong Bridge Company	180,000,000.00	2 December 2020	1 December 2021	180,000,000.00	Borrowings from a related party with annual interest rate of 3.60%		
Husuzhe Expressway	100,000,000.00	1 December 2020	30 November 2021	100,000,000.00	Borrowings from a related party with annual interest rate of 3.50%	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

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.

SIGNIFICANT MATTERS

(5) Other related party transactions

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
Eastern Expressway Company	Factoring agreement	4,670,000.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

(6) 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	6,648,799.00	4,473,957.21	Yes, continuing connected transactions (the Company's directors)	Yes (exempt from the announcement requirement according to Rule 14A.95)

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 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 or Xiandai R&B Company	Road maintenance fee	300,808,683.45	298,671,588.61	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Sundian or Xiandai R&B Company	Exhibition hall construction fee of the Party School	1,875,000.00	1,685,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sundian or Xiandai R&B Company	Quality improvement and upgrading construction contract fees for the traffic safety facilities	70,000,000.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 28 August 2020 on the Stock Exchange in accordance with the Listing Rules)
Sundian or Xiandai R&B Company	Inspection and design fee	-	250,000.00	Yes, continuing connected transactions (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 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 or Xiandai R&B Company	ETC gantry construction fee	-	5,600,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Sundian Testing Company	ETC gantry construction fee	826,223.36	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
Network Operation Company	Maintenance and operating administration fees for toll collection system	17,436,323.00	19,634,244.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Finance Company	Interest expenses of working capital loan	6,622,875.00	12,741,875.33	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 24 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Jiangsu Communications Holding	Interest expenses of loans from a related party	9,168,493.14	-	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Tongxingbao Company	Maintenance and operating administration fees for toll collection system	20,883,780.10	15,568,258.69	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 December 2020, 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Tongxingbao Company	Payments for purchase of fixed assets	-	6,970.00	Yes, continuing connected transactions (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	9,800,000.00	7,706,950.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 24 December 2020 and 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Nanlin Hotel Company Information Company	Food and beverage	14,841.00	2,100.00	No (an associate of the Company)	Not Applicable
Nanlin Hotel Company Information Company	Communication system maintenance fee	31,147,878.90	11,628,393.86	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Huatong Company	Bridge bearing replacement fee	10,946,848.11	2,752,746.37	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 1 November 2020 and 25 September 2020 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
Micro Video Company	The renovation fee of computer rooms	6,799,728.56	1,504,650.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Kualu Co., Ltd.	Shuttle bus rent	8,983,247.48	3,969,556.00	No (an associate of the Company)	Not Applicable
Yichang Company	Interest expenses of entrusted loan	2,594,496.86	10,401,926.09	Yes, continuing connected transactions (a 60% subsidiary of Guangjing Xicheng Company which is a connected subsidiary in which a substantial shareholder of the Company holds 15% of its equity interest)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Changyi Company	Interest expenses of entrusted loan	-	2,312,567.60	Yes, continuing connected transactions (a 60% subsidiary of Guangjing Xicheng Company which is a connected subsidiary in which a substantial shareholder of the Company holds 15% of its equity interest)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Communications Holding Training Company	Training fee	3,509,260.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))



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	45,349,305.57	54,158,215.41	No (a wholly-owned subsidiary of the Company)	Not Applicable
Harwei Company	Interest income from entrusted loans	22,458,729.15	21,172,241.14	No (a wholly-owned subsidiary of the Company)	Not Applicable
Guangjing Xicheng Company	Interest income from loans to related parties	29,093,313.68	23,852,323.57	Yes, continuing connected transactions (a connected subsidiary in which a substantial shareholder of the Company holds 15% equity interest)	Yes (announcements were published on 27 March 2017, and 5 May 2017 and 1 April 2020 and a circular was published on 6 May 2020 on the Stock Exchange in accordance with the Listing Rules and approval has been obtained from independent shareholders)
Kuzhu Company	Toll revenue	270,000.00	932,038.84	No (associate of the Company's related subsidiaries)	Not Applicable
Tongxingbao Company	ETC customer-service network management income	551,741.57	629,424.78	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Finance Company	Interest income from deposits	607,690.07	30,058.89	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 24 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Zhendan Company	Interest income from entrusted loans	881,660.00	681,016.66	No, continuing connected transaction (a 70% non-connected subsidiary of the Company)	Not Applicable
Zhendan Company	Super short-term interest income	12,863,996.51	1,274,904.00	No, continuing connected transaction (a 70% non-connected subsidiary of the Company)	Not Applicable
Zhendan Company	Entrusted management income	28,959,248.67	16,674,188.44	No, continuing connected transaction (a 70% non-connected subsidiary of the Company)	Not Applicable
Xiexin Ninghu Company	Management and rental income	-	825,605.68	No (associate of the Company's related subsidiaries)	Not Applicable
Media Company	Billboard cooperation agreement revenue	561,880.73	-	Yes, continuing connected transactions (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)

Pricing and decision-making procedures of related party transactions: For significant related party/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 abstain from voting. The independent directors should then express an independent opinion. For all related party/connected transactions, 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 or Xiandai R&B Company	Fixed assets	1,690,000.00	1,690,000.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
The Company	Railway Group Company	Fixed assets	3,612,400.00	3,612,400.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
The Company	Sundian Testing Company	Fixed assets	556,190.46	545,656.62	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))
The Company	Kuailu Company	Fixed assets	712,500.00	366,666.67	No (associate of the Company's associate)	Not Applicable
The Company	Jiangsu Petroleum Company	Fixed assets	6,586,632.93	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 25 March 2020 on the Stock Exchange in accordance with the Listing Rules)

(3) Guarantees with related parties

The Company as the guaranteed party:

Unit: US\$ Currency: dollar

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
Jiangsu Communications Holding	US\$1,982,088.26	15 October 1998	18 July 2027	Not completed	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

The Company as the guarantor:

Guarantee	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
Factoring Company	RMB173,600,000.00	8 June 2020	6 September 2021	Not completed	No (a 100% wholly-owned subsidiary of the Company)	Not Applicable
Factoring Company	RMB120,000,000.00	11 December 2020	10 December 2021	Not completed	No (a 100% wholly-owned subsidiary of the Company)	Not Applicable

SIGNIFICANT MATTERS

(4) Borrowings/loans with related parties

Unit: Yuan Currency: RMB

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	Balance as at 31 December 2020	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
Loan borrowed from (repaid to) Ningchang Zhenli Company	(18,000,000.00)	26 April 2019	25 April 2020		- Entrusted loan with annual interest rate of 3.50%	No (a 100% owned subsidiary of the Company)	Not Applicable
Ningchang Zhenli Company	(62,000,000.00)	26 April 2019	25 April 2020		- Entrusted loan with annual interest rate of 3.50%		
Ningchang Zhenli Company	(75,000,000.00)	28 May 2019	27 May 2020		- Entrusted loan with annual interest rate of 3.50%		
Ningchang Zhenli Company	(70,000,000.00)	26 June 2019	25 June 2020		- Entrusted loan with annual interest rate of 3.50%		
Ningchang Zhenli Company	(220,000,000.00)	16 July 2019	15 July 2020		- Entrusted loan with annual interest rate of 3.50%		
Ningchang Zhenli Company	(120,000,000.00)	30 July 2019	29 July 2020		- Entrusted loan with annual interest rate of 3.50%		
Ningchang Zhenli Company	(50,000,000.00)	29 August 2019	28 August 2020		- Entrusted loan with annual interest rate of 3.50%		
Ningchang Zhenli Company	(60,000,000.00)	27 September 2019	26 September 2020		- Entrusted loan with annual interest rate of 3.50%		
Ningchang Zhenli Company	(65,000,000.00)	29 October 2019	28 October 2020		- Entrusted loan with annual interest rate of 3.50%		
Ningchang Zhenli Company	(70,000,000.00)	26 December 2019	25 December 2020		- Entrusted loan with annual interest rate of 3.50%		
Finance Company	(300,000,000.00)	23 July 2019	22 July 2020		- Entrusted loan with annual interest rate of 3.92%	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 24 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Yichang Company	(80,000,000.00)	16 July 2019	15 July 2020		- Entrusted loan with annual interest rate of 4.35%	Yes, continuing connected transactions (a 60% owned subsidiary of Guangjing Xicheng Company which is a connected subsidiary in which a substantial shareholder of the Company holds 15% of its equity interest)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Yichang Company	(150,000,000.00)	16 July 2019	15 July 2020		- Entrusted loan with annual interest rate of 4.35%		
Yichang Company	(20,000,000.00)	16 July 2019	15 July 2020		- Entrusted loan with annual interest rate of 4.35%		
Jiangsu Communications Holding	500,000,000.00	29 May 2020	29 May 2035	500,000,000.00	Related party loan with annual interest rate of 3.45%	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

SIGNIFICANT MATTERS

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	Balance as at 31 December 2020	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
Loan lent to (recovered from) Zhdan Company	(11,000,000.00)	18 March 2019	18 March 2020	–	Entrusted loan with annual interest rate of 4.35%	No (a 70% owned non-connected subsidiary of the Company)	Not Applicable
Zhdan Company	21,000,000.00	20 March 2020	20 March 2021	21,000,000.00	Entrusted loan with annual interest rate of 4.35%		
Zhdan Company	40,000,000.00	22 December 2020	22 December 2021	40,000,000.00	Entrusted loan with annual interest rate of 4.35%		
Zhdan Company	(200,000,000.00)	12 October 2019	3 April 2020	–	Ultra-short-term notes payable with annual interest rate of 2.59%		
Zhdan Company	(160,000,000.00)	19 December 2019	15 January 2020	–	Ultra-short-term notes payable with annual interest rate of 2.20%		
Zhdan Company	160,000,000.00	14 January 2020	16 April 2020	–	Ultra-short-term notes payable with annual interest rate of 2.29%		
Zhdan Company	(160,000,000.00)	14 January 2020	16 April 2020	–	Ultra-short-term notes payable with annual interest rate of 2.29%		
Zhdan Company	200,000,000.00	2 April 2020	16 October 2020	–	Ultra-short-term notes payable with annual interest rate of 2.20%		
Zhdan Company	(200,000,000.00)	2 April 2020	16 October 2020	–	Ultra-short-term notes payable with annual interest rate of 2.20%		
Zhdan Company	160,000,000.00	15 April 2020	23 October 2020	–	Ultra-short-term notes payable with annual interest rate of 1.75%		
Zhdan Company	(160,000,000.00)	15 April 2020	23 October 2020	–	Ultra-short-term notes payable with annual interest rate of 1.75%		
Zhdan Company	730,000,000.00	14 August 2020	29 January 2021	730,000,000.00	Ultra-short-term notes payable with annual interest rate of 1.90%		
Zhdan Company	360,000,000.00	29 October 2020	26 March 2021	360,000,000.00	Ultra-short-term notes payable with annual interest rate of 2.10%		
Ninghu Properties Company	(50,000,000.00)	20 October 2016	20 October 2021	450,000,000.00	Entrusted loan with annual interest rate of 4.75%	No (a wholly-owned subsidiary of the Company)	Not Applicable
Ninghu Properties Company	–	2 September 2016	1 September 2021	300,000,000.00	Entrusted loan with annual interest rate of 4.75%		
Ninghu Properties Company	–	9 November 2016	8 November 2021	150,000,000.00	Entrusted loan with annual interest rate of 4.75%		

SIGNIFICANT MATTERS

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	Balance as at 31 December 2020	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
Hanwei Company	(75,000,000.00)	20 March 2018	20 March 2021	261,000,000.00	Entrusted loan with annual interest rate of 4.75%	No (a wholly-owned subsidiary of the Company)	Not Applicable
Hanwei Company	100,000,000.00	19 January 2020	19 January 2021	-	Entrusted loan with annual interest rate of 4.35%		
Hanwei Company	(100,000,000.00)	19 January 2020	19 January 2021	-	Entrusted loan with annual interest rate of 4.35%		
Hanwei Company	80,000,000.00	21 August 2020	21 August 2021	80,000,000.00	Entrusted loan with annual interest rate of 4.35%		
Hanwei Company	45,000,000.00	21 September 2020	21 September 2021	45,000,000.00	Entrusted loan with annual interest rate of 4.35%		
Hanwei Company	40,000,000.00	13 November 2020	13 November 2021	40,000,000.00	Entrusted loan with annual interest rate of 4.35%		
Guangjing Xicheng Company	300,000,000.00	3 March 2020	16 October 2020	-	Ultra-short-term notes payable with annual interest rate of 2.10%	Yes, continuing connected transactions (a connected subsidiary in which a substantial shareholder of the Company holds 15% equity interest)	Yes (announcements were published on 27 March 2017, 5 May 2017 and 1 April 2020 and a circular was published on 6 May 2020 on the Stock Exchange in accordance with the Listing Rules and approval has been obtained from independent shareholders)
Guangjing Xicheng Company	(300,000,000.00)	3 March 2020	16 October 2020	-	Ultra-short-term notes payable with annual interest rate of 2.10%		
Guangjing Xicheng Company	50,000,000.00	2 April 2020	16 October 2020	-	Ultra-short-term notes payable with annual interest rate of 2.20%		
Guangjing Xicheng Company	(50,000,000.00)	2 April 2020	16 October 2020	-	Ultra-short-term notes payable with annual interest rate of 2.20%		
Guangjing Xicheng Company	150,000,000.00	27 May 2020	16 October 2020	-	Ultra-short-term notes payable with annual interest rate of 1.65%		
Guangjing Xicheng Company	(150,000,000.00)	27 May 2020	16 October 2020	-	Ultra-short-term notes payable with annual interest rate of 1.65%		
Guangjing Xicheng Company	500,000,000.00	28 October 2020	23 April 2021	500,000,000.00	Ultra-short-term notes payable with annual interest rate of 1.80%		
Guangjing Xicheng Company	(600,000,000.00)	4 December 2015	4 December 2020	-	Medium-term notes with annual interest rate of 3.69%	Yes, continuing connected transactions (a connected subsidiary in which a substantial shareholder of the Company holds 15% equity interest)	Yes (exempt from the announcement requirement according to Rule 14A.89)

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.

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	6,648,799.00	4,473,957.21	Yes, continuing connected transactions (the Company's director)	Yes (exempt from the announcement requirement according to Rule 14A.95)

Pricing and decision-making procedures of related party/connected transactions: For significant related party/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 abstain from voting. The independent directors should then express an independent opinion. For all related party/connected transactions, 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	Jiaxing Kaitong Investment Co., Ltd.	Meicun Service Area	12,955,904	2017/1/10	2023/1/9	280,000,000	An 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	Jiaxing Tonghui Expressway Service Zone Operation and Management Co., Ltd.	Xianrenshan Service Area	17,805,392	2017/6/16	2023/6/15	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	2017/7/1	2023/6/30	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	Jiaxing Kaitong Investment Co., Ltd.	Yangcheng Lake Service Area	60,930,582	2018/5/15	2027/5/14	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	2018/5/11	2026/5/10	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	2018/9/21	2026/9/20	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".

SIGNIFICANT MATTERS

(II) Related guarantee

Applicable N/A

Unit: Yuan Currency: RMB

Guarantee of the Company and its subsidiaries in favor of its subsidiaries	
Total guarantee in favor of its subsidiaries incurred during the Reporting Period	489,856,000.00
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period	293,600,000.00
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee	293,600,000.00
Total guarantee as a percentage of the Company's net assets (%)	0.89
Explanation of guarantee	The Company provided guarantee for the application of comprehensive credit line by Factoring Company, a wholly-owned subsidiary of the Company, with a maximum balance of RMB810,000,000 in the form of joint and several liability guarantee for a term of one year.

(III) Entrusted others to manage cash assets

1. Entrusted wealth management

(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	3,870,100,000.00	1,499,000,000.00	-

Others

Applicable N/A

SIGNIFICANT MATTERS

(2) Breakdown of individual entrusted wealth management

Applicable N/A

Unit: Yuan 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)
Shanghai Pudong Development Bank	Stable Profit 20JG5394 (1 month)	12,000,000	2020/1/4	2020/2/4	Internal funds	Bond and monetary market instruments	Capital preservation	3.45%	36,800.00	12,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6002 (14 days)	12,000,000	2020/2/18	2020/3/3	Internal funds	Bond and monetary market instruments	Capital preservation	2.90%	13,533.33	12,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6002 (14 days)	6,000,000	2020/2/21	2020/3/6	Internal funds	Bond and monetary market instruments	Capital preservation	2.90%	6,766.67	6,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6002 (14 days)	6,000,000	2020/3/4	2020/3/18	Internal funds	Bond and monetary market instruments	Capital preservation	2.90%	6,766.67	6,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6002 (14 days)	13,000,000	2020/3/10	2020/3/24	Internal funds	Bond and monetary market instruments	Capital preservation	2.90%	14,661.11	13,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6002 (14 days)	6,000,000	2020/3/17	2020/3/31	Internal funds	Bond and monetary market instruments	Capital preservation	2.90%	6,766.67	6,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6002 (14 days)	9,000,000	2020/3/19	2020/4/2	Internal funds	Bond and monetary market instruments	Capital preservation	2.90%	10,150.00	9,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6002 (14 days)	13,000,000	2020/3/25	2020/4/8	Internal funds	Bond and monetary market instruments	Capital preservation	2.90%	14,661.11	13,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6001 (7 days)	6,500,000	2020/3/30	2020/4/7	Internal funds	Bond and monetary market instruments	Capital preservation	2.70%	3,900.00	6,500,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6002 (14 days)	7,000,000	2020/4/3	2020/4/17	Internal funds	Bond and monetary market instruments	Capital preservation	2.90%	7,894.44	7,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6001 (7 days)	7,000,000	2020/4/8	2020/4/15	Internal funds	Bond and monetary market instruments	Capital preservation	2.70%	3,675.00	7,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG6001 (7 days)	13,000,000	2020/4/9	2020/4/16	Internal funds	Bond and monetary market instruments	Capital preservation	2.70%	6,825.00	13,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Stable Profit and Fixed Holding Period Company Product JG9002 (14 days)	6,000,000	2020/11/4	2020/11/19	Internal funds	Bond and monetary market instruments	Capital preservation	2.25%	5,250.00	6,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	1,000,000	2019/12/24	2020/1/15	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.05%	843.84	1,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	4,000,000	2019/12/24	2020/1/20	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	1.65%	3,616.44	4,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	20,000,000	2020/1/2	2020/1/20	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	1.62%	16,676.71	20,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	12,000,000	2020/2/12	2020/3/18	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	1.96%	23,210.63	12,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	5,000,000	2020/2/12	2020/3/27	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.15%	13,260.27	5,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	7,000,000	2020/2/12	2020/5/22	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.16%	42,191.78	7,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	1,000,000	2019/5/24	2020/1/15	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.20%	904.11	1,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	1,000,000	2019/5/24	2020/3/26	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.20%	5,183.56	1,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	1,000,000	2019/7/10	2020/3/26	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.20%	5,183.56	1,000,000	Yes	Yes	0	

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement		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)
			date of entrusted wealth management	date of entrusted wealth management											
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	2,000,000	2019/7/10	2020/10/11	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.20%		33,939.69	2,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	3,000,000	2020/7/29	2020/10/9	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.20%		13,200.00	3,000,000			0	
Agricultural Bank	Capital preservation with non-fixed term	2,000,000	2019/5/27	2020/1/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.91%		37,667.67	2,000,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	1,000,000	2019/8/30	2020/1/19	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.73%		10,835.62	1,000,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	8,000,000	2019/12/31	2020/1/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.03%		6,750.68	8,000,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	2,500,000	2020/4/16	2020/10/9	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.10%		25,801.37	2,500,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	2,000,000	2020/5/9	2020/5/21	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	0.86%		624.66	2,000,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	4,500,000	2020/6/3	2020/10/10	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.96%		32,221.23	4,500,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	3,000,000	2020/6/22	2020/10/10	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.91%		17,667.12	3,000,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	5,000,000	2020/7/9	2020/10/10	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.86%		24,321.92	5,000,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	1,000,000	2020/8/5	2020/10/10	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.78%		3,315.07	1,000,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	5,000,000	2020/8/26	2020/10/10	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.59%		10,171.23	5,000,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	2,000,000	2020/9/8	2020/10/10	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.58%		2,893.15	2,000,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	2,000,000	2020/9/18	2020/10/10	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.37%		1,747.95	2,000,000	Yes	Yes	0	
Agricultural Bank	Capital preservation with non-fixed term	1,000,000	2020/11/26	2020/12/18	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.32%		843.84	1,000,000	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	16,000,000	2019/12/31	2020/1/9	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	3.10%		11,090.42	16,000,000	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	4,000,000	2020/2/27	2020/3/16	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	2.15%		4,536.99	4,000,000	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	4,000,000	2020/3/17	2020/4/1	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	2.00%		3,267.67	4,000,000	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	4,000,000	2020/4/7	2020/4/14	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	1.40%		1,304.11	4,000,000	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	7,000,000	2020/4/17	2020/4/27	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	2.00%		3,643.84	7,000,000	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	14,000,000	2020/4/28	2020/5/11	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	2.00%		9,473.97	14,000,000	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	12,000,000	2020/5/29	2020/6/8	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	1.60%		5,917.81	12,000,000	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	6,000,000	2019/12/31	2020/1/10	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	2.00%		3,698.61	6,000,000	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	3,000,000	2020/1/22	2020/2/3	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	1.55%		1,676.71	3,000,000	Yes	Yes	0	
Bank of China	Capital preservation with non-fixed term	1,500,000	2020/3/31	2020/4/1	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	1.40%		115.07	1,500,000	Yes	Yes	0	

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement		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)
			date of entrusted wealth management	date of entrusted wealth management											
Bank of China	Capital preservation with non-fixed term	3,000,000	2020/4/28	2020/5/11	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	1.74%	2,030.14	3,000,000	Yes	Yes	0		
Bank of China	Capital preservation with non-fixed term	2,000,000	2020/5/29	2020/6/1	Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	1.00%	49.32	2,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	1,500,000	2020/3/26	2020/5/22	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.25%	5,478.08	1,500,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	1,000,000	2020/7/24	2020/9/28	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.82%	3,397.26	1,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	1,000,000	2020/10/29	2020/11/11	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.33%	516.44	1,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	20,000,000	2019/12/30	2020/1/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.01%	18,493.15	20,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	14,000,000	2020/1/21	2020/5/25	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.50%	119,863.01	14,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	4,000,000	2020/3/27	2020/5/25	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.01%	15,986.31	4,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	500,000	2020/5/25	2020/10/10	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.10%	2,108.33	500,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	2,000,000	2020/5/25	2020/10/10	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.10%	7,864.27	2,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	1,000,000	2020/7/24	2020/10/21	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.01%	16,147.95	1,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	3,000,000	2020/7/24	2020/11/26	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.48%	13,208.22	3,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	500,000	2020/3/27	2020/12/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.01%	7,314.17	500,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	8,000,000	2020/8/28	2020/12/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.01%	57,439.84	8,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	5,000,000	2020/10/29	2020/12/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.01%	12,867.22	5,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	1,000,000	2020/11/30	2020/12/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.01%	783.22	1,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	1,000,000	2020/11/30	2020/12/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.01%	783.22	1,000,000	Yes	Yes	0		
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	10,000,000	2019/10/24	2020/1/15	Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.20%	54,171.45	10,000,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	400,000	2019/10/29	2020/1/8	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.64%	2,109.59	400,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	100,000	2019/10/29	2020/2/19	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.51%	796.03	100,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	200,000	2019/9/29	2020/2/19	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.60%	2,076.16	200,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	100,000	2019/9/29	2020/2/19	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.60%	1,038.08	100,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	400,000	2019/10/29	2020/2/19	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.63%	3,329.31	400,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	400,000	2019/12/31	2020/3/3	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.61%	1,858.63	400,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	400,000	2019/12/31	2020/3/13	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.88%	2,207.12	400,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	100,000	2019/10/29	2020/4/8	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.62%	1,188.08	100,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	100,000	2019/12/31	2020/4/8	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.59%	718.77	100,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	200,000	2020/3/27	2020/4/8	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%	108.49	200,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	300,000	2020/3/27	2020/4/24	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.87%	452.05	300,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	400,000	2020/3/27	2020/5/9	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.15%	1,050.96	400,000	Yes	Yes	0		

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement		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)
			date of entrusted wealth management	date of entrusted wealth management											
Agricultural Bank	Capital preservation with non-fixed term	400,000	2020/3/30	2020/6/5	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.42%	1,831.78	400,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	100,000	2020/3/27	2020/8/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.22%	870.82	100,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	100,000	2020/3/30	2020/8/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.27%	870.82	100,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	400,000	2020/7/20	2020/9/4	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.64%	658.08	400,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	400,000	2020/7/20	2020/9/14	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.64%	1,038.91	400,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	200,000	2020/7/20	2020/10/22	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.78%	938.63	200,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	250,000	2019/10/28	2020/1/13	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.67%	1,448.29	250,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	100,000	2019/10/28	2020/2/17	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.66%	833.42	100,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	150,000	2019/10/28	2020/3/17	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.65%	1,565.96	150,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	100,000	2019/12/31	2020/4/16	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.61%	783.01	100,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	100,000	2019/12/31	2020/4/24	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.58%	831.92	100,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	100,000	2019/12/31	2020/7/17	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.65%	1,469.73	100,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	200,000	2019/12/31	2020/8/21	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.54%	3,313.70	200,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	150,000	2019/12/31	2020/9/21	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.47%	2,734.93	150,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	150,000	2019/12/31	2020/10/23	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.35%	2,914.08	150,000	Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	500,000	2020/3/27	2020/10/23	Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	2.29%	6,711.54	500,000	Yes	Yes	0		
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	500,000	2020/12/28		Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.20%			Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	2,000,000	2020-7-28		Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%			Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	2,000,000	2020-7-29		Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%			Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	4,000,000	2020-10-21		Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%			Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	6,000,000	2020-10-30		Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%			Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	10,000,000	2020-11-26		Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%			Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	2,000,000	2020-12-25		Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%			Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	2,900,000	2020-12-30		Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%			Yes	Yes	0		
Bank of China	Capital preservation with non-fixed term	3,000,000	2020/12/30		Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	2.40%			Yes	Yes	0		
Bank of China	Capital preservation with non-fixed term	1,000,000	2020/12/30		Internal funds	Bonds or currency market instruments with high investment grade	Capital preservation	2.40%			Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	2,500,000	2020/10/29		Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%			Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	13,000,000	2020/11/30		Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%			Yes	Yes	0		
Agricultural Bank	Capital preservation with non-fixed term	5,000,000	2020/12/24		Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%			Yes	Yes	0		

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Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement		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)
			date of entrusted wealth management	date of entrusted wealth management											
Agricultural Bank	Capital preservation with non-fixed term	9,000,000	2020/12/25			Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%				Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	7,000,000	2020-12-28			Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%				Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	6,000,000	2020/12/21			Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%				Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	4,000,000	2020/12/30			Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%				Yes	Yes	0
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	3,500,000	2020/9/28			Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.20%				Yes	Yes	0
Shanghai Pudong Development Bank	Capital preservation with non-fixed term	1,000,000	2020/12/29			Internal funds	Cash and lower-risk bonds, etc.	Capital preservation	2.20%				Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	1,200,000	2020/12/28			Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%				Yes	Yes	0
Agricultural Bank	Capital preservation with non-fixed term	500,000	2020/12/24			Internal funds	Lower-risk bonds, funds and interbank capital business, etc.	Capital preservation	1.50%				Yes	Yes	0
Industrial and Commercial Bank	Principal Guaranteed Corporate 63-day Fixed Rate RMB Wealth Management Product	2,000,000	2020/8/4	2020/10/8		Internal funds	Bonds, monetary market fund, bond funds, deposit	Capital preservation	2.30%		7,966.16	2,000,000	Yes	Yes	0
Industrial and Commercial Bank	Principal Guaranteed Corporate 63-day Fixed Rate RMB Wealth Management Product	2,000,000	2020/9/8	2020/11/9		Internal funds	Bonds, monetary market fund, bond funds, deposit	Capital preservation	2.20%		7,694.52	2,000,000	Yes	Yes	0
Industrial and Commercial Bank	Principal Guaranteed Corporate 63-day Fixed Rate RMB Wealth Management Product	2,000,000	2020/11/13			Internal funds	Bonds, monetary market fund, bond funds, deposit	Capital preservation	2.20%				Yes	Yes	0
Shanghai Pudong Development Bank	Wealth Bus No. 3	171,000,000	2020/6/30	2020/9/28		Internal funds	Lower-risk bonds, funds, notes and scheme, etc.	Non-capital preservation	3.75%	1,581,164.38	171,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Wealth Bus No. 3	142,000,000	2020/7/31	2020/10/29		Internal funds	Lower-risk bonds, funds, notes and scheme, etc.	Non-capital preservation	3.70%	1,295,506.65	142,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Bu Bu Gao Sheng	61,000,000	2020/8/31	2020/9/7		Internal funds	Lower-risk bonds, funds, notes and scheme, etc.	Non-capital preservation	3.05%	42,830.14	61,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Bu Bu Gao Sheng (last version)	48,000,000	2020/8/28	2020/9/7		Internal funds	Lower-risk bonds, funds, notes and scheme, etc.	Non-capital preservation	2.27%	29,652.05	48,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Bu Bu Gao Sheng (last version)	46,000,000	2020/8/31	2020/9/7		Internal funds	Lower-risk bonds, funds, notes and scheme, etc.	Non-capital preservation	2.27%	19,980.83	46,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Wealth Bus No. 3	69,000,000	2020/9/30	2020/12/29		Internal funds	Lower-risk bonds, funds, notes and scheme, etc.	Non-capital preservation	3.20%	612,493.15	69,000,000	Yes	Yes	0	
Bank of Ningbo	63 Days Smart Fixed Wealth Management	50,000,000	2020/5/28	2020/7/31		Internal funds	Wealth management funds	Non-capital preservation	3.42%	295,150.68	50,000,000	Yes	Yes	0	
Bank of Ningbo	63 Days Smart Fixed Wealth Management	200,000,000	2020/6/23	2020/8/25		Internal funds	Wealth management funds	Non-capital preservation	3.47%	1,197,663.01	200,000,000	Yes	Yes	0	
Bank of Ningbo	Net Value 8001	150,000,000	2020/7/31	2020/8/17		Internal funds	Wealth management funds	Non-capital preservation	2.70%	189,090.98	150,000,000	Yes	Yes	0	
Bank of Ningbo	Net Value 8007	30,000,000	2020/7/31	2020/8/17		Internal funds	Wealth management funds	Non-capital preservation	2.82%	39,331.00	30,000,000	Yes	Yes	0	
Bank of Ningbo	Net Value 8007	30,000,000	2020/12/31			Internal funds	Wealth management funds	Non-capital preservation	2.82%		0	Yes	Yes	0	
Bank of Ningbo	Net Value 8001	20,000,000	2020/12/31			Internal funds	Wealth management funds	Non-capital preservation	2.75%		0	Yes	Yes	0	
China Guangfa Bank	Ying Zai Yi Tian Version B	50,000,000	2020/12/31			Internal funds	Wealth management deposit	Capital preservation	1.755%		0	Yes	Yes	0	
China Construction Bank	Qianyuan Tianli Open-ended Wealth Management	20,000,000	2020/3/31	2020/4/3		Internal funds	Cash, funds, fixed income assets, etc.	Non-capital preservation	2.20%	3,178.08	20,000,000	Yes	Yes	0	
China Construction Bank	Qianyuan Tianli Open-ended Wealth Management	12,000,000	2020/3/31	2020/4/7		Internal funds	Cash, funds, fixed income assets, etc.	Non-capital preservation	2.20%	4,504.11	12,000,000	Yes	Yes	0	
China Construction Bank	Qianyuan Ri Ri Xin Gao Open-ended Wealth Management	40,000,000	2020/4/30	2020/5/7		Internal funds	Cash, funds, fixed income assets, etc.	Non-capital preservation	1.80%	14,575.34	40,000,000	Yes	Yes	0	
China Construction Bank	Qianyuan Ri Ri Xin Gao Open-ended Wealth Management	22,000,000	2020/4/30	2020/5/28		Internal funds	Cash, funds, fixed income assets, etc.	Non-capital preservation	2.00%	33,753.42	22,000,000	Yes	Yes	0	

SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement		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)
			date of entrusted wealth management	date of entrusted wealth management											
China Construction Bank	Qianyan Ri Ri Xin Gao Open-ended Wealth Management	50,000,000	2020/5/18	2020/5/28	Internal funds	Cash, funds, fixed income assets, etc.	Non-capital preservation	0.02		26,027.40	50,000,000	Yes	Yes	0	
China Construction Bank	Qianyan Tianli (Daily)	14,000,000	2020/8/31	2020/9/7	Internal funds	Cash, funds, fixed income assets, etc.	Non-capital preservation	0.02		5,101.37	14,000,000	Yes	Yes	0	
China Construction Bank	Qianyan Tianli (Daily)	26,000,000	2020/12/31		Internal funds	Cash, funds, fixed income assets, etc.	Non-capital preservation	0.02			0	Yes	Yes	0	
Huaxia Bank	Zeng Ying Tian Tian Wealth Management	40,000,000	2020/1/23	2020/2/4	Internal funds	Cash, funds, fixed income assets, etc.	Non-capital preservation	3.00%		13,150.68	40,000,000	Yes	Yes	0	
Huaxia Bank	Bu Bu Zeng Ying Stable Version	270,000,000	2020/5/29		Internal funds	Monetary market, bond market assets, etc.	Non-capital preservation	3.65%			0	Yes	Yes	0	
Huaxia Bank	Bu Bu Zeng Ying Stable Version	265,000,000	2020/6/23		Internal funds	Monetary market, bond market assets, etc.	Non-capital preservation	3.65%			0	Yes	Yes	0	
Huaxia Bank	Bu Bu Zeng Ying Stable Version	5,000,000	2020/6/23	2020/9/7	Internal funds	Monetary market, bond market assets, etc.	Non-capital preservation	3.65%		37,622.19	5,000,000	Yes	Yes	0	
Huaxia Bank	Bu Bu Zeng Ying Stable Version	82,000,000	2020/6/23	2020/11/24	Internal funds	Monetary market, bond market assets, etc.	Non-capital preservation	3.65%		1,265,352.08	82,000,000	Yes	Yes	0	
Huaxia Bank	Bu Bu Zeng Ying Stable Version	103,000,000	2020/6/23		Internal funds	Monetary market, bond market assets, etc.	Non-capital preservation	3.65%			0	Yes	Yes	0	
Huaxia Bank	Bu Bu Zeng Ying Stable Version	50,000,000	2020/6/30	2020/8/20	Internal funds	Monetary market, bond market assets, etc.	Non-capital preservation	3.65%		252,054.79	50,000,000	Yes	Yes	0	
Huaxia Bank	Bu Bu Zeng Ying Stable Version	95,000,000	2020/6/30	2020/9/7	Internal funds	Monetary market, bond market assets, etc.	Non-capital preservation	3.65%		648,220.55	95,000,000	Yes	Yes	0	
Huaxia Bank	Bu Bu Zeng Ying Stable Version	300,000,000	2020/8/31	2020/9/7	Internal funds	Monetary market, bond market assets, etc.	Non-capital preservation	3.25%		152,465.75	300,000,000	Yes	Yes	0	
Huaxia Bank	Bu Bu Zeng Ying Stable Version	178,000,000	2020/9/29	2020/11/24	Internal funds	Monetary market, bond market assets, etc.	Non-capital preservation	3.50%		938,365.75	178,000,000	Yes	Yes	0	
Huaxia Bank	Long Ying Tian Tian Wealth Management No.1	50,167,800	2020/10/29	2020/11/30	Internal funds	Monetary assets, bond assets, asset management scheme, etc.	Non-capital preservation	3.13%		136,300.00	50,167,800	Yes	Yes	0	
Huaxia Bank	Long Ying Tian Tian Wealth Management No.1	320,220,000	2020/10/29	2020/12/3	Internal funds	Monetary assets, bond assets, asset management scheme, etc.	Non-capital preservation	3.13%		960,000.00	320,220,000	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	Long Ying Tian Tian Wealth Management No.1	192,132,000	2020/10/29	2020/12/10	Internal funds	Monetary assets, bond assets, asset management scheme, etc.	Non-capital preservation	3.13%		702,000.00	192,132,000	Yes	Yes	0
Huaxia Bank	Long Ying Tian Tian Wealth Management No.1	90,480,200	2020/10/29	2020/12/29	Internal funds	Monetary assets, bond assets, asset management scheme, etc.	Non-capital preservation	3.13%		491,648.09	90,480,200	Yes	Yes	0
Huaxia Bank	Subscribe-Institutional Increased Profit Cycle 60 Days Wealth Management Product	97,000,000	2020/12/31		Internal funds	Monetary assets, bond assets, asset management scheme, etc.	Non-capital preservation	3.85%			0	Yes	Yes	0

Others

Applicable N/A

(3) *Entrusted wealth management impairment provision*

Applicable N/A

2. Entrusted loans

(1) *General condition of entrusted loans*

Applicable N/A

Unit: Yuan Currency: RMB

Type	Fund source	Amount	Outstanding balance	Uncollected amount overdue
Entrusted loans	Self-owned funds	90,000,000.00	1,387,000,000.00	0

Others

Applicable N/A



SIGNIFICANT MATTERS

(2) Breakdown of individual entrusted loans

Applicable N/A

Unit: 0,000 Currency: RMB

Trustee	Type of entrusted loans	Amount of entrusted loans	Commencement date of entrusted loans	Termination date of entrusted loans	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 loan plan available	Amount of impairment provision (if any)
Shanghai Pudong Development Bank		2,100	2020/3/20	2021/3/20	Internal funds	Daily operations	Interest to be paid quarterly	4.35%				Yes	Yes	
Shanghai Pudong Development Bank		4,000	2020/12/22	2021/12/22	Internal funds	Daily operations	Interest to be paid quarterly	4.35%				Yes	Yes	
Shanghai Pudong Development Bank		26,100	2018/3/20	2021/3/20	Internal funds	Daily operations	One-off payment of principal with accrued interest when due	4.75%				Yes	Yes	
Shanghai Pudong Development Bank		4,000	2020/11/13	2021/11/13	Internal funds	Daily operations	Interest to be paid quarterly	4.35%				Yes	Yes	
Shanghai Pudong Development Bank		8,000	2020/8/21	2021/8/21	Internal funds	Daily operations	Interest to be paid quarterly	4.35%				Yes	Yes	
Shanghai Pudong Development Bank		4,500	2020/9/21	2021/9/21	Internal funds	Daily operations	Interest to be paid quarterly	4.35%				Yes	Yes	
China Merchants Bank		30,000	2016/9/2	2021/9/1	Internal funds	Daily operations	Interest to be paid quarterly	4.75%				Yes	Yes	
China Merchants Bank		11,000	2016/11/9	2021/9/1	Internal funds	Daily operations	Interest to be paid quarterly	4.75%				Yes	Yes	
China Merchants Bank		4,000	2016/11/9	2021/11/8	Internal funds	Daily operations	Interest to be paid quarterly	4.75%				Yes	Yes	
Shanghai Pudong Development Bank		45,000	2016/10/20	2021/10/20	Internal funds	Daily operations	Interest to be paid quarterly	4.75%				Yes	Yes	

Others

Applicable N/A

(3) Entrusted loans impairment provision

Applicable N/A

3. Others

Applicable N/A

(IV) Other major contracts

Applicable N/A

SIGNIFICANT MATTERS

XVI. Explanation of Other Significant Matters

Applicable N/A

(I) CHANGE OF ACCOUNTING FIRM

According to relevant regulations under the Trial Measures for Provincial Enterprises to Select and Employ Accounting Firms for Audit Quality Management issued by State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government, the engagement term of Deloitte, the original auditors, will expire after the completion of 2020 annual audit. Since 2021, the Company shall change the accounting firm, and proposed to appoint KPMG Huazhen LLP as the 2021 Financial Auditing Institution and Internal Auditing Institution as considered and approved at the 28th meeting of the ninth session of the Board of Directors. The matter is subject to the general meeting for consideration.

(II) ISSUANCE OF CORPORATE BONDS

On 2 February 2021, the Company issued RMB1 billion corporate bonds, with a term of 3 plus 2 years, and the nominal interest rate was 3.70%.

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 Group 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 Group donated a total of RMB0.8 million to support the "Targeted Poverty Alleviation Program in Guannan County".

The funds of the targeted poverty alleviation project in Guannan County were mainly applied for the building of standardized plants in Bailu Industrial Concentration Area, and the renovation and improvement of the appearance of Nanfang Village. We expanded the achievements in the construction of new socialist countryside, promoted the housing and living standards of the villagers and enhanced their happiness through the four major approaches of supporting aspirations, blood transfusion, hematopoiesis and benefiting the people.

SIGNIFICANT MATTERS

3. Effectiveness of targeted poverty alleviation

Applicable N/A

Unit: '0,000 Currency: RMB

Indicator	Quantity and development
I. Overview	
Of which: 1. Capital	80
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	
7. Basic assistance	
8. Social poverty alleviation	
of which: 8.1 Investment in coordinated poverty alleviation in East and West China	0
8.2 Investment in targeted poverty alleviation programs	80
8.3 Charity funds for poverty alleviation	0
9. Other projects	
III. Awards (details and grade)	

4. Subsequent targeted poverty alleviation plan

Applicable N/A

(II) Social responsibility

Applicable N/A

The Company issued the 2020 Corporate Governance and Social Responsibility Report on 29 March 2021, 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 29 March 2021. For details of the corporate social responsibility work of the Company in 2020, please refer to the Social Responsibility Report of Jiangsu Expressway Company Limited in 2020.

SIGNIFICANT MATTERS

(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, 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 2020, 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.

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 2020.

(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

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

Applicable N/A

During the Reporting Period, the Group actively carried out sound insulation and noise reduction work. By the end of 2020, a sound barrier of 49.147 kilometres was built along the Shanghai-Nanjing Expressway, a sound barrier of 1,778 metres was newly built in 2020, and a sound barrier of 291.32 square meters was maintained.

In response to the relevant environmental protection requirements of the 13th Five-Year Plan for Maintenance, Management and Development of Jiangsu Expressways, the milled materials were recycled in the large and medium-sized asphalt pavement repair projects. In 2020, 18,124.34 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 was 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 was 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 rates 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	29,820
Total number of ordinary shareholders as at the end of last month before the date of disclosure of the annual report	31,749

Note: As at the end of the Reporting Period, the Company had 29,405 A shareholders and 415 H shareholders, totaling 29,820 shareholders; at the end of last month before the date of disclosure of the annual report, it had 31,333 A shareholders and 416 H shareholders, totaling 31,749 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.	-1,305,302	146,068,692	2.90	-	Unknown	-	Foreign legal person
Mitsubishi UFJ Financial Group Inc.	11,893,626	135,096,597	2.68	-	Unknown	-	Foreign legal person
JPMorgan Chase & Co.	2,280,175	108,818,047	2.16	-	Unknown	-	Foreign legal person
China Universal Asset Management Company Limited – Social Security Fund Portfolio 1103	28,999,984	75,000,010	1.49	-	Unknown	-	Others
Citigroup Inc.	12,269,884	73,715,201	1.46	-	Unknown	-	Foreign legal person
China Galaxy Asset Management Co., Ltd.	21,410,000	21,410,000	0.42	-	Unknown	-	State-owned legal person
China Merchants Bank Co., Ltd. – SSE Dividend Trading Open Index Securities Investment Fund	10,359,595	15,196,757	0.30	-	Unknown	-	Others
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	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.	146,068,692	Oversea-listed foreign shares	146,068,692
Mitsubishi UFJ Financial Group Inc.	135,096,597	Oversea-listed foreign shares	135,096,597
JPMorgan Chase & Co.	108,818,047	Oversea-listed foreign shares	108,818,047
China Universal Asset Management Company Limited — Social Security Fund Portfolio 1103	75,000,010	RMB-denominated ordinary shares	75,000,010
Citigroup Inc.	73,715,201	Oversea-listed foreign shares	73,715,201
China Galaxy Asset Management Co., Ltd.	21,410,000	RMB-denominated ordinary shares	21,410,000
China Merchants Bank Co., Ltd. — SSE Dividend Trading Open Index Securities Investment Fund	15,196,757	RMB-denominated ordinary shares	15,196,757
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 party/connected relationship or acting-in-concert arrangement with respect to the above shareholders

(1) The Company is not aware of the existence of related/connected relationship or acting-in-concert arrangement with respect to the above shareholders; (2) During the Reporting Period, none of the related parties/connected persons, 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

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

Applicable N/A

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

(IV) Interests and short positions

As at 31 December 2020, 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)
BlackRock, Inc.	Interest of controlled corporation ⁽³⁾	No	146,068,692 (L)	11.95% (2.90%) (L)
			198,000 (S)	0.02% (0.00%) (S)
Mitsubishi UFJ Financial Group, Inc	Interest of controlled corporation ⁽²⁾	No	135,096,597 (L)	11.05% (2.68%) (L)
JP Morgan Chase & Co.	Interest of controlled corporation/investment manager/custodian-corporation/approved lending agent ⁽⁴⁾	No	108,818,047 (L)	8.90 (2.16%) (L)
			2,839,094 (S)	0.23 (0.06%) (S)
			64,148,561 (P)	5.25 (1.27%) (P)
Citigroup Inc.	Interest of controlled corporation/approved lending agent/custodian-corporation ⁽⁵⁾	No	73,715,201 (L)	6.03 (1.46%) (L)
			655,797 (S)	0.05 (0.01%) (S)
			72,338,201 (P)	5.92 (1.44%) (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 146,068,692 H Shares of the Company (of which 46,000 H Shares were held through cash settled (off exchange) derivatives) and in the short position of 198,000 H Shares (of which 198,000 H Shares were held through cash settled (off exchange) derivatives) 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 24,901,058 H Shares (long position) and 198,000 H Shares (short position) of the Company.
 - (ii) BlackRock Fund Advisors held 57,656,000 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 828,883 H Shares (long position) of the Company.
 - (ii) BlackRock Asset Management Canada Limited held 2,026,000 H Shares (long position) of the Company.
 - (iii) BlackRock Investment Management (Australia) Limited held 612,000 H Shares (long position) of the Company.
 - (iv) BlackRock Asset Management North Asia Limited held 723,201 H Shares (long position) of the Company.
 - (v) BlackRock Investment Management (Taiwan) Limited held 22,000 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 856,000 H Shares (long position) of the Company.
 - (ii) BlackRock Advisors (UK) Limited held 8,000 H Shares (long position) of the Company.
 - (iii) BlackRock International Limited held 164,000 H Shares (long position) of the Company.
 - (iv) BlackRock Asset Management Ireland Limited held 9,545,865 H Shares (long position) of the Company.
 - (v) BLACKROCK (Luxembourg) S.A. held 19,748,000 H Shares (long position) of the Company.
 - (vi) BlackRock Investment Management (UK) Limited held 9,826,203 H Shares (long position) of the Company.
 - (vii) BlackRock Fund Managers Limited held 2,588,000 H Shares (long position) of the Company.
 - (viii) BlackRock Asset Management (Schweiz) AG held 10,000 H Shares (long position) of the Company.
 - (ix) BlackRock Life Limited held 1,433,482 H Shares (long position) of the Company.
- (4) JPMorgan Chase & Co. was deemed to be interested in the long position of a total of 108,818,047 H Shares of the Company (of which 2,863,230 H Shares were held through cash settled (off exchange) derivatives) and the short position of 2,839,094 H Shares (of which 2,662,000 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	5,762,219	2,839,094	–
Investment manager	38,503,000	–	–
Person having a security interest in shares	404,267	–	–
Approved lending agent	–	–	64,148,561

- (5) Citigroup Inc. was deemed to be interested in the long position of a total of 73,715,201 H Shares of the Company (of which 1,026,000 H Shares were held through cash settled (off exchange) derivatives) and the short position of 655,797 H Shares (of which 2,000 H Shares were held through cash settled (off exchange) derivatives). 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	1,377,000	655,797	–
Approved lending agent	–	–	72,338,201

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 2020.

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

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 (蔡任傑)
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

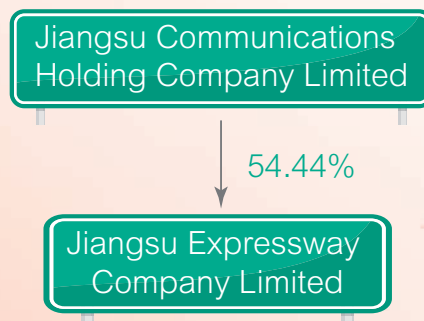
Applicable N/A

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

Applicable N/A

5 Flowchart of the shareholding 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

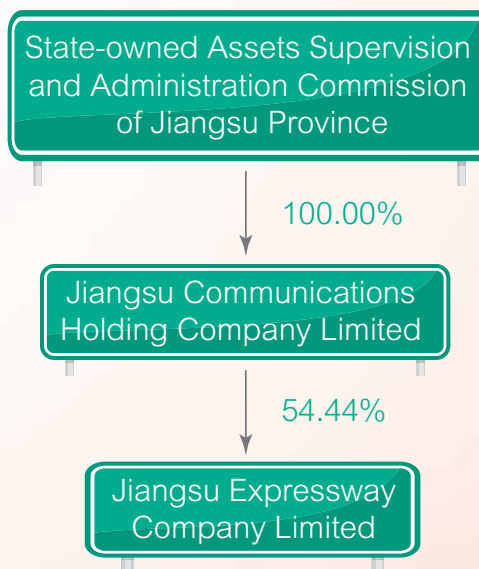
Applicable N/A

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

Applicable N/A

5 Flowchart of the shareholding 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

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

Applicable N/A

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

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 23 April 2021 (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	Chairman of the board of directors, Executive director	M	51	2018.08		-	-	-	Nil	82.72	No
Cheng Xiaoguang	Executive director, General Manager	M	43	2020.03		-	-	-	Nil	47.67	No
Yao Yong Jia	Executive director, deputy general manager, secretary to the board of directors, company secretary in Hong Kong	M	57	2017.06		-	-	-	Nil	70.80	No
Chen Yanli	Non-executive director	M	58	2018.06		-	-	-	Nil	-	Yes
Chen Yongbing	Non-executive director	M	47	2018.06		-	-	-	Nil	-	Yes
Wu Xinhua	Non-executive director	M	54	2016.01		-	-	-	Nil	-	No
Ma Chung Lai, Lawrence	Non-executive director	M	67	2015.06		-	-	-	Nil	34.82 (Note)	No
Zhang Zhuting	Independent non-executive director	M	58	2015.06		-	-	-	Nil	10.79	No
Chen Liang	Independent non-executive director	M	56	2015.06		-	-	-	Nil	10.79	No
Lin Hui	Independent non-executive director	M	49	2015.06		-	-	-	Nil	10.79	No
Zhou Shudong	Independent non-executive director	M	60	2018.06		-	-	-	Nil	10.79	No
Liu Xiaoxing	Independent non-executive director	M	51	2018.01		-	-	-	Nil	10.79	No
Yu Lan Ying	Chairman of the supervisory committee	F	50	2018.06		-	-	-	Nil	-	Yes
Ding Guozhen	Supervisor	M	59	2018.06		-	-	-	Nil	-	Yes
Pan Ye	Supervisor	M	33	2016.02		-	-	-	Nil	-	Yes
Lu Zhengfeng	Supervisor	M	48	2019.05		-	-	-	Nil	59.96	No
Kong Yuanyi	Supervisor	F	45	2020.07		-	-	-	Nil	51.80	No
Xu Zhongning	Deputy general manager	M	58	2020.03	2023.03	-	-	-	Nil	74.43	No
Dai Qian	Financial controller	M	43	2020.06	2023.06	-	-	-	Nil	28.42	No
Wang Feng	Deputy general manager	M	45	2020.09	2023.09	-	-	-	Nil	56.88	No
Yan Yun	Deputy general manager	F	47	2019.04		-	-	-	Nil	54.94	No

Note: Mr. Ma Chung Lai, Lawrence's remuneration was paid in Hong Kong dollars. Due to fluctuations in exchange rates, there is a difference between the remuneration converted at the then exchange rate and the actual expenditure recorded in the accounts using Renminbi as currency.

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:											
Gu De Jun	Chairman of the board of directors, executive director	M	58	2018.06	2020.03	-	-	-	Nil	-	Yes
Sun Xibin	General manager	M	51	2018.08	2020.03	-	-	-	Nil	-	No
Li Jie	Deputy general manager	M	51	2012.08	2020.03	-	-	-	Nil	29.10	No
Xu Keqiang	Assistant to general manager	M	43	2019.04	2020.03	-	-	-	Nil	-	Yes
Ren Zhuohua	Financial controller	F	49	2018.06	2020.05	-	-	-	Nil	32.84	No
Shao Li	Supervisor	F	43	2008.03	2020.07	-	-	-	Nil	18.97	No
Zhu Zhiwei	Deputy general manager	M	44	2020.03	2020.09	-	-	-	Nil	47.44	No
Hu Yu	Non-executive director	F	46	2015.06	2020.12	-	-	-	Nil	-	No
Total	/	/	/	/	/				/	744.74	/

Note: During the Reporting Period, the total remuneration before tax received from the Company by the directors, supervisors and senior management of the Company included remuneration payable before tax, contribution by the employer to social insurance, enterprise annuity, supplementary medical insurance and housing provident fund, and other monetary income.

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 a Chairman of the board of directors, 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 Ninghang Company, deputy director and member of the Party Committee of Expressway Management Center and general manager and deputy secretary of the Party Committee of Jiangsu Coastal Highway Management Co., Ltd. (江苏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 secretary 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; secretary to the party committee, chairman and general manager of Kuailu Company; secretary to the party branch, chairman and general manager of Media Company. 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.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Brief biography
Chen Yanli	<p>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 chief economist and head of the organization department under Party Committee 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 served as the head of the Human Resources Department of Jiangsu Communications Holding Company Limited from 2016 to 2020. Mr. Chen has long been engaged in transportation management and is a senior expert with extensive experience in transport management.</p>
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 Development and Reform 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 and head of the Investment Development Department of Jiangsu Communications Holding Company Limited from 2016 to 2020. 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. 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. (國高網路宇信息技術有限公司) 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 Company, and Guangjing Xicheng Company. Mr. Wu has been serving as the director of the Company since 2016.</p>

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Brief biography
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>
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>

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Brief biography
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>
Liu Xiaoxing	<p>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 middle-aged 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.</p>



DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Brief biography
Supervisor Yu Lanying	Born in 1971, Yu Lanying is the Chairlady 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 finance management 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. She was the head of the Audit and Risk Control Department of Jiangsu Communications Holding Company Limited from 2018 to 2020. Since Ms. Yu 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 worked in Jiangsu Provincial Automobile Transportation Company and Yangtze Bridge Company. From 2004 to 2017, he 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.
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. 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.
Kong Yuanyi	Born in February 1976, Kong Yuanyi is a supervisor. She graduated from Nanjing University as a postgraduate with master's degree, and is an economist and national secondary enterprise human resource manager. Ms. Kong has successively served as the head of the office, assistant to the director of the Party and Mass Work Department of the Company, and is currently the deputy director (in charge of work) of the Party and Mass Work Department of the Company.

DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Brief biography
Senior management Xu Zhongning	<p>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 Sundian or Xiandai R&B Company, 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.</p>
Dai Qian	<p>Born in 1978, Dai Qian is the financial controller. He is a post-graduate with a master degree and also a senior accountant. Mr. Dai served successively as the head of the financial audit department, assistant to director of financial management department and deputy director of the financial management department of Jiangsu Communications Holding from 2014 to 2020. He has been the Chief Financial Officer and Party Committee Member of Jiangsu Expressway Company Limited since June 2020. Mr. Dai has been engaged in financial management for a long time and has extensive theoretical and practical experience.</p>
Wang Feng	<p>Born in 1976, Wang Feng is a deputy general manager. He is a post-graduate with a master's degree and also a senior engineer at a researcher level. Mr. Wang served as the general manager, deputy general manager and party committee member of the engineering department of Yangtze Bridge Company; and the deputy general manager and party committee member of Yangtze River Management Company. He currently serves as a deputy general manager and party committee member of Jiangsu Expressway Company Limited. Mr. Wang has long been engaged in the management of roads and bridges, and has accumulated rich experience in expressway management.</p>
Yan Yun	<p>Born in 1974, Yan Yun is a deputy general manager. She is a post-graduate with a master degree and also an economist. 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.</p>

Other explanations

Applicable N/A

- 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.
- 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).
- 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.
- 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.
- 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 Dejun	Jiangsu Communications Holding Company Limited	General manager		
Chen Yanli	Jiangsu Communications Holding Company Limited	Chief Economist, Director of Organization Department under Party Committee		
Chen Yongbing	Jiangsu Communications Holding Company Limited	Director of Development and Reform Department	January 2018	
Yu Lanying	Jiangsu Communications Holding Company Limited	Director of Finance Management 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		

(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
Sun Xibin	Jiangsu Suxichang South Expressway Co., Ltd.	Chairman		
Chen Yanli	Nanjing Lukou International Airport Jiangsu Jinghu Expressway Co., Ltd.	Supervisor Director	March 2017 May 2018	

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
Chen Yongbing	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. Jiangsu United Credit Information Co., Ltd. (江蘇省聯合征信有限公司)	Director Director	October 2018 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	
	Tibet China Merchants Construction Electronic Information Co., Ltd. (西藏招商交建電子信息有限公司)	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	

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	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. (國高網路宇信息技術有限公司)	Director	July 2019	
	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	
Pan Ye	Jiangsu Guangjing Xicheng Expressway Co., Ltd.	Supervisor	May 2019	May 2021
	Heilongjiang Transport Development Co., Ltd.	Supervisor	February 2020	February 2023
Ma Chung Lai, Lawrence	Taching Petroleum Co., Ltd. Wing Hing Enterprise Company	General manager vice president		
Chen Liang	Jiangsu Guoxin Company Limited (江蘇國信股份有限公司)	Independent director	December 2019	December 2022
	Changshu Automotive Trim Co., Ltd.	Independent director	August 2017	August 2023
	COFCO Engineering Technology Co., Ltd.	Independent director	March 2020	March 2023
	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
Lin Hui	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
	China Design Group Co., Ltd. (中設設計集團股份有限公司)	Independent director	January 2017	January 2023
Liu Xiaoxing	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	
Ding 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 2020, remuneration paid to 1 non-executive director in Hong Kong amounted to RMB348,200 (before tax); in 2020, 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	RMB7.4474 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
Gu Dejun	Chairman	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
Ren Zhuohua	Financial Controller	Resignation	Change in work arrangements
Dai Qian	Financial Controller	Appointment	Appointment by the Board
Shao Li	Employee Supervisor	Resignation	Change in work arrangements
Kong Yuanyi	Employee Supervisor	Election	Election of trade union committee
Zhu Zhiwei	Deputy General Manager	Resignation	Change in work arrangements
Wang Feng	Deputy General Manager	Appointment	Appointment by the Board
Hu Yu	Non-executive Director	Resignation	Change in work arrangements

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	3,909
Number of current staff in the major subsidiaries	1,547
Total number of current staff	5,456
Number of resigned and retired staff whose expenses shall be borne by the parent company and its major subsidiaries	28

Composition of professional team

Category of professional team	Headcount of professionals
Production staff	4,635
Sales staff	13
Technicians	36
Financial staff	92
Administrative staff	680
Total	5,456

Education level

Category of education level	Headcount (Persons)
University or above	1,566
Tertiary	2,008
Vocational or below	1,882
Total	5,456

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, continued to innovate the cadre management mechanism, to improve the performance appraisal system, to promote steady construction of employee position channels 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 a pro-active 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 RMB1,039,815,000. In 2020, 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 the Company's objective, the Company's condition and the personnel's current status, etc., through adjusting and optimizing the contents and weights of performance assessment indicators, the Company regularly conducted appraisals and assessments on the performance of departments, secondary units and employees. The Company continued to carry out brand-building and encouraged staff to improve their performance based on their positions. The Group nurtured multi-dimensional skillful business professionals, carried forward the spirit of craftsmanship and improved all staff members' performance by ways of the brand-building of "Jiangsu Expressway • Jasmine Flower", selection of "Star Toll Collectors", certification of the qualifications and grades of maintenance and hindrance clearance workers and the on-the-job training, work rotation and communication of management members, etc. During the year, the Company selected a total of 164 outstanding staff members, production veterans and management stars and 34 outstanding teams. The Group vigorously promoted past role models, gave 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. The Group always attaches importance to the education and training of staffs at all levels and makes effort to establish the learning organization by closely combining with the development goals, talent needs and the status of the staffs; and formulated multi-dimensional, step-wise comprehensive literacy and competency training programs based on the operating and position needs, etc., so as to improve the employees' skills in a more meticulous way. Training fees incurred during the Reporting Period amounted to approximately RMB10,007,000. The number of attendances at the programs was about 12,000. 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, 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	1 year
Total remuneration paid to outsourced labour	RMB46,209,400

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 2017 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 bureau, so as to facilitate their continuous professional development.

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)	4	5	3	12
Cheng Xiaoguang (current)	4	3	4	11
Yao Yongjia (current)	7	8	4	19
Non-executive directors				
Chen Yanli (current)	5	4	2	11
Chen Yongbing (current)	6	4	2	12
Wu Xinhua (current)	4	5	2	11
Ma Chung Lai, Lawrence (current)	5	4	2	11
Independent non-executive directors				
Zhang Zhuting (current)	3	4	3	10
Chen Liang (current)	5	4	2	11
Lin Hui (current)	3	4	2	9
Zhou Shudong (current)	5	4	2	11
Liu Xiaoxing (current)	3	4	3	10
Retired directors				
Gu Dejun	2	2	1	5
Hu Yu	4	4	2	10

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 has strictly complied with the Corporate Governance Code under Appendix 14 to the Hong Kong Listing Rules, and met most of the recommended best practices set out in the code. 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.

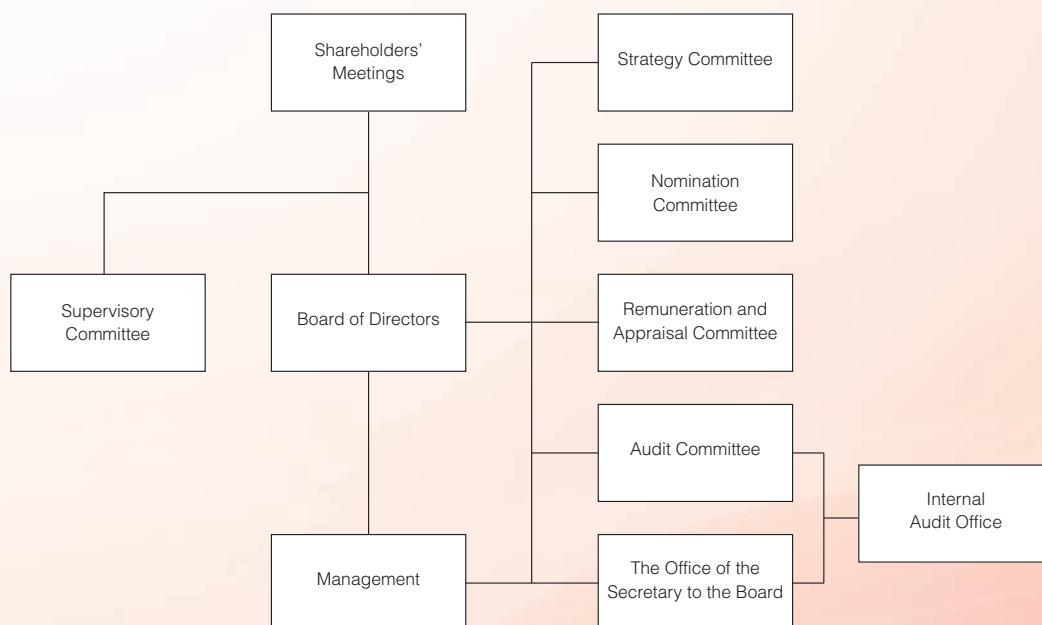
During the Reporting Period, the corporate governance of the Group continued to be fully affirmed by the capital market and all sectors of society, and was awarded "The 3rd New Fortune Best IR Hong Kong Stock Company (A + H Shares)" and "The 3rd China Outstanding IR Best Investor Relations Innovation Award" by New Fortune, the "Best Investor Relations Award" and the "Best Board of Directors" by Securities Times, the "2020 Gold Bee for Outstanding Corporate Social Responsibility Report • Growing Enterprises" by Golden Bee Think Tank, the "Certificate of Excellence in The HKIRA 6th Investor Relations" by Hong Kong Investor Relations Association and others, 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



CORPORATE GOVERNANCE

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 Procedures 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.

Amendments were made to certain articles of the Articles of Association of the Company during the financial year, for details of which, please refer to the announcement of the Company published on 1 April 2020.

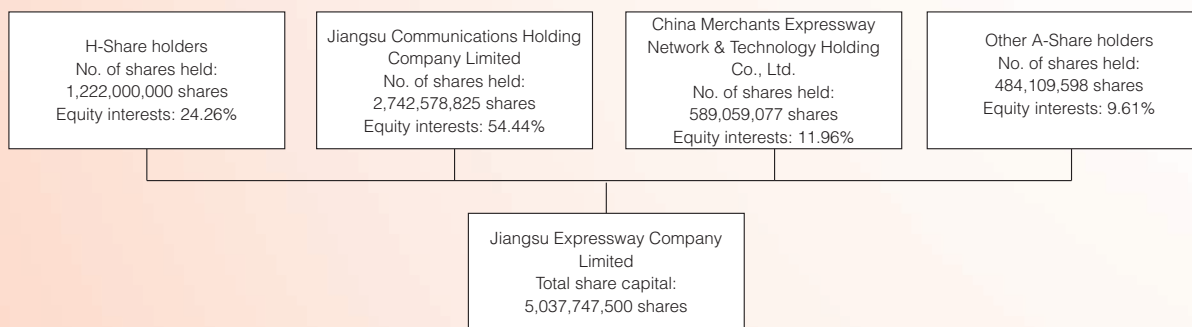
Please refer to the Articles of Association of the Company for the functions and powers of the “general meeting, the board of directors, the supervisory committee and management”.

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.



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 Company 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 Company 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 Company 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.

CORPORATE GOVERNANCE

(III) 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
2020 First Extraordinary General Meeting	25 February 2020	www.sse.com.cn; www.hkexnews.hk; www.jsexpressway.com	25 February 2020
2020 Second Extraordinary General Meeting	23 April 2020	www.sse.com.cn; www.hkexnews.hk; www.jsexpressway.com	23 April 2020
2019 Annual General Meeting	23 June 2020	www.sse.com.cn; www.hkexnews.hk; www.jsexpressway.com	23 June 2020

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.

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/she fails to attend two consecutive Board meetings in person	Number of attendance at general meetings
Gu Dejun*	NO	3	3	2	-	-	NO	1
Chen Yanli	NO	12	12	3	-	-	NO	3
Chen Yongbing	NO	12	12	3	-	-	NO	3
Sun Xibin	NO	12	12	3	-	-	NO	3
Cheng Xiaoguang*	NO	7	7	-	-	-	NO	1
Yao Yongjia	NO	12	12	3	-	-	NO	3
Wu Xinhua	NO	12	8	3	4	-	NO	1
Hu Yu*	NO	11	7	3	4	-	NO	1
Ma Chung Lai, Lawrence	NO	12	8	3	4	-	NO	1
Zhang Zhuting	YES	12	8	3	4	-	NO	1
Chen Liang	YES	12	12	3	-	-	NO	3
Lin Hui	YES	12	12	3	-	-	NO	3
Zhou Shudong	YES	12	10	3	2	-	NO	3
Liu Xiaoxing	YES	12	12	3	-	-	NO	3

* 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 change in work arrangements.

The Board of the Company elected and approved the appointment of Mr. Cheng Xiaoguang as general manager of the Company, and nominated Mr. Cheng Xiaoguang as an executive director of the ninth session of the board of directors of the Company on the seventeenth meeting of the ninth session of the board of directors held on 2 March 2020; on 24 April 2020, Mr. Cheng Xiaoguang was appointed as an executive director of the Company at the 2020 second extraordinary general meeting.

The Board of the Company received a resignation letter from non-executive director Ms. Hu Yu on 24 December 2020. Ms. Hu Yu tendered her resignation as a non-executive director, a member of the Audit Committee of the Board, and a member of the Remuneration and Appraisal Committee due to change in work arrangements.

CORPORATE GOVERNANCE

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	12
Of which: Number of face-to-face meetings	4
Number of meetings convened by way of telecommunication	3
Number of meetings convened by way of telecommunication	5

During the Reporting Period, the board of directors held a total of 4 face-to-face 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

As of the end of the Reporting Period, the board of directors of the Company had a total of 12 members, among which, 3 were executive directors, namely, Sun Xibin, Cheng Xiaoguang and Yao Yongjia; and 9 were non-executive directors, namely, Chen Yanli, Chen Yongbing, Wu Xinhua 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 3 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' 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, cultural 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 have 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^{Note}. 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 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.

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 had received written confirmations from all independent non-executive directors in respect of their independence, in which the Company considers the relevant independent non-executive directors to be independent persons according to the relevant guidelines under Rule 3.13 of the Hong Kong Listing Rules.

Note: The board of directors of the Company received on 24 December 2020 a resignation letter from Ms. Hu Yu, a non-executive director of the Company. Ms. Hu Yu resigned from the positions as a non-executive director, a member of the audit committee of the board of directors and a member of the remuneration and appraisal committee of the board of directors of the Company due to change in work arrangements.

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 Jiangsu 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, and 1 financial controller, 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.

CORPORATE GOVERNANCE

VIII. Disclosure of self-evaluation reports on internal control

Applicable N/A

The board of directors of the Company has prepared the 2020 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 2020 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 2020 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 2020. The full text of the 2020 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

Type of opinion on the audit report on internal control: Standard unqualified opinion

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 6 directors. The chairman is Mr. Sun Xibin*, an executive director. The members include Mr. Cheng Xiaoguang, Mr. Yao Yongjia, Mr. Chen YongBing, Mr. Ma Chung Lai, Lawrence and Mr. Zhang Zhuting. There are 3 executive directors, 2 non-executive directors and 1 independent non-executive director.

* On 2 March 2020, Mr. Gu De Jun tendered his 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.

CORPORATE GOVERNANCE

During the Reporting Period, the Strategy Committee held a total of 2 meetings to consider the absorption and merger of Ningchang Zhenli Company, internal control assessment plan, internal audit and internal control work plan 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 Reporting Period	Number of attendance
Sun Xibin	NO	2	2
Cheng Xiaoguang	NO	0	0
Yao Yongjia	NO	2	2
Chen Yongbing	NO	2	2
Ma Chung Lai, Lawrence	NO	2	2
Zhang Zhuting	YES	2	2
Gu Dejun (resigned)*	NO	1	1

(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 6 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 12 members of the ninth board of directors of the Company, including three executive directors and nine non-executive directors. Five of the non-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. The board of directors is comprised of persons at different ages and with different work experience and academic background, 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.

CORPORATE GOVERNANCE

Name of director	Whether he/she is an independent non-executive director	Number of Nomination Committee meeting required to attend during the Reporting Period	Number of attendance
Zhou Shudong	YES	6	6
Chen Yanli	NO	6	6
Wu Xinhua	NO	6	6
Chen Liang	YES	6	6
Lin Hui	YES	6	6

(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 4 directors. The chairman is Mr. Lin Hui, an independent non-executive director. Members include Mr. Chen Yanli, Mr. Zhang Zhuting and Mr. Chen Liang. There are 1 non-executive director and 3 independent non-executive directors.

* Ms. Hu Yu resigned from the position as a member of the remuneration and appraisal committee due to work reassignment on 24 December 2020.

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.

During the Reporting Period, the Remuneration and Appraisal Committee held a total of 1 meeting. The Remuneration and Appraisal Committee makes recommendations to the board of directors on the remuneration of the Company's directors, supervisors and senior management in 2020. 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 2020. 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 2020. 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	1	1
Chen Yanli	NO	1	1
Zhang Zhuting	YES	1	1
Chen Liang	YES	1	1
Hu Yu (Resigned)*	NO	1	1

(IV) Audit Committee

The Audit Committee was established in 2001. Its current members comprise 3 directors. The chairman is Mr. Chen Liang*, an independent non-executive director. Members include Mr. Zhou Shudong and Mr. Liu Xiaoxing. All members of the committee are independent non-executive directors.

* *Note 1:* Mr. Chen Liang, an independent non-executive director, 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.

* *Note 2:* Ms. Hu Yu resigned from the position as a member of the audit committee due to work reassignment on 24 December 2020.

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 9 meetings, including 4 periodic report meetings and 2 separate communication meetings with external audit institutions, 1 internal audit meeting, 1 internal control evaluation meeting and 1 standard implementation meeting. 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	9	9
Zhou Shudong	YES	9	9
Liu Xiaoxing	YES	9	9
Hu Yu (Resigned)*	NO	9	9

(V) Supervisors and Supervisory Committee

During the Reporting Period, Ms. Shao Li, employee representative supervisor, resigned from the position of Employee Supervisor of the Company on 29 July 2020 due to job changes. Ms. Kong Yuanyi was elected as Employee Supervisor at the fourth meeting of the Fifth 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 (Chairlady of the Supervisory Committee), Ding Guozhen, Pan Ye, Lu Zhengfeng and Kong Yuanyi.

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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 Procedures 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 nine 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 decision-making 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.

(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 12-13 members, of whom 2-3 are executive directors and the rest are non-executive directors. 9-10 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.

CORPORATE GOVERNANCE

Code provision	Compliance	Corporate governance procedures
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. During the year, except for Mr. Wu Xinhua, Ma Chung Lai, Lawrence and Hu Yu, non-executive directors, and Mr. Zhang Zhuting, independent non-executive director, who were unable to attend the 2020 second extraordinary general meeting and the annual general meeting for 2019 due to their business engagements, 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. 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 2020 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 (21) No. P01576

TO THE SHAREHOLDERS OF JIANGSU EXPRESSWAY CO., LTD.:

I. OPINION

We have audited the financial statements of Jiangsu Expressway Co., Ltd. (the "Company"), which comprise the consolidated and the Company's balance sheets as at 31 December 2020, and the consolidated and the Company's income statements, the consolidated and the Company's cash flow statements, the consolidated and the 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 the Company's financial position as at 31 December 2020, and the consolidated and the Company's results of operations and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

II. 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.

III. 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 are as follows:

Amortization of toll road operation rights

1. Description

As at 31 December 2020, the net amount of the toll road operation rights of the Company was RMB20,888,562,004.75, and the amortization amount of toll road operation rights in 2020 was RMB1,333,662,454.87. 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 to 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 operation rights of the Company as key audit matters.

III. KEY AUDIT MATTERS (CONTINUED)

Amortization of toll road operation rights (Continued)

2. Audit response

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

- Understand the process and key internal controls related to the amortization of toll road operation rights, and test and evaluate the effectiveness of relevant internal controls;
- 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;
- Obtain the traffic volume estimate report issued by the third-party agency and 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, 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 rights to verify the accuracy of its amount in the financial statements.

IV. 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 2020, 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.

AUDITOR'S REPORT

V. 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

VI. 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.

VI. 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)

Yang Bei

Chinese Certified Public Accountant:

Chen Shi

26 March 2021

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

At 31 December 2020

Unit: RMB

Item	Note	31 December 2020	31 December 2019	Item	Note	31 December 2020	31 December 2019
Current Assets:				Current Liabilities:			
Cash and bank balances	(VI)1	386,712,702.84	503,443,740.45	Short-term borrowings	(VI)20	1,475,103,433.33	1,972,708,495.84
Held-for-trading financial assets	(VI)2	1,533,818,523.40	676,935,184.62	Accounts payable	(VI)21	1,701,582,093.30	1,262,414,819.54
Notes receivable	(VI)3	10,859,500.00	-	Notes payable		38,400,000.00	-
Accounts receivable	(VI)4	309,072,553.64	224,285,157.62	Receipts in advance	(VI)22	8,590,278.75	10,698,899.04
Prepayments	(VI)5	21,907,475.29	26,865,058.19	Contract liabilities	(VI)23	876,391,923.12	1,134,150,940.01
Other receivables	(VI)6	74,322,733.51	51,199,899.50	Employee benefits payable	(VI)24	1,195,916.09	1,563,119.99
Inventories	(VI)7	4,148,460,044.19	4,164,567,305.10	Taxes payable	(VI)25	260,171,624.98	225,458,836.37
Other current assets	(VI)8	1,052,050,289.90	379,340,961.34	Other payables	(VI)26	240,226,212.82	261,048,444.02
				Non-current liabilities due within one year	(VI)27	1,103,456,242.14	3,161,145,193.63
				Other current liabilities	(VI)28	8,327,987,272.56	5,092,083,748.87
Total Current Assets		7,537,203,822.77	6,026,637,306.82	Total Current Liabilities		14,033,104,997.09	13,121,272,497.31
Non-current Assets:				Non-current Liabilities:			
Investments in other equity instruments	(VI)9	5,471,025,963.66	5,655,468,613.24	Long-term borrowings	(VI)29	11,545,381,743.39	8,335,475,444.12
Other non-current financial assets	(VI)10	2,039,192,599.15	1,446,175,745.21	Bonds payable	(VI)30	1,984,606,358.58	997,460,933.93
Long-term equity investments	(VI)11	7,130,527,090.60	6,939,251,518.62	Deferred income	(VI)31	112,227,270.52	41,177,151.42
Investment properties	(VI)12	17,581,885.88	18,394,459.79	Provisions	(VI)32	54,115,762.42	30,211,590.82
Fixed assets	(VI)13	2,048,237,771.21	1,907,362,713.72	Deferred tax liabilities	(VI)18	305,018,990.45	416,613,871.66
Construction in progress	(VI)14	15,280,716,856.65	14,501,734,494.95	Lease liabilities		11,835,601.70	-
Intangible assets	(VI)15	21,298,818,056.01	18,927,999,470.50				
Right-of-use assets	(VI)16	18,893,134.89	637,434.33	Total Non-current Liabilities		14,013,185,727.06	9,820,938,991.95
Long-term prepaid expenses	(VI)17	4,443,879.42	11,418,643.58				
Deferred tax assets	(VI)18	234,039,544.92	175,012,653.99	TOTAL LIABILITIES		28,046,290,724.15	22,942,211,489.26
Other non-current assets	(VI)19	14,879,760.00	14,955,570.00				
				Shareholders' Equity			
				Share capital	(VI)33	5,037,747,500.00	5,037,747,500.00
				Capital reserve	(VI)34	10,502,833,951.29	10,501,913,183.87
				Other comprehensive income	(VI)35	806,954,969.94	1,291,748,071.42
				Surplus reserve	(VI)36	3,650,405,305.55	3,551,167,000.42
				General risk reserve	(VI)37	3,487,713.71	141,891.32
				Retained profits	(VI)38	8,208,531,658.34	8,164,265,960.12
				Total shareholders' equity attributable to equity holders of the Company		28,209,961,098.83	28,546,983,607.15
Total Non-current Assets		53,558,356,542.39	49,598,411,317.93	Minority interests		4,839,308,542.18	4,135,853,528.34
				TOTAL SHAREHOLDERS' EQUITY		33,049,269,641.01	32,682,837,135.49
TOTAL ASSETS		61,095,560,365.16	55,625,048,624.75	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		61,095,560,365.16	55,625,048,624.75

The accompanying notes form part of the financial statements.

The financial statements on pages 146 to 292 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

THE COMPANY'S BALANCE SHEET

At 31 December 2020

Unit: RMB

Item	Note	31 December 2020	31 December 2019	Item	Note	31 December 2020	31 December 2019
Current Assets:				Current Liabilities:			
Cash and bank balances	(XIV)1	54,526,689.45	72,993,232.97	Short-term borrowings	(XIV)16	560,539,000.00	2,022,320,888.89
Held-for-trading financial assets	(XIV)2	1,031,123,797.34	370,000,000.00	Accounts payable	(XIV)17	661,812,520.66	589,591,720.53
Accounts receivable	(XIV)3	288,644,245.43	158,693,671.56	Receipts in advance		3,143,500.74	4,679,590.76
Prepayments	(XIV)4	11,468,119.17	5,983,721.61	Employee benefits payable	(XIV)18	1,181,682.48	1,023,753.28
Other receivables	(XIV)5	13,216,746.07	13,182,864.41	Taxes payable	(XIV)19	35,822,492.97	26,068,004.78
Inventories	(XIV)6	14,118,027.57	12,961,862.11	Other payables	(XIV)20	177,366,543.63	154,434,539.62
Non-current assets due within one year	(XIV)15	-	30,284,152.78	Non-current liabilities due within one year	(XIV)21	1,056,678,132.80	3,055,176,013.26
Other current assets	(XIV)7	3,095,033,380.08	404,998,605.25	Other current liabilities		8,257,078,476.00	4,998,884,246.00
Total Current Assets		4,508,131,005.11	1,069,098,110.69	Total Current Liabilities		10,753,622,349.28	10,852,178,757.12
Non-current Assets:				Non-current Liabilities:			
Investments in other equity instruments	(XIV)8	4,064,994,063.66	4,188,311,013.24	Long-term borrowings	(XIV)22	711,316,311.81	13,827,444.12
Long-term equity investments	(XIV)9	13,852,095,375.65	17,437,162,898.62	Bonds payable		1,984,606,358.58	997,460,933.93
Fixed assets	(XIV)10	1,381,425,561.46	1,010,379,375.99	Deferred tax liabilities	(XIV)14	-	144,200,424.02
Construction in progress	(XIV)11	102,331,074.66	78,110,869.95	Deferred income		84,610,917.29	-
Intangible assets	(XIV)12	13,531,506,505.41	9,394,393,034.42	Total Non-current Liabilities		2,780,533,587.68	1,155,488,802.07
Long-term prepaid expenses	(XIV)13	-	5,660,377.22	TOTAL LIABILITIES		13,534,155,936.96	12,007,667,559.19
Deferred tax assets	(XIV)14	48,077,791.39	-	Shareholders' Equity:			
Other non-current assets	(XIV)15	14,879,760.00	1,901,079,653.58	Share capital		5,037,747,500.00	5,037,747,500.00
Total Non-current Assets		32,995,310,132.23	34,015,097,223.02	Capital reserve	(XIV)23	10,372,859,159.62	7,401,175,276.67
TOTAL ASSETS		37,503,441,137.34	35,084,195,333.71	Other comprehensive income	(XIV)24	180,659,449.04	730,095,757.57
				Surplus reserve	(XIV)25	2,518,873,750.00	2,518,873,750.00
				Retained profits	(XIV)26	5,859,145,341.72	7,388,635,490.28
				TOTAL SHAREHOLDERS' EQUITY		23,969,285,200.38	23,076,527,774.52
				TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		37,503,441,137.34	35,084,195,333.71

The accompanying notes form part of the financial statements.

The financial statements on pages 146 to 292 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 2020

Unit: RMB

Item	Note	Amount for the current year	Amount for the prior year
I. Total operating income	(VI)39	8,032,466,746.34	10,078,181,218.81
Less: Operating costs	(VI)39	4,686,890,023.93	4,576,009,544.69
Taxes and levies	(VI)40	125,864,731.35	126,990,737.26
Selling expenses	(VI)41	24,698,386.89	35,971,797.28
Administrative expenses	(VI)42	197,226,409.99	227,595,890.11
Financial expenses	(VI)43	444,319,354.76	464,164,014.33
Including: Interest expenses		436,079,760.40	462,160,618.94
Interest income		6,900,927.45	9,466,560.13
Add: Other income	(VI)44	33,219,560.42	7,257,958.52
Investment income	(VI)45	618,460,042.64	886,313,895.55
Including: Income from investments in associates		375,141,407.68	649,050,248.68
Gains from changes in fair values	(VI)46	33,547,488.70	71,295,344.11
Impairment losses of credits	(VI)47	(94,002.60)	(96,972.99)
Gains (losses) from disposal of assets	(VI)48	220,298.98	(70,252,066.32)
II. Operating profit		3,238,821,227.56	5,541,967,394.01
Add: Non-operating income	(VI)49	82,926,177.75	32,336,183.87
Less: Non-operating expenses	(VI)50	88,111,461.54	52,532,595.64
III. Total profit		3,233,635,943.77	5,521,770,982.24
Less: Income tax expenses	(VI)51	714,881,261.68	1,221,286,273.27
IV. Net profit		2,518,754,682.09	4,300,484,708.97
(I) Categorized by the nature of continuing operation:			
1. Net profit from continuing operations		2,518,754,682.09	4,300,484,708.97
2. Net profit from discontinued operations		-	-
(II) Categorized by ownership:			
1. Net profit attributable to owners of the Company		2,464,213,675.74	4,199,704,371.82
2. Profit or loss attributable to minority interests		54,541,006.35	100,780,337.15
V. Other comprehensive income, net of tax		(467,550,226.48)	453,657,154.34
Other comprehensive income attributable to owners of the Company, net of tax		(484,793,101.48)	453,920,404.34
(I) Other comprehensive income that cannot be reclassified to profit or loss		(484,793,101.48)	453,920,404.34
1. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		16,753,010.70	54,156,057.60
2. Changes in fair value of investments in other equity instruments		(501,546,112.18)	399,764,346.74
(II) Other comprehensive income that will be reclassified to profit or loss		-	-
Other comprehensive income attributable to minority interests, net of tax		17,242,875.00	(263,250.00)
VI. Total comprehensive income		2,051,204,455.61	4,754,141,863.31
Total comprehensive income attributable to owners of the Company		1,979,420,574.26	4,653,624,776.16
Total comprehensive income attributable to minority interests		71,783,881.35	100,517,087.15
VII. Earnings per share			
(I) Basic earnings per share		0.4891	0.8336
(II) Diluted earnings per share		N/A	N/A

The accompanying notes form part of the financial statements.

The financial statements on pages 146 to 292 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

THE COMPANY'S INCOME STATEMENT

For the year ended 31 December 2020

Unit: RMB

Item	Note	Amount for the current year	Amount for the prior year
I. Operating income	(XIV)27	6,160,614,213.37	6,503,679,553.49
Less: Operating costs	(XIV)27	3,636,483,416.98	2,745,731,550.65
Taxes and levies	(XIV)28	23,864,450.83	43,572,302.44
Administrative expenses	(XIV)29	174,805,604.91	159,859,940.91
Financial expenses	(XIV)30	306,475,275.52	317,318,217.33
Including: Interest expenses		340,401,687.70	334,156,934.67
Interest income		45,279,681.89	27,786,583.43
Add: Other income	(XIV)31	28,954,516.85	5,239,608.13
Investment income	(XIV)32	537,929,681.37	774,960,616.85
Including: Income from investments in associates		282,140,450.10	440,817,991.51
Impairment losses of credits	(XIV)33	(101,747.17)	8,218.87
Gains (losses) from disposal of assets	(XIV)34	171,744.99	(65,199,120.58)
II. Operating profit		2,585,939,661.17	3,952,206,865.43
Add: Non-operating income	(XIV)35	52,794,653.81	28,155,103.85
Less: Non-operating expenses	(XIV)36	29,697,161.58	15,160,097.11
III. Total profit		2,609,037,153.40	3,965,201,872.17
Less: Income tax expenses	(XIV)37	564,778,575.52	861,218,538.41
IV. Net profit		2,044,258,577.88	3,103,983,333.76
(I) Net profit from continuing operations		2,044,258,577.88	3,103,983,333.76
(II) Net profit from discontinued operations		-	-
V. Other comprehensive income, net of tax	(XIV)38	(549,436,308.53)	440,609,805.86
(I) Other comprehensive income that cannot be reclassified to profit or loss		(549,436,308.53)	440,609,805.86
1. Other comprehensive income that cannot be reclassified to profit or loss under the equity method		16,753,010.70	54,156,057.60
2. Changes in fair value of investments in other equity instruments		(566,189,319.23)	386,453,748.26
(II) Other comprehensive income that will be reclassified to profit or loss		-	-
VI. Total comprehensive income		1,494,822,269.35	3,544,593,139.62

The accompanying notes form part of the financial statements.

The financial statements on pages 146 to 292 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 2020

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		7,792,390,632.50	10,740,094,571.66
Other cash receipts relating to operating activities	(VI)53(1)	378,720,249.25	98,906,672.13
Sub-total of cash inflows from operating activities		8,171,110,881.75	10,839,001,243.79
Cash payments for goods purchased and services received		1,654,191,015.57	2,093,494,299.57
Cash payments to and on behalf of employees		1,049,136,012.24	1,030,417,771.51
Payments of various types of taxes		1,671,493,278.65	1,891,349,359.35
Other cash payments relating to operating activities	(VI)53(2)	658,889,044.90	60,456,189.21
Sub-total of cash outflows from operating activities		5,033,709,351.36	5,075,717,619.64
Net Cash Flow from Operating Activities	(VI)54(1)	3,137,401,530.39	5,763,283,624.15
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		4,850,614,479.66	8,594,275,554.38
Cash receipts from investment income		422,446,766.50	438,197,635.31
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		586,636.10	7,446,202.30
Sub-total of cash inflows from investing activities		5,273,647,882.26	9,039,919,391.99
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		4,245,496,267.18	4,849,870,040.80
Cash payments to acquire investments		6,728,019,383.36	11,581,655,661.24
Sub-total of cash outflows from investing activities		10,973,515,650.54	16,431,525,702.04
Net Cash Flow from Investing Activities		(5,699,867,768.28)	(7,391,606,310.05)
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		647,110,000.00	834,062,829.33
Including: Cash receipts from capital contributions from minority owners of subsidiaries		647,110,000.00	834,062,829.33
Cash receipts from borrowings		10,420,000,000.00	5,208,116,000.00
Cash receipts from issuance of bonds		19,073,500,000.00	7,260,000,000.00
Sub-total of cash inflows from financing activities		30,140,610,000.00	13,302,178,829.33
Cash repayments of borrowings		24,591,540,000.00	8,985,750,460.46
Cash payments for distribution of dividends or profits or settlement of interest expenses		3,068,524,804.39	2,739,766,873.66
Including: Payments for distribution of dividends or profits to minority owners of subsidiaries		15,438,867.51	15,385,597.73
Other cash payments relating to financing activities	(VI)53(3)	16,500,000.00	14,055,595.34
Sub-total of cash outflows from financing activities		27,676,564,804.39	11,739,572,929.46
Net Cash Flow from Financing Activities		2,464,045,195.61	1,562,605,899.87
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
		-	-
V. Net Decrease in Cash and Cash Equivalents			
	(VI)54(1)	(98,421,042.28)	(65,716,786.03)
Add: Opening balance of Cash and Cash Equivalents	(VI)54(2)	449,410,135.63	515,126,921.66
VI. Closing Balance of Cash and Cash Equivalents			
	(VI)54(2)	350,989,093.35	449,410,135.63

The accompanying notes form part of the financial statements.

The financial statements on pages 146 to 292 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

THE COMPANY'S CASH FLOW STATEMENT

For the year ended 31 December 2020

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		6,071,405,909.62	6,892,514,169.21
Other cash receipts relating to operating activities	(XIV)40(1)	148,149,881.89	38,287,996.26
Sub-total of cash inflows from operating activities		6,219,555,791.51	6,930,802,165.47
Cash payments for goods purchased and services received		1,309,284,828.46	1,275,061,038.06
Cash payments to and on behalf of employees		838,896,868.80	668,573,154.95
Payments of various types of taxes		901,955,337.61	1,315,980,967.30
Other cash payments relating to operating activities	(XIV)40(2)	91,524,939.32	49,162,687.53
Sub-total of cash outflows from operating activities		3,141,661,974.19	3,308,777,847.84
Net Cash Flow from Operating Activities	(XIV)41(1)	3,077,893,817.32	3,622,024,317.63
II. Cash Flows from Investing Activities:			
Cash receipts from disposals and recovery of investments		3,528,000,000.00	5,385,000,000.00
Cash receipts from investment income		405,335,756.25	472,808,794.99
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets		320,932.59	3,706,928.72
Other cash receipts relating to investing activities	(XIV)40(3)	2,216,000,000.00	711,000,000.00
Sub-total of cash inflows from investing activities		6,149,656,688.84	6,572,515,723.71
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		68,531,041.17	319,273,946.66
Cash payments to acquire investments		4,620,620,650.00	7,944,685,669.35
Net cash payments for acquisitions of subsidiaries and other business units		1,243,334,377.98	2,032,453,170.00
Other cash payments relating to investing activities	(XIV)40(4)	2,936,000,000.00	371,000,000.00
Sub-total of cash outflows from investing activities		8,868,486,069.15	10,667,412,786.01
Net Cash Flow from Investing Activities		(2,718,829,380.31)	(4,094,897,062.30)
III. Cash Flows from Financing Activities:			
Cash receipts from borrowings		5,470,000,000.00	4,120,000,000.00
Cash receipts from issuance of bonds		19,073,500,000.00	7,260,000,000.00
Sub-total of cash inflows from financing activities		24,543,500,000.00	11,380,000,000.00
Cash repayments of borrowings		22,242,622,946.86	8,291,782,689.14
Cash payments for distribution of dividends or profits or settlement of interest expenses		2,661,908,033.67	2,629,227,131.93
Other cash payments relating to financing activities	(XIV)40(5)	16,500,000.00	14,055,595.34
Sub-total of cash outflows from financing activities		24,921,030,980.53	10,935,065,416.41
Net Cash Flow from Financing Activities		(377,530,980.53)	444,934,583.59
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents			
		-	-
V. Net Decrease in Cash and Cash Equivalents			
	(XIV)41	(18,466,543.52)	(27,938,161.08)
Add: Opening balance of Cash and Cash Equivalents	(XIV)41	72,993,232.97	100,931,394.05
VI. Closing Balance of Cash and Cash Equivalents			
	(XIV)41	54,526,689.45	72,993,232.97

The accompanying notes form part of the financial statements.

The financial statements on pages 146 to 292 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 2020

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 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
II. Changes for the year	-	-	-	-	920,767.42	-	(484,793,101.48)	-	99,238,305.13	3,345,822.39	44,265,698.22	703,455,013.84	366,432,505.52
(i) Total comprehensive income	-	-	-	-	-	-	(484,793,101.48)	-	-	-	2,464,213,675.74	71,783,881.35	2,051,204,455.61
(ii) Owners' contributions and reduction in capital	-	-	-	-	920,767.42	-	-	-	-	-	-	647,110,000.00	648,030,767.42
1. Ordinary shares contributed by shareholders	-	-	-	-	-	-	-	-	-	-	-	647,110,000.00	647,110,000.00
2. Capital reserve of investee under equity method	-	-	-	-	920,767.42	-	-	-	-	-	-	-	920,767.42
(iii) Profit distribution	-	-	-	-	-	-	-	-	99,238,305.13	3,345,822.39	(2,419,947,977.52)	(15,438,867.51)	(2,332,802,717.51)
1. Transfer to surplus reserve	-	-	-	-	-	-	-	-	99,238,305.13	-	(99,238,305.13)	-	-
2. Transfer to general risk reserve	-	-	-	-	-	-	-	-	-	3,345,822.39	(3,345,822.39)	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	(2,317,363,650.00)	(15,438,867.51)	(2,332,802,717.51)
III. Closing balance as at 31 December 2020	5,037,747,500.00	-	-	-	10,502,833,951.29	-	806,954,969.94	-	3,650,405,305.55	3,487,713.71	8,208,531,658.34	4,839,308,542.18	33,049,269,641.01

The financial statements on pages 146 to 292 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 2020

Unit: RMB

Item	Amount for the prior year													
	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	Total owners' equity	
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)	(15,386,597.74)	(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)	(15,386,597.74)	(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 146 to 292 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2020

Unit: RMB

Item	Amount for the current year											
	Other equity instruments				Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Retained profits	Total owners' equity
Share capital	Preferred shares	Perpetual debts	Others									
I. 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
II. Changes for the year	-	-	-	-	2,971,683,882.95	-	(549,436,308.53)	-	-	-	(1,529,490,148.56)	892,757,425.86
(i) Total comprehensive income	-	-	-	-	-	-	(549,436,308.53)	-	-	-	2,044,258,577.88	1,494,822,269.35
(ii) Owners' contributions and reduction in capital	-	-	-	-	2,971,683,882.95	-	-	-	-	-	(1,256,384,876.44)	1,715,299,006.51
1. Capital reserve of investee under equity method	-	-	-	-	920,767.42	-	-	-	-	-	-	920,767.42
2. Transfer from merger of Ningchang Zhenli (Note (XIV)23)	-	-	-	-	2,970,763,115.53	-	-	-	-	-	(1,256,384,876.44)	1,714,378,239.09
(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 2020	5,037,747,500.00	-	-	-	10,372,859,159.62	-	180,659,449.04	-	2,518,873,750.00	-	5,859,145,341.72	23,969,285,200.38

The financial statements on pages 146 to 292 were signed by the following:

Legal Representative:

Person in Charge of the Accounting Body:

Chief Accountant:

THE COMPANY'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2020

Unit: RMB

Item	Amount for the current year											Total owners' equity
	Other equity instruments				Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	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 146 to 292 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 2020

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 to 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 total number of issued and outstanding shares of the Company as at 31 December 2020 is 5,037,747,500.

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’s and the consolidated financial statements were approved by the Board of Directors on 26 March 2021.

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

II. BASIS OF PREPARATION OF FINANCIAL 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.

Going concern

As at 31 December 2020, the Group had total current liabilities in excess of total current assets of RMB6,495,901,174.32. As at 31 December 2020, the Group has available unutilized bank loan facilities with a time limit over one year of approximately RMB23,572,420,000.00, authorized but not issued super short-term bonds with a time limit over one year of approximately RMB1,770,000,000.00 and authorized but not issued mid-term bonds with a time limit over one year of approximately RMB2,000,000,000.00. In addition, the Group has obtained the approval of the China Securities Regulatory Commission for the registration application for the public offering of corporate bonds with a total face value of not more than RMB8,000,000,000.00. The Company’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, therefore, 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 2020

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 is principally engaged in toll road operation. The Group determines the specific accounting policies on the amortization of toll road operation rights according to the toll road industry characteristics. Refer to Note III 16 for details. For description of significant accounting judgments made by the Group in the application of significant accounting policies, 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 at 31 December 2020, 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, and 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 Group operates. Therefore, the Group adopts RMB as its functional currency. The Company adopts RMB to prepare its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5. 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 2020

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 carrying amount 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6. Preparation of consolidated financial statements (Continued)

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.

7. Criteria for determining 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

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).

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.
- It is a derivative that is not designated as a financial guarantee contract and effective as a hedging instrument.

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

- Financial assets that are not qualified to be classified as financial assets at amortized cost or financial assets at FVTOCI are classified as financial assets at FVTPL.
- Upon initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Group will irrevocably designate financial assets at FVTPL.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

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

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 carrying amount 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.

9.1.2 Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest income earned on the financial assets are recognized in profit or loss.

9.1.3 Financial assets designated at FVTOCI

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 recognizes 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 2020

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 balance sheet 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 2020

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.

Regardless of the above assessment results, if the contract payment for the financial instruments has expired for more than 90 days (inclusive), the Group presumes that the financial instrument has defaulted.

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 notes receivable, accounts receivable and other receivables 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 2020

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 2020

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

9.4. Classification and measurement of financial liabilities and equity instrument

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 2020

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9. Financial instruments (Continued)

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

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 refinance), 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 2020

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 2020

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 using the equity method. An associate is an entity over which the Group has significant influence.

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 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 investees 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 2020

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 2020

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13. Fixed assets (Continued)

13.2. Depreciation method

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 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 2020

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, other than toll road operation rights, 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 volume method, and the monthly amortization amount is calculated by the ratio of the actual traffic volume of the month to the sum of the actual traffic volume of the month and the estimated future traffic volume. 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 (years)	Residual value rate (%)
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 investments, 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 2020

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 2020

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22. Revenue recognition

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 services income is mainly from sales of petroleum products. Income from sales of petroleum products is recognized when control of the petroleum products is transferred.

(3) 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.

If there are two or more of performance obligations included in the contract, at the contract inception, the Group allocates the transaction price to each single performance obligation based on the proportion of stand-alone selling price of goods or services promised in each stand-alone performance obligation. However, if there is conclusive evidence indicating that the contract discount or variable consideration is only relative with one or more (not the whole) performance obligations in the contract, the Group will allocate the contract discount or variable consideration to relative one or more performance obligation. Stand-alone selling price refers to the price of single sales of goods or services. If the stand-alone selling price cannot be observed directly, the Group estimates the stand-alone selling price through comprehensive consideration of all reasonably acquired relative information and maximum use of observable inputs.

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 2020

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 and subsidy for reconstruction of highway provincial boundary toll station from the Group's government grants are related to the construction of Expressway. These grants are classified as assets-related government grants and 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, additional deduction of VAT and EPA land compensation from the Group's government grants are all used as a compensation for incurred relevant costs. These grants are classified as income-related government grants.

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.

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 2020

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, 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 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. If lease liabilities are remeasured or lease modifications occur as a result of subsequent amendments to lease transactions, the temporary difference resulting from the remeasurement of the carrying amount of the right-of-use assets and related lease liabilities arising from the relevant lease transactions shall be recognized as deferred tax assets or liabilities at the date of remeasurement of the lease liabilities or lease modifications.

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 2020

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 are 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 2020

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 carrying amount 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 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 2020

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

25. Leases (Continued)

25.1. The Group as a lessee (Continued)

25.1.5 Lease modification

If the lease is 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 carrying amount 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 carrying amount of the right-of-use assets accordingly.

25.2. The Group as a lessor

25.2.1 Separation 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

The operating lease where the Group acts as the lessor involves lease of service areas and billboards etc. 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 2020

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26. Changes in significant accounting policies and accounting estimates

26.1. Changes in accounting policies

Interpretation No. 13 of the Accounting Standards for Business Enterprises (Cai Kuai [2019] No. 21) (Interpretation No. 13)

Interpretation No.13 revised the three elements of business, detailed the judging conditions for business, and introduced the selection of concentration test in the determination of the purchaser whether the operating activity or asset portfolio acquired in the business combination not under the common control constitutes a business. In addition, Interpretation No.13 further specified that the related parties of an enterprise also include the joint ventures or associates of any other member entity of the enterprise group to which the enterprise is affiliated (including the parent company and subsidiaries), as well as other joint ventures or associates of the investor that exercises joint control over the enterprise etc.

Interpretation No.13 came into force from 1 January 2020. The Group accounted for the above changes in accounting policies retrospectively. The application of the above interpretation had no impact on the financial statements of the Group.

Provisions on the Accounting Treatment of the COVID-19 Pandemic-related Rental Concessions (Cai Kuai [2020] No. 10)

On 19 June 2020, the Ministry of Finance issued the Notice on Issuing the Provisions on the Accounting Treatment of the COVID-19 Pandemic-related Rental Concessions (Cai Kuai [2020] No.10). The enterprises that are listed both at home and abroad, as the lessee, may choose to adopt the simplified method for the COVID-19 Pandemic-related Rental Concessions as set out in these Provisions. These Provisions shall come into force on the date of issuance, which are also applicable to the relevant rental concessions that occurred between 1 January 2020 and the issuance date of these Provisions. This notice had no significant impact on the financial statements of the Group.

26.2 Changes in accounting estimates

Content and reasons for changes in accounting estimates	Approval procedure	Beginning time of application	Items and amounts affected		
The toll road operation rights of the Group are amortized with the traffic volume method. The amortization amount for the month is calculated based on the ratio of the actual traffic volume to the sum of the actual traffic volume for the month and the estimated remaining future traffic volume. Due to the changes in the toll model of the highway network in 2020, the Group adopts the standard traffic volume of passenger cars converted according to the new vehicle classification standard to count the actual traffic volume and adjust the expected remaining future traffic volume ("new traffic volume"), and calculate the amortization of toll road operation rights based on the revised actual traffic volume and the new traffic volume starting from 1 January 2020.	Deliberated and approved by the 20th meeting of the 9th session of the Board of Directors of the Group held on 24 April 2020.	1 January 2020	In response to this change in accounting estimates, the Company adopts the prospective method, and the impact on the items in the financial statements of the current year is as follows:		
				Consolidated financial statements	RMB Financial Statements of the Company
			Impact on financial statements		
			Increase in intangible assets	59,538,432.06	62,284,509.96
			Decrease in operating costs	59,538,432.06	62,284,509.96
			Increase in deferred income	40,133.66	40,133.66
			Decrease in other income	40,133.66	40,133.66
			Increase in taxes payable	14,884,608.02	15,571,127.49
			Increase in income tax expenses	14,884,608.02	15,571,127.49
			Decrease in minority interests	613,686.34	-
Decrease in profit or loss attributable to minority shareholders	613,686.34	-			
Increase in net profit attributable to the parent company	45,227,376.74	46,673,248.81			
Increase in net assets attributable to the parent company	45,227,376.74	46,673,248.81			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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.

— 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 are 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 financial assets, the Group adopts 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 are disclosed in Note IX.

Estimated useful life and estimated residual value of fixed assets

The Group determines estimated useful life and residual value of fixed assets. Such estimates are based on the historical experience on actual useful life and residual value of fixed assets with similar nature and function. When the estimated useful life and residual value of fixed assets are less than those previously estimated, the Group will raise the depreciation rate of fixed assets, and dispose of or retire the assets technologically obsolete.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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, advertisement and other businesses
		Real estate rental income and real estate sales income
	City maintenance and construction tax	Actually-paid turnover taxes
Educational surtax and surcharge	Actually-paid turnover taxes	3%
Local educational surtax and surcharge	Actually- 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 2020			31 December 2019		
	Foreign currency	Exchange rate	Amount in RMB	Foreign currency	Exchange rate	Amount in RMB
Cash:						
RMB			253,967.19			254,597.41
Bank balances:						
RMB			347,099,018.97			424,019,850.60
HKD	840,196.75	0.8416	707,143.19	840,163.83	0.8958	752,601.96
Other monetary funds:						
RMB			38,652,573.49			78,416,690.48
Total			386,712,702.84			503,443,740.45

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1. Cash and bank balances (Continued)

Other explanations:

As at 31 December 2020, other monetary funds of the Group include security deposits for certain mortgage loans to customers of RMB2,486,611.60 and supervised advance from customers of RMB31,796,997.89, security deposits for notes of RMB1,440,000.00 (31 December 2019: security deposits for certain mortgage loans to customers of RMB2,523,103.19, supervised advance from customers of RMB51,510,501.63, and security deposits for notes of RMB Nil). 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 is 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 2020	31 December 2019
Fund investment (Note 1)	30,249,184.94	22,890,626.48
Gold investment (Note 2)	4,326,538.14	13,694,558.14
Stock investment	242,800.32	–
Financial products	1,499,000,000.00	640,350,000.00
Total	1,533,818,523.40	676,935,184.62

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 golds.

3. Notes receivable

(1) Disclosure of notes receivable by categories:

Unit: RMB

Category	31 December 2020	31 December 2019
Bank acceptances	10,859,500.00	–

(2) The Group has no pledged notes receivable at the end of the year.

(3) There are no endorsed or discounted notes receivable that is not yet due at the end of the year.

(4) There are 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 2020

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 2020			
	Amount	Proportion (%)	Provision for credit impairment	Carrying amount
Within 1 year	304,830,097.00	98.55	211,467.03	304,618,629.97
1-2 years	4,486,484.74	1.45	32,561.07	4,453,923.67
Total	309,316,581.74	100.00	244,028.10	309,072,553.64

(2) Disclosure of accounts receivable by provision methods for bad debts

Unit: RMB

Category	31 December 2020				
	Gross carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	Net carrying amount
Bad debt provision is made on an individual basis	-	-	-	-	-
Bad debt provision is made on a collective basis	309,316,581.74	100.00	244,028.10	100.00	309,072,553.64
Total	309,316,581.74	100.00	244,028.10	100.00	309,072,553.64

Category	31 December 2019				
	Gross carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	Net carrying amount
Bad debt provision is made on an individual basis	1,699,980.00	0.75	1,699,980.00	91.41	-
Bad debt provision is made on a collective basis	224,444,880.85	99.25	159,723.23	8.59	224,285,157.62
Total	226,144,860.85	100.00	1,859,703.23	100.00	224,285,157.62

Note: For details about the credit risk and expected credit losses of accounts receivable for which bad debt provision is made on a collective basis, refer to Note VIII, 1.2.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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-impaired	Credit-impaired	Total
	Lifetime expected credit loss	Lifetime expected credit loss	
At 1 January 2020	159,723.23	1,699,980.00	1,859,703.23
Provisions	84,304.87	–	84,304.87
Reversals	–	–	–
Transfer-out upon derecognition of financial assets	–	(1,699,980.00)	(1,699,980.00)
At 31 December 2020	244,028.10	–	244,028.10

(4) Accounts receivable actually written off in the current period

Unit: RMB

Item	31 December 2020
Accounts receivable actually written off	1,699,980.00

No significant accounts receivable were written off in the year.

(5) Top five entities with the largest balances of accounts receivable

Unit: RMB

Name of entity	Amount	Provision for credit impairment	Proportion to total accounts receivable (%)
Jiangsu Expressway Network Operation and Management Co., Ltd. ("Network Operation Company")	161,140,417.42	–	52.10
Jiaying Kaytone Investment Co., Ltd.	60,582,123.88	–	19.59
Changzhou Dinuo Fangmaoshan Business Management Co., Ltd.	19,117,338.58	–	6.18
Jiangsu Yangtze Bridge Co., Ltd. ("Yangtze Bridge Company")	15,643,915.36	–	5.06
Nanjing Baisheng Business Management Co., Ltd	10,003,098.50	–	3.23
Total	266,486,893.74	–	86.16

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Accounts receivable (Continued)

(6) Other explanations

Majority of toll road and ancillary services income are settled by cash, and sales of real estate 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.

5. Prepayments

(1) The aging analysis of prepayments is as follows:

Unit: RMB

Aging	31 December 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	16,548,932.55	75.54	10,349,713.39	38.52
1-2 years	1,431,631.67	6.53	13,775,744.80	51.28
2-3 years	3,614,315.97	16.50	2,739,600.00	10.20
Over three years	312,595.10	1.43	–	–
Total	21,907,475.29	100.00	26,865,058.19	100.00

(2) Top five balances of prepayments categorized by receivers:

Unit: RMB

Name of entity	Amount	Proportion of the amount to the total prepayments (%)
Suzhou Transportation Engineering Group Co., Ltd.	5,929,192.01	27.06
State Grid Jiangsu Electric Power Co., Ltd. Kunshan Power Supply Company	3,655,206.01	16.68
Jiangsu Expressway Information Engineering Co., Ltd.	2,550,000.00	11.64
Suzhou Water Supply Co., Ltd. Business Department	1,637,800.00	7.48
State Grid Jiangsu Electric Power Co., Ltd. Suzhou Power Supply Company	1,239,600.00	5.66
Total	15,011,798.02	68.52

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables

Unit: RMB

Item	Note	31 December 2020	31 December 2019
Dividends receivable	(1)	4,989,960.00	4,989,960.00
Others	(2)	69,332,773.51	46,209,939.50
Total		74,322,733.51	51,199,899.50

(1) Dividends receivable

Unit: RMB

Item	31 December 2020	31 December 2019
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 2020			Carrying amount
	Amount	Proportion (%)	Provision for credit impairment	
Within 1 year	49,518,986.33	58.07	66,987.36	49,451,998.97
1-2 years	4,313,831.01	5.06	42,185.62	4,271,645.39
2-3 years	4,383,550.80	5.14	6,680.00	4,376,870.80
More than 3 years	27,055,518.37	31.73	15,823,260.02	11,232,258.35
Total	85,271,886.51	100.00	15,939,113.00	69,332,773.51

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Other receivables (Continued)

(2) Others (Continued)

<2> Disclosure of other receivables by nature

Unit: RMB

Nature	31 December 2020	31 December 2019
Liquidated damages (Note)	26,000,000.00	–
Amounts of investment clearance	15,812,140.02	15,812,140.02
Landlord maintenance funds	17,131,289.30	12,637,931.05
Project funds borrowed in advance	11,560,425.90	11,528,425.90
Petty cash	4,860,969.89	4,968,493.24
Mortgage deposits for housing fund loan	2,200,000.00	3,950,000.00
Others	7,707,061.40	13,242,364.56
Total	85,271,886.51	62,139,354.77

Note: Nanjing Hanwei Real Estate Development Co., Ltd. ("Hanwei Company"), a subsidiary of the Group, entered into an entrusted management agreement with Jiangsu Luode Equity Investment Fund Management Co., Ltd. ("Luode Fund Company"), under which Luode Fund Company shall be responsible for the management of the construction of Hanrui Center Real Estate Project. Due to the delay in the construction of the Project, it was delivered to the owner late, and Hanwei Company reached an agreement with Luode Fund Company to pay liquidated damages to Hanwei Company for the late delivery of the Project in the year.

<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 2020	117,275.25	–	15,812,140.02	15,929,415.27
Provisions	14,642.30	–	–	14,642.30
Reversal	(4,944.57)	–	–	(4,944.57)
At 31 December 2020	126,972.98	–	15,812,140.02	15,939,113.00

<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
Luode Fund Company	Liquidated damages	26,000,000.00	Within 1 year	30.49	–
Jiangsu Yixing Highway Administration Department	Amounts of investment clearance	15,812,140.02	Over 3 years	18.54	15,812,140.02
China Construction Eighth Engineering Division Corp., Ltd.	Project funds borrowed in advance	9,022,664.30	Over 3 years	10.58	–
Suzhou Housing Property Guarantee Co., Ltd.	Deposit	2,200,000.00	1-3 years	2.58	–
Nanjing Jin Zhong Jian Curtain Decoration Co., Ltd.	Advances of social security contributions	1,723,356.10	2-3 years	2.02	–
Total		54,758,160.42		64.21	15,812,140.02

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories

Categories of inventories

Unit: RMB

Item	31 December 2020			31 December 2019		
	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	2,310,956,603.45	-	2,310,956,603.45	2,691,720,662.45	-	2,691,720,662.45
Properties for sale	1,822,750,714.82	-	1,822,750,714.82	1,458,769,418.10	-	1,458,769,418.10
Spare parts for repair and maintenance	7,422,500.78	-	7,422,500.78	7,262,826.01	-	7,262,826.01
Petrol	7,330,225.14	-	7,330,225.14	6,814,398.54	-	6,814,398.54
Total	4,148,460,044.19	-	4,148,460,044.19	4,164,567,305.10	-	4,164,567,305.10

Details of properties under development are as follows:

Unit: RMB

Project name	Commencement date	Estimated completion date	Estimated total investment	31 December 2019	31 December 2020
Baohua Hongyan Community Plot A Project	September 2018	Note 1	2,455,800,000.00	324,211,226.67	331,211,992.18
Huaqiao Urban Core Project	December 2012	Note 2	3,089,100,000.00	383,548,006.05	467,083,260.71
Suzhou Nanmen Road G25 Project (Note 3)	December 2019	June 2021	1,146,300,000.00	92,861,564.62	100,062,705.44
Hanrui Center (Note 4)	October 2016	April 2021	2,202,654,200.00	1,891,099,865.11	1,412,598,645.12
Total			8,893,854,200.00	2,691,720,662.45	2,310,956,603.45

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 Urban 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 stage of main body under construction at the end of the reporting period.

Note 4: Hanrui Center project is a commercial complex project, which includes the construction of No. 1 Office Building, No. 2 LOFT Office and No. 3 Serviced Apartment, of which No. 2 LOFT Office and No. 3 Serviced Apartment have been completed and accepted on 25 November 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2019	Increase	Decrease	31 December 2020
Suzhou Qingyuan	December 2013	430,744,537.22	-	50,260,020.51	380,484,516.71
Baohua Hongyan Community B1 Tongchengshijia Project	April 2014	92,668,709.73	-	10,168,075.23	82,500,634.50
Baohua Hongyan Community B2 Tongchengshijia Project	November 2016	157,257,174.44	-	53,200,912.86	104,056,261.58
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	335,665,436.91	-	2,656,626.02	333,008,810.89
Huaqiao Urban Core B4 Guangmingjiezuo Project	June 2015	38,825,005.38	-	-	38,825,005.38
Huaqiao Urban Core B19 Guangmingxinzu Project	December 2016	17,602,818.91	-	-	17,602,818.91
Huaqiao Urban Core C3 Langqiaojiaoyuan	December 2019	231,511,140.70	-	84,567,042.81	146,944,097.89
Suzhou Nanmen Road G25 Project -Phase I	January 2018	142,921,254.37	-	38,596,030.44	104,325,223.93
Hanrui Center No. 2& No. 3 Building	November 2020	-	710,866,372.92	107,436,368.33	603,430,004.59
Total		1,458,769,418.10	710,866,372.92	346,885,076.20	1,822,750,714.82

Detailed information of properties under development is as follows:

Project Name	Address	Purpose	Attributable equity interest of the Group	Stage of completion	Projected completion date
Baohua Hongyan Community A1 Tongchengshijia Project	No. 8 Xianlin East Road, Hongyan Community, Baohua Town, Jurong City	House	100.00	Preparing for construction	December 2022
Baohua Hongyan Community A2 Tongchengshijia Project	No. 8 Xianlin East Road, Hongyan Community, Baohua Town, Jurong City	House	100.00	Preparing for construction	October 2024
Huaqiao Urban Core C5Yufuhao Project	Huaqiao Business Core Area, Kunshan City	Business	100.00	Under decoration	October 2021
Huaqiao Urban Core B18 Project	Huaqiao Business Core Area, Kunshan City	House	100.00	Not commenced	July 2024
Suzhou Nanmen Road G25 Project Phase II	Nanmen Road, Suzhou City	House	100.00	Main body under construction	June 2021
Hanrui Center No.1 Building	East Side of Mingfa Business Plaza, Dingqiang Road, Yuhuatai District, Nanjing City	Business/office	100.00	Decoration under construction	April 2021

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7. Inventories (Continued)

Categories of inventories (Continued)

Detailed information of properties held for sale is as follows:

Project Name	Address	Purpose	Attributable equity interest of the Group	Stage of completion	Completion date
Suzhou Qingyuan	No. 298 Xinshi Road, Suzhou City	House	100.00	Completed	December 2013
Baohua Hongyan Community B1 Tongchengshijia Project	No. 8 Xianlin East Road, Hongyan Community, Baohua Town, Jurong City	House	100.00	Completed	April 2014
Baohua Hongyan Community B2 Tongchengshijia Project	No. 8 Xianlin East Road, Hongyan Community, Baohua Town, Jurong City	House	100.00	Completed	November 2016
Huaqiao Urban Core C4 Hongqiao Mansion Project	No. 158 Xiqiao Road, Huaqiao Business Core Area, Kunshan City	House	100.00	Completed	August 2012
Huaqiao Urban Core C7 Pujiang Building Project – No. 2, 3, 4 Building	No. 118 Xiqiao Road, Huaqiao Business Core Area, Kunshan City	Office building	100.00	Completed	June 2014
Huaqiao Urban Core B4 Tongcheng Guangmingjiezuo	No. 188 Xiqiao Road, Huaqiao Business Core Area, Kunshan City	House	100.00	Completed	June 2015
Huaqiao Urban Core B19 Guangmingxinzuo Project	Huaqiao Business Core Area, Kunshan City	House	100.00	Completed	December 2016
Huaqiao Urban Core C3 Langqiaojayuan	Huaqiao Business Core Area, Kunshan City	House	100.00	Completed	December 2019
Suzhou Nanmen Road G25 Project – Phase I	Nanmen Road, Suzhou City	House	100.00	Completed	January 2018
Hanrui Center No. 2 & No. 3 Building	East Side of Mingfa Business Plaza, Dingqiang Road, Yuhuatai District, Nanjing City	Business/office/serviced apartment	100.00	Completed	November 2020

8. Other current assets

Unit: RMB

Item	31 December 2020	31 December 2019
Prepaid enterprise income tax	142,346,182.09	31,061,822.17
Prepaid taxes and levies related to pre-sale of real estate	90,108,822.89	126,701,364.63
Input VAT to be deducted	467,442,914.60	219,804,084.27
Factoring receivable	348,771,370.50	–
Others	3,380,999.82	1,773,690.27
Total	1,052,050,289.90	379,340,961.34

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Other current assets (Continued)

(1) Factoring receivable

<1> Disclosure of factoring receivable by aging

Unit: RMB

Aging	31 December 2020			Carrying amount
	Amount	Proportion (%)	Provision for credit impairment	
Within 1 year	348,771,370.50	100.00	-	348,771,370.50
Total	348,771,370.50	100.00	-	348,771,370.50

Note: Factoring receivable was from the factoring business of NingHu Commercial Factoring (Guangzhou) Co., Ltd. ("NingHu Factoring Company"), a subsidiary of the Group, and the effective interest rate of the factoring receivable ranged from 6.08% to 7.5% per annum.

<2> Disclosure of factoring receivable by provision methods for bad debts

Unit: RMB

Category	31 December 2020				Net carrying amount
	Gross carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	
Bad debt provision is made on an individual basis	-	-	-	-	-
Bad debt provision is made on a collective basis	348,771,370.50	100.00	-	100.00	348,771,370.50
Total	348,771,370.50	100.00	-	100.00	348,771,370.50

Note: For details about the credit risk and expected credit losses of factoring receivable for which bad debt provision is made on a collective basis, refer to Note VIII, 1.2.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9. Investments in other equity instruments

(1) Investments in other equity instruments

Unit: RMB

Item	31 December 2020	31 December 2019
Investments in other equity instruments Measured at fair value	5,471,025,963.66	5,655,468,613.24
Total	5,471,025,963.66	5,655,468,613.24

(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 (Note 1)	93,130,000.00	(190,845,841.05)	Non-tradable equity instrument investment
Jiangsu Financial Leasing (Note 2)	56,160,000.00	982,171,543.11	Non-tradable equity instrument investment
Total	149,290,000.00	791,325,702.06	

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. 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 company 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 2020	31 December 2019
Other non-current financial assets Measured at FVTPL	2,039,192,599.15	1,446,175,745.21
Including: Equity interest investment in partnerships		
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	1,223,030,476.20	1,107,666,005.47
Nanjing Luode Zhongbei Zhiyuan Equity Investment LLP	31,952.81	38,413,503.57
Nanjing Luode Huizhi Equity Investment LLP	317,317,997.32	300,096,236.17
	498,812,172.82	-
Total	2,039,192,599.15	1,446,175,745.21

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Long-term equity investments

Unit: RMB

Investee (Note1)	1 January 2020	Increase	Changes in the current year					31 December 2020	Impairment provision at 31 December 2020
			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 Company	55,370,197.85	-	(6,190,101.28)	-	-	-	-	49,180,096.57	-
Yangtze Bridge Company	1,700,484,727.40	-	104,713,765.90	16,753,010.70	-	(68,380,279.20)	-	1,753,571,224.80	-
Suzhou Expressway Management Co., Ltd. ("Suzhou Expressway Management")	1,955,145,243.61	-	112,374,201.95	-	-	(54,620,883.00)	-	2,012,898,562.56	-
Jiangsu Xiexin Ninghu Gas Co., Ltd. ("Xiexin Ninghu Company")	10,781,980.54	-	544,948.27	-	-	-	-	11,326,928.81	-
Suzhou Nanlin Hotel Co., Ltd. ("Nanlin Hotel")	170,603,764.99	-	807,291.45	-	-	-	-	171,411,056.44	-
Jiangsu Yanjiang Company Co., Ltd. ("Yanjiang Company")	2,210,826,300.22	-	73,164,562.16	-	-	(66,038,451.62)	-	2,217,952,410.76	-
Luode Fund Company	21,639,786.73	-	2,365,368.04	-	-	-	-	24,005,154.77	-
Jiangsu Xiandai R&B Co., Ltd. ("Xiandai R&B Company")	75,800,955.03	-	40,391,806.77	-	-	-	-	116,192,761.80	-
Network Operation Company	39,240,116.88	-	6,397,922.11	-	920,767.42	-	-	46,558,806.41	-
Jiangsu Communication Culture and Media Co. Ltd. ("Culture Media")	62,487,431.67	-	4,022,047.04	-	-	-	-	66,509,478.71	-
Jiangsu Communications Holding Group Finance Co., Ltd. ("Group Finance Company")	636,871,013.70	-	36,549,595.27	-	-	(12,500,000.00)	-	660,920,608.97	-
Total	6,939,251,518.62	-	375,141,407.68	16,753,010.70	920,767.42	(201,539,613.82)	-	7,130,527,090.60	-

Note 1: The foregoing companies are all unlisted company registered in PRC.

12. Investment properties

(1) Investment properties measured at cost

Unit: RMB

Item	Buildings
I. Total original carrying amount	
1. At 31 December 2019 and 31 December 2020	25,079,440.37
II. Accumulated amortization	
1. At 31 December 2019	6,684,980.58
2. Increase in the current year	812,573.91
(1) Amount accrued or amortized	812,573.91
3. At 31 December 2020	7,497,554.49
III. Total book value of investment properties	
1. At 31 December 2020	17,581,885.88
2. At 31 December 2019	18,394,459.79

(2) Detailed information of investment properties is as follows:

Name	Address	Purpose	Term of lease
Kunshan Huijie office building A,B floor stores and 5 offices	No. 888 People's South Road, Kunshan	Commercial	Medium-term

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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. At 31 December 2019	1,962,060,123.98	951,843,923.26	376,318,013.53	486,076,917.13	556,843,661.62	65,445,090.09	60,852,467.07	44,548,814.81	4,502,989,011.49
2. Increase in the current year	154,743,521.87	20,391,501.99	53,896,193.45	65,490,285.70	81,544,047.70	5,370,309.02	3,858,329.55	2,007,583.86	387,301,773.14
(1) Purchase	126,061,769.33	14,694,414.72	23,383,800.03	7,466,109.43	35,954,307.45	8,562,531.49	3,834,676.10	2,025,247.96	221,982,856.51
(2) Transferred from construction in progress	29,145,835.04	4,633,989.18	30,512,514.64	58,945,290.96	41,438,897.90	332,427.91	-	309,961.00	165,318,916.63
(3) Reclassification	(464,082.50)	1,063,098.09	(121.22)	(921,114.69)	4,150,842.35	(3,524,650.38)	23,653.45	(327,625.10)	-
3. Decrease in the current year	861,626.99	8,100.00	5,196,000.68	12,193,735.24	34,754,295.98	2,147,745.38	3,369,045.54	399,026.98	58,929,576.79
(1) Disposal or retirement	861,626.99	8,100.00	5,196,000.68	12,193,735.24	10,538,417.19	2,147,745.38	3,369,045.54	178,785.39	34,493,456.41
(2) Other transfer out settlement adjustment	-	-	-	-	24,215,878.79	-	-	220,241.59	24,436,120.38
4. At 31 December 2020	2,115,942,018.86	972,227,325.25	425,018,206.30	539,373,467.59	602,633,413.34	68,667,653.73	61,341,751.08	46,157,371.69	4,831,361,207.84
II. Total accumulated depreciation									
1. At 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
2. Increase in the current year	82,825,117.46	22,511,098.16	22,734,454.21	43,721,955.46	29,053,593.55	6,229,747.78	4,265,366.80	5,047,438.12	216,388,771.54
(1) Provision	83,332,580.69	21,765,970.34	22,719,254.22	44,431,065.34	28,212,632.22	6,773,405.67	4,250,239.21	4,903,623.85	216,388,771.54
(2) Reclassification	(507,463.23)	745,127.82	15,199.99	(709,109.88)	840,961.33	(543,657.89)	15,127.59	143,814.27	-
3. Decrease in the current year	861,463.02	4,059.37	3,453,909.47	9,541,033.00	9,545,949.43	2,067,728.68	3,244,391.20	173,098.51	28,891,632.68
(1) Disposal or retirement	861,463.02	4,059.37	3,453,909.47	9,541,033.00	9,545,949.43	2,067,728.68	3,244,391.20	173,098.51	28,891,632.68
4. At 31 December 2020	1,007,763,190.79	806,506,252.89	269,091,062.58	205,795,912.05	362,655,795.43	46,776,808.67	47,281,046.68	37,253,367.54	2,783,123,436.63
III. Provision for impairment									
1. At 31 December 2019	-	-	-	-	-	-	-	-	-
2. At 31 December 2020	-	-	-	-	-	-	-	-	-
IV. Total net book value of fixed assets									
1. At 31 December 2020	1,108,178,828.07	165,721,072.36	155,927,143.72	333,577,555.54	239,977,617.91	21,890,845.06	14,060,704.40	8,904,004.15	2,048,237,771.21
2. At 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) Fixed assets leased out under operating leases

Unit: RMB

Item	31 December 2020	31 December 2019
Buildings	122,155,477.99	140,064,242.93

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	Carrying amount	Reasons for not obtained certificates
Shanghai-Nanjing Expressway Lujia toll station	5,506,391.30	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Kunshan toll station	5,281,850.88	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Huaqiao toll station	6,889,098.39	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Xuejia toll station	6,837,098.87	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Suzhou management offices and maintenance center building	24,518,948.33	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Changzhou Luoshuwan buildings	2,889,457.24	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Changzhou toll station and maintenance center building	2,034,128.81	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Changzhou ETC customer service branch buildings	710,835.93	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Jingfa Service zone office buildings	38,100,439.88	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway South Network Centre and project management center houses	15,231,925.63	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Buildings in Wuxi management areas and Xidong toll station	38,334,419.37	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Wuxi airport toll station	5,866,028.03	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Heyang toll station	6,795,088.07	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Zhenjiang toll station	7,347,930.20	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Danyang toll station	986,835.93	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Living buildings of Ningzhen management areas	9,282,115.03	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Nanjing toll station	8,652,585.99	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Tangshan toll station	4,298,120.31	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Danyang toll station	9,807,806.91	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Jurong toll station	4,680,405.14	Incorporated into communication facilities and cannot obtain certification at present
Guangjing Expressway, Xicheng Expressway service zone houses	28,558,143.85	Incorporated into communication facilities and cannot obtain certification at present
Xiyi Expressway toll administration and service zone houses	19,881,736.11	Incorporated into communication facilities and cannot obtain certification at present
Zhendian Expressway — buildings	166,436,116.50	Incorporated into communication facilities and cannot obtain certification at present
Total	418,927,506.70	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Construction in progress

(1) Details of construction in progress

Unit: RMB

Project	31 December 2020			31 December 2019		
	Gross carrying amount	Provision for impairment losses	Net carrying amount	Gross carrying amount	Provision for impairment losses	Net carrying amount
Connection Project for Southern and Northern Roads besides Wufengshan Bridges	7,915,003,373.90	-	7,915,003,373.90	6,296,640,554.20	-	6,296,640,554.20
Highway Project of Wufengshan Road & Railway Bridge	2,963,336,807.10	-	2,963,336,807.10	2,710,661,042.20	-	2,710,661,042.20
Construction Project of Changyi Expressway	-	-	-	2,895,558,691.00	-	2,895,558,691.00
Construction Project of Yichang Expressway	2,824,988,830.86	-	2,824,988,830.86	1,993,785,437.26	-	1,993,785,437.26
Longtan Yangtze River Bridge Project	1,338,064,187.44	-	1,338,064,187.44	371,077,085.89	-	371,077,085.89
Housing projects of Toll stations and service zones	60,511,493.69	-	60,511,493.69	82,046,656.46	-	82,046,656.46
Three big system construction project	11,456,476.10	-	11,456,476.10	24,200,760.88	-	24,200,760.88
Construction Project of acoustic barrier	3,078,624.89	-	3,078,624.89	9,374,503.56	-	9,374,503.56
Information project	3,332,638.24	-	3,332,638.24	6,762,306.43	-	6,762,306.43
Provincial border toll station software renovation	10,077,756.72	-	10,077,756.72	26,564,059.04	-	26,564,059.04
Double tank renovation project	-	-	-	8,999,122.63	-	8,999,122.63
Others	61,603,260.17	-	61,603,260.17	76,064,275.40	-	76,064,275.40
Wufengshan service area housing construction upgrading project	89,263,407.54	-	89,263,407.54	-	-	-
Total	15,280,716,856.65	-	15,280,716,856.65	14,501,734,494.95	-	14,501,734,494.95

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2019	Increase in current year	Transfer to fixed assets	Transfer to intangible assets	31 December 2020	Proportion of	Construction progress	Amount of accumulated capitalized interest	Including: Capitalized interest for the year	Interest capitalization rate for the year	Source of funds
							Amount injected to budget amount (%)					
Connection Project for Southern and Northern Roads besides Wufangshan Bridges	9,357,863,100.00	6,296,640,554.20	1,618,362,819.70	-	-	7,915,003,373.90	84.58	In progress	339,333,528.51	128,249,514.69	4.53	Own funds & Loans from financial institutions
Highway Project of Wufengshan Road & Railway Bridge	2,995,149,100.00	2,710,661,042.20	252,675,764.90	-	-	2,963,336,807.10	98.94	In progress	223,815,612.18	75,554,569.98	4.53	Own funds & Loans from financial institutions
Construction Project of Changyi Expressway	3,799,615,000.00	2,895,558,691.00	904,056,308.00	51,312,580.00	3,748,302,419.00	-	100.00	Completed	147,112,283.05	57,808,755.60	4.55	Own funds & Loans from financial institutions
Construction Project of Yichang Expressway	3,978,702,200.00	1,993,785,437.26	831,203,393.60	-	-	2,824,988,830.86	71.00	In progress	92,508,311.06	34,239,207.73	4.55	Own funds & Loans from financial institutions
Longtan Yangtze River Bridge Project	6,253,905,000.00	371,077,085.89	966,987,101.55	-	-	1,338,064,187.44	21.40	In progress	-	-	-	Own funds
Housing projects of Toll stations and service zones	148,418,995.87	82,046,656.46	12,178,118.82	33,713,281.59	-	60,511,493.69	86.68	In progress	-	-	-	Own funds
Software renovation of provincial boundary toll station	130,000,000.00	26,564,059.04	-	16,486,302.32	-	10,077,756.72	59.16	In progress	-	-	-	Own funds
Three big system construction project	228,034,293.76	24,200,760.88	18,099,475.56	27,751,639.34	3,092,121.00	11,456,476.10	18.55	In progress	-	-	-	Own funds
Construction Project of acoustic barrier	48,803,796.49	9,374,503.56	-	6,295,878.67	-	3,078,624.89	93.88	In progress	-	-	-	Own funds
Double tank renovation project	9,000,000.00	8,999,122.63	-	8,999,122.63	-	-	100.00	Completed	-	-	-	Own funds
Information project	17,142,416.55	6,762,306.43	890,081.70	-	4,319,749.89	3,332,638.24	44.64	In progress	-	-	-	Own funds
Wufengshan service area housing construction upgrading project	196,018,300.00	-	89,263,407.54	-	-	89,263,407.54	45.54	In progress	-	-	-	Own funds
Other	275,249,058.05	76,064,275.40	30,062,058.86	20,760,112.08	23,762,963.01	61,603,260.17	38.56	In progress	-	-	-	Own funds
Total		14,501,734,494.95	4,723,778,531.23	165,318,916.63	3,779,477,252.90	15,280,716,856.65			802,769,734.80	295,862,048.00		

(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 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15. Intangible assets

Unit: RMB

Item	Toll road operation rights (Note)	Land use rights	Software	Total
I. Total original carrying amount				
1. At 31 December 2019	31,227,268,392.46	1,744,161,676.21	62,712,880.54	33,034,142,949.21
2. Increase in the current year	3,768,575,445.01	-	10,901,807.89	3,779,477,252.90
(1) Purchase	-	-	-	-
(2) Transferred from construction in progress	3,768,575,445.01	-	10,901,807.89	3,779,477,252.90
3. At 31 December 2020	34,995,843,837.47	1,744,161,676.21	73,614,688.43	36,813,620,202.11
II. Total accumulated amortization				
1. At 31 December 2019	12,773,619,377.85	1,283,160,423.01	49,363,677.85	14,106,143,478.71
2. Increase in the current year	1,333,662,454.87	64,658,222.64	10,337,989.88	1,408,658,667.39
(1) Provision	1,333,662,454.87	64,658,222.64	10,337,989.88	1,408,658,667.39
3. At 31 December 2020	14,107,281,832.72	1,347,818,645.65	59,701,667.73	15,514,802,146.10
IV. Total net book value				
At 31 December 2020	20,888,562,004.75	396,343,030.56	13,913,020.70	21,298,818,056.01
At 31 December 2019	18,453,649,014.61	461,001,253.20	13,349,202.69	18,927,999,470.50

Note: The Group pledged the toll road operation rights of Guangjing Expressway to obtain loans from banks. Please refer to Note VI. 29 for the details.

16. Right-of-use assets

Unit: RMB

Item	Buildings
I. Total original carrying amount	
1. At 31 December 2019	5,061,567.18
2. Increase in the current year	20,913,819.09
3. Decrease in the current year	-
4. At 31 December 2020	25,975,386.27
II. Total accumulated depreciation	
1. At 31 December 2019	4,424,132.85
2. Increase in the current year	2,658,118.53
3. Decrease in the current year	-
4. At 31 December 2020	7,082,251.38
At 31 December 2020	18,893,134.89
At 31 December 2019	637,434.33

Other explanations:

The Group leased several buildings, including the Suzhou office of the subsidiary Jiangsu Ninghu Properties Co., Ltd. ("Ninghu Properties"), with a term of 60 months, the office of the subsidiary Jiangsu Ninghu Investment Development Co., Ltd. ("Ninghu Investment"), with a term of 27 months, and the sales office of the subsidiary Hanwei Company, with a term of 24 months.

The simplified short-term lease expenses included in the profit or loss of current period were RMB90,600.00 (2019: RMB407,886.88), and the total cash outflows related to the lease were RMB5,008,523.33 (2019: RMB4,789,323.76.)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Long-term prepaid expenses

Unit: RMB

Item	31 December 2019	Increase in the year	Amortization for the year	31 December 2020
Decorations for buildings	11,418,643.58	894,593.94	7,869,358.10	4,443,879.42

18. Deferred tax assets/Deferred tax liabilities

(1) Deferred tax assets that are not offset

Unit: RMB

Item	31 December 2020		31 December 2019	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment losses of assets	16,183,141.10	4,045,785.27	17,789,118.50	4,447,279.62
Unrealized profits through internal transactions	353,439,254.32	88,359,813.58	328,183,117.91	82,045,779.48
Changes in fair value of investments in other equity instruments	190,845,841.05	47,711,460.27	-	-
Income tax and land appreciation tax of real estate projects	346,198,850.39	86,549,712.60	329,691,153.76	82,422,788.45
Accrued expense	20,303,279.48	5,075,819.87	11,964,753.44	2,991,188.36
Provisions	24,233,951.48	6,058,487.87	30,211,590.82	7,552,897.70
Deferred income	73,274,862.50	18,318,715.63	-	-
Total	1,024,479,180.32	256,119,795.09	717,839,734.43	179,459,933.61

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Deferred tax assets/Deferred tax liabilities (Continued)

(2) Deferred tax liabilities that are not offset

Unit: RMB

Item	31 December 2020		31 December 2019	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair values of held-for-trading financial assets	21,667,310.65	5,416,827.66	16,112,292.53	4,028,073.13
Changes in fair values of investments in other equity instruments	982,171,543.11	245,542,885.78	1,437,063,351.64	359,265,837.91
Changes in fair values of other non-current financial assets	254,637,044.24	63,659,261.07	226,644,573.66	56,661,143.42
Difference between tax policies and that under accounting policies for service zone lease income	49,592,742.86	12,398,185.72	4,424,387.27	1,106,096.82
Others	328,321.58	82,080.39	-	-
Total	1,308,396,962.44	327,099,240.62	1,684,244,605.10	421,061,151.28

(3) Net amount of deferred tax assets or liabilities after offset

Unit: RMB

Item	Closing offset		Opening offset	
	amount of deferred tax assets and deferred tax liabilities	Closing amount of deferred tax assets or liabilities after offset	amount of deferred tax assets and deferred tax liabilities	Opening amount of deferred tax assets or liabilities after offset
Deferred tax assets	22,080,250.17	234,039,544.92	4,447,279.62	175,012,653.99
Deferred tax liabilities	22,080,250.17	305,018,990.45	4,447,279.62	416,613,871.66

(4) Detailed information of unrecognized deferred tax assets

Unit: RMB

Item	31 December 2020	31 December 2019
Deductible losses	117,797,971.72	64,454,036.72
Total	117,797,971.72	64,454,036.72

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Deferred tax assets/Deferred tax liabilities (Continued)

- (5) Deductible losses, for which no deferred tax assets are recognized, will expire in the following years

Unit: RMB

Item	31 December 2020	31 December 2019
2023	20,333,192.00	20,333,192.00
2024	44,120,844.72	44,120,844.72
2025	53,343,935.00	-
Total	117,797,971.72	64,454,036.72

19. Other non-current assets

Unit: RMB

Item	31 December 2020	31 December 2019
Apartment procurement for talents	14,879,760.00	14,955,570.00
Total	14,879,760.00	14,955,570.00

20. Short-term borrowings

- (1) Categories of short-term borrowings:

Unit: RMB

Item	31 December 2020	31 December 2019
Bank loans	793,600,000.00	1,060,000,000.00
Including: Unsecured loans	500,000,000.00	1,000,000,000.00
Guaranteed loans (Note 1)	293,600,000.00	-
Entrusted loans	-	60,000,000.00
Non-bank financial institution loans	680,000,000.00	910,000,000.00
Including: Unsecured loans (Note 2)	150,000,000.00	810,000,000.00
Entrusted loans (Note 3)	530,000,000.00	100,000,000.00
Interest payable	1,503,433.33	2,708,495.84
Total	1,475,103,433.33	1,972,708,495.84

Note 1: (1) A loan provided by China Merchants Bank Co., Ltd. Nanjing Branch to Ninghu Factoring Company in June 2020 with a credit line of RMB250 million, of which RMB208,910,000.00 was borrowed in 2020 with annual interest rate of 3.50% and a loan period of 1 year. The balance for the period is RMB173,600,000.00, and the guarantor is the Company; (2) a loan provided by Industrial Bank Co., Ltd. Nanjing Branch to Ninghu Factoring Company on 11 December 2020, with a principal amount of RMB120,000,000.00, annual interest rate of 3.45%, and a loan period of 1 year. The balance for the period is RMB120,000,000.00, and the guarantor is the Company.

Note 2: The loan that the Group obtained from Group Finance Company with an annual interest rate of 3.55% and a loan period of 1 year.

Note 3: Entrusted loans are mainly loans provided by the related companies to the Group through Group Finance Company. For details, see Note (X).6.

- (2) There are no short-term borrowings overdue but not yet repaid.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020	31 December 2019
Construction payable	1,167,508,726.08	675,826,132.27
Construction payable for real estate project	469,850,481.38	495,168,721.84
Purchase of petroleum payable	6,822,003.91	7,591,687.90
Toll road fee payable	4,044,092.84	23,751,404.00
Others	53,356,789.09	60,076,873.53
Total	1,701,582,093.30	1,262,414,819.54

(2) The aging analysis of accounts payable according to invoice date (close to posting date):

Unit: RMB

Item	31 December 2020	31 December 2019
Within 1 year	1,312,481,227.00	956,748,644.72
1-2 years	295,117,285.28	208,579,349.74
2-3 years	61,369,526.86	25,156,000.45
More than 3 years	32,614,054.16	71,930,824.63
Total	1,701,582,093.30	1,262,414,819.54

(3) Significant accounts payable aged more than one year

Unit: RMB

Item	31 December 2020	Reasons for outstanding or not carrying forward
Construction payable	156,169,929.95	Long settlement procedure of the project
Construction payable for real estate project	182,087,647.27	Long settlement procedure of the real estate project
Total	338,257,577.22	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020	31 December 2019
Rental deposit received in advance	6,937,173.45	9,088,946.35
Receipts received in advance for lease of expressway billboards	1,653,105.30	1,609,952.69
Total	8,590,278.75	10,698,899.04

The aging analysis of receipts in advance is as follows:

Unit: RMB

Aging	31 December 2020		31 December 2019	
	RMB	%	RMB	%
Within 1 year	6,022,965.70	70.11	7,331,042.70	68.52
1-2 years	2,567,313.05	29.89	3,367,856.34	31.48
Total	8,590,278.75	100.00	10,698,899.04	100.00

23. Contract liabilities

Unit: RMB

Item	31 December 2020	31 December 2019
Sales of property received in advance	875,844,018.90	1,133,824,799.81
Others	547,904.22	326,140.20
Total	876,391,923.12	1,134,150,940.01

Note:

(1) Qualitative and quantitative analysis on contract liabilities

According to the contract, the income of real estate development can only be recognized when 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 pre-sale of property and is converted into income when the relevant property procedures have been completed and transferred to the customer.

(2) Income recognized in the current period and included in carrying amount at the beginning of the contract liability period.

The carrying amount of the contract liabilities from the sales of property received in advance at the beginning of the year is RMB474,222,854.64, which has been recognized as revenue in the current year. The carrying amount of contract liabilities at the end of the year is RMB875,844,018.90, which is expected to be recognized as revenue in 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23. Contract liabilities (Continued)

Details of receipts in properties held for sales received in advance are as follows:

Unit: RMB

Project	31 December 2020	31 December 2019	Completion date	Proportion of advance sale (%)
Baohua Hongyan Community B1 Tongchengshijia Project	-	1,457,142.86	April 2014	78.04
Baohua Hongyan Community B2 Tongchengshijia Project	25,837,299.04	38,181,733.33	November 2016	90.79
Huaqiao Urban Core C3 Langqiao Jiayuan	28,325,868.81	84,568,102.75	December 2019	63.86
Suzhou Qingyuan	17,980,952.39	32,843,809.52	December 2013	52.09
Suzhou Nanmen Road G25 Project -Phase I	17,862,954.29	8,722,321.90	January 2018	88.00
Suzhou Nanmen Road G25 Project -Phase II	19,538,631.19	-	June 2021	17.57
Hanrui Center No.2 & No.3 Building	766,298,313.18	968,051,689.45	November 2020	32.87
Total	875,844,018.90	1,133,824,799.81		

24. Employee benefits payable

(1) Employee benefits payable are shown as follows:

Unit: RMB

Item	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
1. Short-term compensation	1,563,119.99	920,548,533.40	920,915,737.30	1,195,916.09
2. Post-employment benefits– Defined contribution plan	-	112,477,208.75	112,477,208.75	-
3. Termination benefits	-	15,743,066.19	15,743,066.19	-
Total	1,563,119.99	1,048,768,808.34	1,049,136,012.24	1,195,916.09

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Employee benefits payable (Continued)

(2) Short-term compensation

Unit: RMB

Item	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
I. Wages or salaries, bonuses, allowances and subsidies	-	691,654,754.07	691,654,754.07	-
II. Staff welfare	-	10,082,078.58	10,082,078.58	-
III. Social security contributions	-	78,154,870.79	78,154,870.79	-
Including: Medical insurance	-	72,607,680.35	72,607,680.35	-
Work injury insurance	-	1,219,842.88	1,219,842.88	-
Maternity insurance	-	4,327,347.56	4,327,347.56	-
IV. Housing funds	-	70,562,003.05	70,562,003.05	-
V. Union running costs and employee education costs	1,563,119.99	23,376,318.51	23,743,522.41	1,195,916.09
VI. Non-monetary welfare	-	41,448,932.47	41,448,932.47	-
VII. Others	-	5,269,575.93	5,269,575.93	-
Total	1,563,119.99	920,548,533.40	920,915,737.30	1,195,916.09

(3) Defined contribution plan

Unit: RMB

Item	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
1. Basic endowment insurance	-	55,755,320.17	55,755,320.17	-
2. Unemployment insurance	-	1,817,800.26	1,817,800.26	-
3. Enterprise annuity payment	-	54,904,088.32	54,904,088.32	-
Total	-	112,477,208.75	112,477,208.75	-

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 (According to Ning Ren She [2020] No. 33, Ren She Bu [2020] No.11, and Ren She Bu [2020] No. 49, the contributions to basic pension insurance and unemployment insurance plan are half-reduced from February to June 2020 due to the impact of COVID-19). 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 RMB55,755,320.17, RMB54,904,088.32 and RMB1,817,800.26 (2019: RMB98,206,617.65, RMB51,242,045.00 and RMB2,899,860.73) to basic pension insurance, annuity scheme, unemployment insurance plan respectively, which have been fully paid up by the Group as at 31 December 2020.

(2) Non-monetary welfare

For the current year, the Group provided employee with non-monetary benefits of RMB41,448,932.47 (2019: RMB33,540,346.69), 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 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

25. Taxes payable

Unit: RMB

Item	31 December 2020	31 December 2019
Enterprise income tax	107,791,581.59	121,064,597.99
Land appreciation tax	105,379,240.53	56,095,071.07
VAT	35,883,850.81	34,276,260.83
Property tax	808,501.91	3,290,667.33
Individual income tax	5,029,126.68	3,152,152.97
City construction and maintenance tax	2,156,687.37	2,130,511.35
Others	3,122,636.09	5,449,574.83
Total	260,171,624.98	225,458,836.37

26. Other payables

Unit: RMB

Item	Note	31 December 2020	31 December 2019
Dividends payable	(1)	93,379,246.71	97,197,529.87
Others	(2)	146,846,966.11	163,850,914.15
Total		240,226,212.82	261,048,444.02

(1) Dividends payable

Unit: RMB

Item	31 December 2020	31 December 2019
Ordinary shares dividends	93,379,246.71	97,197,529.87
Total	93,379,246.71	97,197,529.87

Note: The balance of dividends payable over 1 year is RMB87,139,577.17, which is not yet received by investors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020	31 December 2019
Payable of daily procurement in service zone	5,803,735.64	4,582,251.27
Amount of ETC prepaid cards collected on behalf of the internetwork settlement center	763,840.00	698,115.00
Construction quality warrantee fee payable	11,533,600.00	17,318,102.41
Earnest money of acquisition of properties	41,582,187.07	68,230,696.38
Lease deposit of service zone	35,271,000.00	31,571,000.00
Others	51,892,603.40	41,450,749.09
Total	146,846,966.11	163,850,914.15

② There are no significant other payables aged more than one year.

27. Non-current liabilities due within one year

Unit: RMB

Item	31 December 2020	31 December 2019
Long-term borrowings due within one year (Note VI. 29)	1,616,615.88	67,444,430.43
Bonds payable due within one year (Note VI. 30)	999,432,232.18	2,993,675,802.12
Lease liabilities due within one year	4,967,648.97	–
Interest payable	97,439,745.11	100,024,961.08
Total	1,103,456,242.14	3,161,145,193.63

28. Other current liabilities

Unit: RMB

Item	31 December 2020	31 December 2019
Super short-term bonds payable	8,257,078,476.00	4,998,884,246.00
Output VAT to be transferred (Note)	70,908,796.56	93,199,502.87
Total	8,327,987,272.56	5,092,083,748.87

Note: Output VAT to be transferred 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 the sales.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Other current liabilities (Continued)

Changes of super short-term bonds payable:

Unit: RMB

Name of bond	Par value	Issue date	Duration of the bond (days)	Issue amount	31 December 2019	Issued in the current year	Interest accrued according to par value	Repayment in the current year	31 December 2020
Super short-term bonds payable									
19 Ninghu Gao SCP003	500,000,000.00	17 April 2019	270	500,000,000.00	510,998,630.00	-	435,796.23	511,434,426.23	-
19 Ninghu Gao SCP006	500,000,000.00	1 July 2019	193	500,000,000.00	506,805,478.00	-	313,374.46	507,118,852.46	-
19 Ninghu Gao SCP008	700,000,000.00	18 July 2019	180	700,000,000.00	708,967,673.00	-	671,671.26	709,639,344.26	-
19 Ninghu Gao SCP009	200,000,000.00	10 October 2019	176	200,000,000.00	201,177,917.00	-	1,313,011.96	202,490,928.96	-
19 Ninghu Gao SCP010	500,000,000.00	21 October 2019	178	500,000,000.00	502,382,876.00	-	3,574,774.27	505,957,650.27	-
19 Ninghu Gao SCP011	500,000,000.00	6 November 2019	198	500,000,000.00	501,802,740.00	-	4,553,817.38	506,356,557.38	-
19 Ninghu Gao SCP012	400,000,000.00	25 October 2019	203	400,000,000.00	401,825,753.00	-	3,609,766.13	405,435,519.13	-
19 Ninghu Gao SCP013	500,000,000.00	6 November 2019	184	500,000,000.00	501,841,096.00	-	4,191,690.89	506,032,786.89	-
19 Ninghu Gao SCP014	400,000,000.00	15 November 2019	190	400,000,000.00	401,184,658.00	-	3,591,298.28	404,775,956.28	-
19 Ninghu Gao SCP015	600,000,000.00	18 November 2019	179	600,000,000.00	601,772,055.00	-	5,417,289.26	607,189,344.26	-
19 Ninghu Gao SCP016	160,000,000.00	19 December 2019	27	160,000,000.00	160,125,370.00	-	134,302.13	160,259,672.13	-
20 Ninghu Gao SCP001	720,000,000.00	8 January 2020	93	720,000,000.00	-	720,000,000.00	4,024,918.03	724,024,918.03	-
20 Ninghu Gao SCP002	340,000,000.00	9 January 2020	92	340,000,000.00	-	340,000,000.00	1,880,218.58	341,880,218.58	-
20 Ninghu Gao SCP003	600,000,000.00	10 January 2020	97	600,000,000.00	-	600,000,000.00	3,641,475.41	603,641,475.41	-
20 Ninghu Gao SCP004	200,000,000.00	10 January 2020	98	200,000,000.00	-	200,000,000.00	1,178,142.08	201,178,142.08	-
20 Ninghu Gao SCP005	500,000,000.00	3 March 2020	227	500,000,000.00	-	500,000,000.00	6,530,136.99	506,530,136.99	-
20 Ninghu Gao SCP006	400,000,000.00	1 April 2020	198	400,000,000.00	-	400,000,000.00	4,773,698.63	404,773,698.63	-
20 Ninghu Gao SCP007	600,000,000.00	8 April 2020	190	600,000,000.00	-	600,000,000.00	5,559,452.05	605,559,452.05	-
20 Ninghu Gao SCP008	500,000,000.00	8 April 2020	190	500,000,000.00	-	500,000,000.00	4,606,849.32	504,606,849.32	-
20 Ninghu Gao SCP009	600,000,000.00	15 April 2020	191	600,000,000.00	-	600,000,000.00	5,494,520.55	605,494,520.55	-
20 Ninghu Gao SCP010	700,000,000.00	15 April 2020	191	700,000,000.00	-	700,000,000.00	6,373,643.84	706,373,643.84	-
20 Ninghu Gao SCP011	300,000,000.00	26 April 2020	187	300,000,000.00	-	300,000,000.00	2,582,136.99	302,582,136.99	-
20 Ninghu Gao SCP012	500,000,000.00	6 May 2020	184	500,000,000.00	-	500,000,000.00	4,209,315.07	504,209,315.07	-
20 Ninghu Gao SCP013	500,000,000.00	13 May 2020	184	500,000,000.00	-	500,000,000.00	4,158,904.11	504,158,904.11	-
20 Ninghu Gao SCP014	500,000,000.00	13 May 2020	184	500,000,000.00	-	500,000,000.00	4,209,315.07	504,209,315.07	-
20 Ninghu Gao SCP015	400,000,000.00	20 May 2020	184	400,000,000.00	-	400,000,000.00	3,327,123.29	403,327,123.29	-
20 Ninghu Gao SCP016	500,000,000.00	20 May 2020	184	500,000,000.00	-	500,000,000.00	4,158,904.11	504,158,904.11	-
20 Ninghu Gao SCP017	250,000,000.00	27 May 2020	142	250,000,000.00	-	250,000,000.00	1,604,794.52	251,604,794.52	-
20 Ninghu Gao SCP018	350,000,000.00	17 July 2020	112	350,000,000.00	-	350,000,000.00	1,503,561.64	351,503,561.64	-
20 Ninghu Gao SCP019	400,000,000.00	22 July 2020	107	400,000,000.00	-	400,000,000.00	1,641,643.84	401,641,643.84	-
20 Ninghu Gao SCP020	730,000,000.00	14 August 2020	168	730,000,000.00	-	730,000,000.00	5,305,463.00	-	735,305,463.00
20 Ninghu Gao SCP022	500,000,000.00	22 October 2020	176	500,000,000.00	-	500,000,000.00	1,818,767.00	-	501,818,767.00
20 Ninghu Gao SCP023	1,000,000,000.00	28 October 2020	177	1,000,000,000.00	-	1,000,000,000.00	3,205,479.00	-	1,003,205,479.00
20 Ninghu Gao SCP024	1,000,000,000.00	29 October 2020	148	1,000,000,000.00	-	1,000,000,000.00	3,682,192.00	-	1,003,682,192.00
20 Ninghu Gao SCP025	1,000,000,000.00	29 October 2020	70	1,000,000,000.00	-	1,000,000,000.00	3,857,534.00	-	1,003,857,534.00
20 Ninghu Gao SCP026	1,000,000,000.00	11 November 2020	120	1,000,000,000.00	-	1,000,000,000.00	2,347,397.00	-	1,002,347,397.00
20 Ninghu Gao SCP027	1,000,000,000.00	17 November 2020	80	1,000,000,000.00	-	1,000,000,000.00	2,527,397.00	-	1,002,527,397.00
20 Ninghu Gao SCP028	1,000,000,000.00	27 November 2020	210	1,000,000,000.00	-	1,000,000,000.00	2,465,754.00	-	1,002,465,754.00
20 Ninghu Gao SCP029	1,000,000,000.00	1 December 2020	90	1,000,000,000.00	-	1,000,000,000.00	1,868,493.00	-	1,001,868,493.00
Total	22,050,000,000.00	-	-	22,050,000,000.00	4,998,884,246.00	17,090,000,000.00	126,344,022.37	13,958,149,792.37	8,257,078,476.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Other current liabilities (Continued)

Note: On 31 December 2020, details of the Group's super short-term bonds payable include:

- (1) "20 Ninghu Gao SCP020" super short-term bonds issued by the Company on 14 August 2020 with the par value of RMB730,000,000, duration period of 168 days, and annual interest rate of 1.90%;
- (2) "20 Ninghu Gao SCP022" super short-term bonds issued by the Company on 22 October 2020 with the par value of RMB500,000,000, duration period of 176 days, and annual interest rate of 1.87%;
- (3) "20 Ninghu Gao SCP023" super short-term bonds issued by the Company on 28 October 2020 with the par value of RMB1,000,000,000, duration period of 177 days, and annual interest rate of 1.80%;
- (4) "20 Ninghu Gao SCP024" super short-term bonds issued by the Company on 29 October 2020 with the par value of RMB1,000,000,000, duration period of 148 days, and annual interest rate of 2.10%;
- (5) "20 Ninghu Gao SCP025" super short-term bonds issued by the Company on 29 October 2020 with the par value of RMB1,000,000,000, duration period of 70 days, and annual interest rate of 2.20%;
- (6) "20 Ninghu Gao SCP026" super short-term bonds issued by the Company on 11 November 2020 with the par value of RMB1,000,000,000, duration period of 120 days, and annual interest rate of 1.68%;
- (7) "20 Ninghu Gao SCP027" super short-term bonds issued by the Company on 17 November 2020 with the par value of RMB1,000,000,000, duration period of 80 days, and annual interest rate of 2.05%;
- (8) "20 Ninghu Gao SCP028" super short-term bonds issued by the Company on 27 November 2020 with the par value of RMB1,000,000,000, duration period of 210 days, and annual interest rate of 2.50%;
- (9) "20 Ninghu Gao SCP029" super short-term bonds issued by the Company on 1 December 2020 with the par value of RMB1,000,000,000, duration period of 90 days, and annual interest rate of 2.20%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020	31 December 2019
Bank Loans	8,846,998,359.27	7,002,919,874.55
Including: Unsecured loans	8,323,065,431.58	5,665,300,000.00
Pledged loans (Note 1)	511,000,000.00	1,322,064,000.00
Guaranteed loan (Note 2)	12,932,927.69	15,555,874.55
Loans from a related party	2,700,000,000.00	1,400,000,000.00
Including: Medium Term Notes (Note 3)	500,000,000.00	500,000,000.00
Corporate bonds (Note 4)	1,700,000,000.00	900,000,000.00
Government bonds (Note 5)	500,000,000.00	–
Interest payable	41,977,279.37	40,342,221.37
Subtotal	11,588,975,638.64	8,443,262,095.92
Less: Long-term borrowings due within one year	1,616,615.88	67,444,430.43
Interest payable due within one year	41,977,279.37	40,342,221.37
Long-term borrowings due after one year	11,545,381,743.39	8,335,475,444.12

(2) Explanations of categories of long-term borrowings

Note 1: (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 fall due, complementing current funds and adjusting debt structure. RMB581,000,000.00 was withdrawn in 2018. The above loan is pledged with the toll road operation rights 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 balance at the period end was RMB511,000,000.00.

Note 2: The Company obtained bank credit limit of USD 9,800,000.00 from Bank of China Jiangsu Branch 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 USD 4,900,000.00 and Spanish government loan of USD 4,900,000.00. 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 USD 1,982,088.26.

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 4 December 2012 and allocated RMB250,000,000.00 to the Group with a duration period of 10 years and an annual interest rate of 5.50%; (2) Communication Holding issued “13 Su Communications MTN2” on 16 May 2013 and allocated RMB250,000,000.00 to the Group with a duration period of 10 years and an annual interest rate of 5.30%.

Note 4: Corporate bond borrowings are funds raised by corporate bonds issued by Communications Holding. A part of the funds is allocated to Jiangsu Guangjing Xicheng Expressway Co., Ltd., a subsidiary of 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%; Meanwhile, the principal allocated to Jiangsu Yichang Expressway Co., Ltd., a subsidiary of the Group, is RMB300,000,000.00, with a term of 5 years and annual interest rate of 4.43%; (2) Bonds of “19 Sujiao 01” issued by Communications Holding on 8 November 2019. The principal allocated to the Group is RMB100,000,000.00, with a term of 5 years and an annual interest rate of 3.82%; (3) Bonds of “20 Sujiao 01” issued by Communications Holding on 22 July 2020. The principal allocated to Jiangsu Changyi Expressway Co., Ltd. (“Changyi Expressway”), a subsidiary of the Group, is RMB50,000,000.00, with a term of 5 years and an annual interest rate of 3.85%; The principal allocated to the Yichang Expressway, a subsidiary of the Group, is RMB200,000,000.00, with a term of 5 years and an annual interest rate of 3.85%, and the principal allocated to Wufengshan Bridge, a subsidiary of the Group, is RMB550,000,000.00, with a term of 5 years, and an annual interest rate of 3.85%.

Note 5: The government bonds are funds raised from special bonds for government project construction applied by Communications Holding. According to the notice of issuance of the Company’s government bonds, Communications Holding lent this principal of RMB500,000,000.00 to the Group for the construction of the Longtan River Crossing Project. The bonds have a maturity of 15 years, a coupon rate of 3.45%, with interest payable semi-annually and principal repayment at maturity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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:

Unit: RMB

Item	31 December 2020	31 December 2019
1-2 years	1,616,615.88	19,544,430.43
2-5 years	2,330,646,463.52	1,602,861,291.28
Over 5 years	9,213,118,663.99	6,713,069,722.41
Total	11,545,381,743.39	8,335,475,444.12

(4) Other explanations

Interest rate of the loans above is between 2.00%-5.50%.

30. Bonds payable

(1) Bonds payable

Unit: RMB

Item	31 December 2020	31 December 2019
Medium term notes	2,984,038,590.76	3,991,136,736.05
Interest payable on medium-term notes	55,462,465.74	59,682,739.71
Less: Bonds payable due within one year	999,432,232.18	2,993,675,802.12
Interest payable due within one year	55,462,465.74	59,682,739.71
Total	1,984,606,358.58	997,460,933.93

(2) Changes in bonds payable

Unit: RMB

Name of bond	Par value	Issue date	Term of the bond	Issue amount	31 December 2019	Increase	Interest accrued according to par value	Premium and discount amortization	Repayment in the current year	31 December 2020
15 Ninghu Gao MTN1	2,000,000,000.00	25 August 2015	5 years	2,000,000,000.00	1,996,407,707.07	-	30,394,520.55	3,592,292.93	2,000,000,000.00	-
15 Ninghu Gao MTN2	1,000,000,000.00	4 December 2015	5 years	1,000,000,000.00	997,268,095.05	-	2,830,684.93	2,731,904.95	1,000,000,000.00	-
16 Ninghu Gao MTN1	1,000,000,000.00	14 April 2016	5 years	1,000,000,000.00	997,460,933.93	-	26,356,164.38	1,971,298.25	-	999,432,232.18
20 Ninghu Gao MTN001	2,000,000,000.00	21 August 2020	5 years	2,000,000,000.00	-	1,983,500,000.00	28,786,849.32	1,106,358.58	-	1,984,606,358.58
Total				6,000,000,000.00	3,991,136,736.05	1,983,500,000.00	88,368,219.18	9,401,854.71	3,000,000,000.00	2,984,038,590.76

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30. Bonds payable (Continued)

(3) Other explanations

As at 31 December 2020, the details of the Group's bonds payable include:

- (1) The Company issued medium term notes "16 Ninghu Gao MTN1" on 14 April 2016 with the par value of RMB1,000,000,000.00, the bond duration of 5 years, annual interest rate of 3.70%, interest paid once a year and principal repaid at maturity;
- (2) The Company issued medium term notes "20 Ninghu Gao MTN001" on 21 August 2020 with the par value of RMB2,000,000,000.00, the bond duration of 5 years, annual interest rate of 3.98%, interest paid once a year and principal repaid at maturity.

31. Deferred income

Unit: RMB

Item	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020	Reasons
Government grants	27,581,885.69	86,689,640.00	15,639,520.90	98,632,004.79	Construction grants of Ningchang Expressway and subsidy for removal of provincial boundary toll station
Others	13,595,265.73	-	-	13,595,265.73	Others
Total	41,177,151.42	86,689,640.00	15,639,520.90	112,227,270.52	

Government grants

Unit: RMB

Item	31 December 2019	Increase in the current year	Transfer to other income for the year	31 December 2020	Related to asset/Related to income
Subsidy for construction of Ningchang Expressway	27,581,885.69	-	2,224,743.40	25,357,142.29	Related to asset
Subsidy for reconstruction of highway provincial boundary toll station	-	86,689,640.00	13,414,777.50	73,274,862.50	Related to asset
Total	27,581,885.69	86,689,640.00	15,639,520.90	98,632,004.79	

Other explanations:

The deferred income related to government grants includes:

- (1) Project construction fund of RMB40,000,000.00 received by Jiangsu Ningchang Zhenli Expressway Co., Ltd. ("Ningchang Zhenli Company"), a subsidiary of the Company, from the People's Government of Wujin District, Changzhou City for the construction of Ningchang expressway due to the extra cost of construction of Wujin Development Zone viaduct project. The Group recognizes the project construction subsidy as a compensation of the construction cost of Ningchang expressway which is recorded in deferred income.
- (2) "Subsidy for reconstruction of provincial boundary toll stations" received by the Company and Jiangsu Guangjing Xicheng Expressway Co., Ltd. ("Guangjing Xicheng"), a subsidiary of the Company, amounting to RMB86,689,640.00.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32. Provisions

Unit: RMB

Item	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020	Reason
Penalty for delayed delivery of buildings	30,211,590.82	56,606,338.25	37,308,033.65	49,509,895.42	Delayed delivery of Hanrui Center
Others (Note)	-	4,605,867.00	-	4,605,867.00	Pending litigation
Total	30,211,590.82	61,212,205.25	37,308,033.65	54,115,762.42	

Note: A subsidiary of the Company is involved in litigations with five property owners for delayed delivery of buildings, which is currently at the appeal stage of the second instance and the court decision has not been issued yet.

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		
2020 & 2019:							
Total shares	5,037,747,500.00	-	-	-	-	-	5,037,747,500.00

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 2020

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
2020:				
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	2,736,641,730.34	920,767.42	-	2,737,562,497.76
Including: Share of capital reserve of the investee under the equity method	(19,860,454.03)	920,767.42	-	(18,939,686.61)
Transfer from capital reserve under the previous accounting system	2,682,977,235.00	-	-	2,682,977,235.00
Difference arising from merging associates	73,524,949.37	-	-	73,524,949.37
Total	10,501,913,183.87	920,767.42	-	10,502,833,951.29
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

Note: Increase in other capital reserve in prior year represents the changes in owners' equity arising from merging of Sujiaoyong Company by Sujiaohang Company, the Group's associate. The Group adjusted its capital reserve according to changes in net assets resulting from the merging.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other comprehensive income

Unit: RMB

Item	1 January 2020	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 2020
			Less: Amount previously included in other comprehensive income and transferred to profit or loss for the period	Less: Income tax expenses				
(i) Other comprehensive income that cannot be subsequently reclassified to profit or loss	1,291,748,071.42	(651,975,138.88)	-	(167,182,037.40)	(484,793,101.48)	17,242,875.00	806,954,969.94	
Including: Other comprehensive income that cannot be subsequently reclassified to profit or loss under the equity method (Note 1)	288,776,749.65	16,753,010.70	-	-	16,753,010.70	-	305,529,760.35	
Changes in the fair value of investments in other equity instruments (Note 2)	1,002,971,321.77	(668,728,149.58)	-	(167,182,037.40)	(501,546,112.18)	17,242,875.00	501,425,209.59	

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 associate Yangtze Bridge Company of the Group. The Group adjusts other comprehensive income according to the shareholding ratio.

Note 2: Other investments in equity instruments 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
2020:				
Statutory surplus reserve	3,271,634,956.69	59,899,411.41	-	3,331,534,368.10
Discretionary surplus reserve	279,532,043.73	39,338,893.72	-	318,870,937.45
Total	3,551,167,000.42	99,238,305.13	-	3,650,405,305.55
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

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 transfers to the statutory surplus reserve of RMB59,899,411.41 in 2020 (2019: RMB85,293,393.21). Guangjing Xicheng Company, the subsidiary of the Company appropriated the discretionary surplus reserve amounting to RMB39,338,893.72 (2019: RMB54,679,322.42) 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 2020

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	3,345,822.39	–	3,487,713.71

Note: Increase in general risk reserve for the year represents the provision of risk reserve by Ninghu Factoring Company, a subsidiary of the Company, 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 2020	31 December 2019
Opening retained profits	8,164,265,960.12	6,422,040,045.25
Add: Net profit attributable to owners of the Company for the year	2,464,213,675.74	4,199,704,371.82
Less: Appropriation to statutory surplus reserve (Note 1)	59,899,411.41	85,293,393.21
Appropriation to discretionary surplus reserve (Note 2)	39,338,893.72	54,679,322.42
Appropriation to general risk reserve	3,345,822.39	141,891.32
Declaration of dividends on ordinary shares (Note 3)	2,317,363,850.00	2,317,363,850.00
Closing retained profits	8,208,531,658.34	8,164,265,960.12

Note:

- 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.
- 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.
- Cash dividends approved in general meeting of shareholders during the year: In 2020, on the basis of 5,037,747,500 issued shares (with the par value of RMB1 per share), dividends in cash of RMB0.46 (2019: RMB0.46) per share were distributed to all the shareholders.
- Profit distribution decided after the balance sheet date: According to a proposal of the board of directors on 26 March 2021, on the basis of 5,037,747,500 issued shares (with the par value of RMB1 per share) in 2020, 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 2020

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	7,327,791,802.90	4,275,414,011.85	9,180,829,535.17	4,118,339,629.77
Including: Shanghai-Nanjing Expressway	3,926,110,186.74	1,764,679,609.32	5,230,727,736.60	1,641,739,059.28
Guangjing Expressway and Xicheng Expressway	754,274,294.15	278,906,462.36	960,563,083.65	372,000,884.08
Ningchang Expressway and Zhenli Expressway	941,181,964.98	747,271,649.26	1,194,100,593.20	586,436,160.81
Xiyi Expressway	325,057,442.18	251,047,092.77	371,123,856.74	223,423,375.58
Zhendao Expressway	69,256,321.13	53,306,239.56	76,560,202.02	52,662,589.69
Changyi Expressway	418,722.28	1,269,354.50	-	-
Ancillary services	1,311,492,871.44	1,178,933,604.08	1,347,754,062.96	1,242,077,560.33
Real estate development	621,675,771.55	351,563,142.96	825,216,616.96	432,465,133.96
Advertising and others	82,999,171.89	59,912,869.12	72,135,066.68	25,204,780.96
Total	8,032,466,746.34	4,686,890,023.93	10,078,181,218.81	4,576,009,544.69

(2) Description of the performance obligation

Road toll and ancillary services

The toll income is divided after the vehicle passes, and is recognized when the amount is received and receivable. Ancillary services income is mainly from sales of petroleum products. The income from sales of petroleum products is recognized when control of the petroleum products is transferred.

Real estate development

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) Description 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 RMB876,391,923.12, including: RMB875,844,018.90 will be recognized as revenue in the year of 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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
City maintenance and construction tax	16,738,275.52	21,469,862.64
Education surcharge	12,197,090.89	15,580,376.91
Land appreciation tax	86,669,277.25	53,571,516.02
Property tax	4,405,204.49	19,527,527.46
Land use tax	2,087,609.62	10,931,885.63
Others	3,767,273.58	5,909,568.60
Total	125,864,731.35	126,990,737.26

41. Selling expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Depreciation	1,295,969.91	22,596.87
Commission fee for agent of real estate sales	9,444,819.57	16,992,793.63
Advertisement and promotion fee	8,932,913.40	8,548,488.33
Production and planning fee	1,043,064.29	1,240,475.68
Others	3,981,619.72	9,167,442.77
Total	24,698,386.89	35,971,797.28

42. Administrative expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Salaries and additional remuneration	77,519,882.34	100,970,451.49
Depreciation and amortization	78,196,095.95	80,138,220.09
Audit fee	3,200,000.00	3,200,000.00
Consulting and intermediary service fee	21,900,250.44	22,930,794.05
Entertainment fee	411,256.11	1,226,443.66
Maintenance and repair costs	985,701.79	1,343,068.54
Office expenses	1,316,403.95	1,050,426.89
Travelling expenses	713,697.92	1,739,335.02
Vehicle related expenses	994,518.26	2,537,911.29
Others	11,988,603.23	12,459,239.08
Total	197,226,409.99	227,595,890.11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 1)	751,240,016.25	755,047,898.98
Less: Capitalized interest expenses (Note (VI), 14)	315,160,255.85	292,887,280.04
Less: Interest income	6,900,927.45	9,466,560.13
Exchange differences	(9,311,596.13)	1,240,627.90
Bond issuance fee and commission charges for other loans (Note 2)	19,266,251.03	7,555,595.34
Others	5,185,866.91	2,673,732.28
Total	444,319,354.76	464,164,014.33

Note 1: Interest expenses include interest expenses of lease liabilities amounting to RMB267,372.11(2019: RMB363,951.40).

Note 2: Bond issuance fee and commission charges for other loans mainly represent the financing expenses such as underwriting fees and commission charges for the issuance of ultra-short-term financing bonds of the Company.

44. Other income

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Government grants (Note VI. 49)	33,219,560.42	7,257,958.52
Total	33,219,560.42	7,257,958.52

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	375,141,407.68	649,050,248.68
Investment income from other equity instruments in the holding period	149,290,000.00	205,977,968.64
Investment income from other non-current financial assets in the holding period	71,617,152.68	–
Investment income from held-for-trading financial assets	18,019,419.03	18,015,824.28
Investment income from disposal of financial assets measured at FVTPL	4,392,063.25	13,269,853.95
Total	618,460,042.64	886,313,895.55

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 from changes in fair values of held-for-trading financial assets	5,555,018.12	9,733,877.45
Gains from changes in fair values of other non-current financial assets	27,992,470.58	61,561,466.66
Total	33,547,488.70	71,295,344.11

47. Impairment losses of credit

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Losses from credit impairment of accounts receivable	(84,304.87)	(89,588.55)
Losses from credit impairment of other receivables	(9,697.73)	(7,384.44)
Total	(94,002.60)	(96,972.99)

48. Gains (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	220,298.98	19,878.41
Losses from disposal of assets	-	(70,271,944.73)
Total	220,298.98	(70,252,066.32)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	7,470,944.34	7,618,200.00
Government grants	37,273,288.86	6,236.75
Luode liquidated damages (Note)	26,000,000.00	–
Others	12,181,944.55	24,711,747.12
Total	82,926,177.75	32,336,183.87

Note: Details are set out in Note VI. 6.

(2) Government grants recognized in profit or loss for the current period:

Unit: RMB

Government grants	Amount incurred in the current year	Amount incurred in prior year	Presented items	Related to assets/income
Additional deduction of VAT	10,979,966.29	5,325,194.30	Other income	Related to income
Subsidy for construction of Ningchang Expressway	2,224,743.40	1,932,764.22	Other income	Related to assets
Subsidies for working steadily	6,041,667.91	–	Other income	Related to income
Compensation for soil pits	37,272,700.00	–	Non-operating income	Related to income
Subsidy for reconstruction of highway provincial boundary toll station	13,414,777.50	–	Other income	Related to assets
Special reward	558,405.32	–	Other income	Related to income
Others	588.86	6,236.75	Non-operating income	Related to income
Total	70,492,849.28	7,264,195.27		

50. Non-operating expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Loss on retirement of fixed assets	5,235,486.61	–
Expenditure for repair of damaged highway property	21,800,440.49	15,493,849.19
Non-profit donations	1,067,000.04	1,796,000.00
Various funds	2,535,502.21	3,483,724.72
Penalty for delayed delivery of buildings (Note VI.32)	56,606,338.25	30,211,590.82
Others	866,693.94	1,547,430.91
Total	88,111,461.54	52,532,595.64

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	723,293,700.58	1,168,510,335.95
Deferred tax expenses	(9,187,359.75)	55,220,522.23
Differences in annual filing for the prior years	774,920.85	(2,444,584.91)
Total	714,881,261.68	1,221,286,273.27

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	3,233,635,943.77	5,521,770,982.24
Income tax expenses calculated at 25% (prior year: 25%)	807,716,001.78	1,379,647,632.34
Effect of cost, expenses and loss that are not deductible for tax purposes	30,688,401.29	20,157,229.50
Effect of tax-free income	(123,494,994.88)	(191,112,060.89)
Effect of deductible temporary differences and deductible losses of unrecognized deferred tax assets for the current period	13,335,983.75	11,030,211.18
Final settlement difference of prior year	774,920.85	(2,444,584.91)
Allocation of income tax for investments in partnerships	(14,139,051.11)	4,007,846.05
Total	714,881,261.68	1,221,286,273.27

52. Supplementary information of income statement

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Employee benefits	1,039,814,552.68	1,019,710,018.14
Depreciation and amortization	1,635,574,915.56	1,570,521,753.13
Toll related expenses	187,124,608.79	169,742,752.56
Road maintenance expenses	551,889,351.53	531,109,367.09
System maintenance expenses	95,132,016.72	35,594,808.23
Real estate development land and construction cost	351,563,142.96	432,465,133.96
Petroleum in the service zone	791,580,543.13	881,212,422.91
Catering cost in the service zone	4,405,636.98	10,829,917.67
Audit fee	3,200,000.00	3,200,000.00
Consulting and intermediary service fee	21,900,250.44	22,930,794.05
Commission fee for agent of real estate sales	9,444,819.57	16,992,793.63
Advertisement and promotion fee	9,101,309.70	10,975,510.17
Others	208,083,672.73	134,291,960.54
Total	4,908,814,820.79	4,839,577,232.08

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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	18,309,995.33	80,601,064.33
Receipts from government grants and non-operating income etc.	122,158,804.34	8,839,047.67
Receipts from interest income of bank deposit	6,900,927.45	9,466,560.13
Recovery from financial factoring business	231,350,522.13	–
Total	378,720,249.25	98,906,672.13

(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	78,767,152.27	60,456,189.21
Expenses on financial factoring business	580,121,892.63	–
Total	658,889,044.90	60,456,189.21

(3) 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	16,500,000.00	14,055,595.34

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	2,518,754,682.09	4,300,484,708.97
Add: Impairment losses of credit	94,002.60	96,972.99
Depreciation of fixed assets	216,388,771.54	209,031,207.83
Depreciation of use right assets	2,658,118.53	4,424,132.85
Amortization of intangible assets	1,408,658,667.39	1,351,268,159.33
Amortization of long-term prepaid expenses	7,869,358.10	5,542,077.49
Amortization of deferred income	(15,639,520.90)	(1,932,764.22)
Amortization of investment properties	812,573.91	812,573.90
Losses on disposal of fixed assets, intangible assets and other long-term assets	5,015,187.63	70,252,066.32
Gains from changes in fair values	(33,547,488.70)	(71,295,344.11)
Financial expenses	446,034,415.30	470,956,842.18
Investment income	(618,460,042.64)	(886,313,895.55)
(Increase) Decrease in deferred tax assets	(17,574,231.93)	37,396,686.70
Increase in deferred tax liabilities	8,386,872.17	17,823,836.03
Decrease in inventories (increase is indicated by "-")	16,107,260.91	(119,011,529.57)
Increase in receivables from operating activities	(592,225,153.22)	(163,650,749.40)
(Decrease) Increase in payables from operating activities	(234,241,937.72)	456,797,578.08
Decrease in restricted monetary funds	18,309,995.33	80,601,064.33
Net cash flow from operating activities	3,137,401,530.39	5,763,283,624.15
2. Net changes in cash and cash equivalents:		
Closing balances of cash	350,989,093.35	449,410,135.63
Less: Opening balances of cash	449,410,135.63	515,126,921.66
Net decrease in cash and cash equivalents	(98,421,042.28)	(65,716,786.03)

(2) Composition of cash and cash equivalents

Unit: RMB

Item	31 December 2020	31 December 2019
I. Cash	350,989,093.35	449,410,135.63
Including: Cash on hand	253,967.19	254,597.41
Bank deposit that can be readily withdrawn on demand	347,806,162.16	424,772,452.56
Other monetary funds that can be readily withdrawn on demand	2,928,964.00	24,383,085.66
II. Cash equivalents	-	-
III. Closing balance of cash and cash equivalents	350,989,093.35	449,410,135.63

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VI. NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55. Assets with restricted ownership or use rights

Unit: RMB

Item	31 December 2020	Reasons for restriction
Cash and bank balances	35,723,609.49	
Intangible assets	271,422,408.99	Pledge of toll road right
Total	307,146,018.48	

56. Monetary item dominated in foreign currency

Unit: RMB

Item	31 December 2020 (foreign currency)	Exchange rate	31 December 2020 (equivalent to RMB)
Cash and bank balances	840,196.75	0.8416	707,143.19
Including: HKD	840,196.75	0.8416	707,143.19
Long-term borrowings	1,982,088.26	6.5249	12,932,927.69
Including: USD	1,982,088.26	6.5249	12,932,927.69

57. Operating lease arrangements

The income related to operating leases for the year is RMB187,264,911.70 (2019: RMB231,222,812.59).

Unit: RMB

	Undiscounted lease payments	
	31 December 2020	31 December 2019
1st year subsequent to the balance sheet date	179,720,860.00	171,983,000.00
2nd year subsequent to the balance sheet date	179,334,286.00	179,720,860.00
3rd year subsequent to the balance sheet date	60,941,430.00	127,334,286.00
4th year subsequent to the balance sheet date	68,083,573.00	60,941,430.00
5th year subsequent to the balance sheet date	76,493,609.00	68,083,573.00
Subsequent years	27,561,292.00	104,054,901.00
Total undiscounted lease payments	531,193,620.00	712,118,050.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VII. EQUITY IN OTHER ENTITIES

1. Equity in subsidiaries

(1) Group composition

Name of subsidiary	Type of subsidiaries	Registered capital	Business premise	Registered place	Business nature	Proportion of holding equity (%)		Method of acquisition
						Direct	Indirect	
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
Ninghu Investment	Limited liability company	1,940,000,000.00	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
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 Zhendian Expressway Co., Ltd. ("Zhendian Company")	Limited liability company	605,590,000.00	Zhenjiang	Nanjing	Construction and operation of expressway	70.00	-	Set-up
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
Changyi Company	Limited liability company	1,519,846,000.00	Changzhou, Yixing	Wuxi	Construction and operation of expressway	-	60.00	Set-up
Yichang Company	Limited liability company	1,591,480,880.00	Yixing, Changxing	Yixing	Construction and operation of expressway	-	60.00	Set-up
Hanwei Company	Limited liability company	290,000,000.00	Nanjing	Nanjing	Real estate development	100.00	-	Business combination not under the common control
Ninghu 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	2,501,570,000.00	Nanjing	Nanjing	Construction and operation of expressway	53.60	-	Set-up

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

1. Equity in subsidiaries (Continued)

(2) Significant non-wholly owned subsidiaries

Unit: RMB

Name of subsidiaries	31 December 2020/Amount recognized in the current year				31 December 2019/Amount recognized in the prior year		
	Minorities proportion of shareholding (%)	Profit or loss attributable to minority shareholders	Dividend announced to minority shareholders	31 December 2020 of minority interest	Profit or loss attributable to minority shareholders	Dividend announced to minority shareholders	Minority interest at 31 December 2019
Guangjing Xicheng	15.00	69,865,454.43	15,438,867.51	903,918,038.04	100,095,451.95	15,385,597.74	832,248,576.12
Zhendan Company	30.00	(15,447,092.33)	-	147,173,574.12	(13,224,994.83)	-	162,620,666.45
Wufengshan Bridge	35.50	74,177.41	-	1,714,317,134.81	623,938.41	-	1,714,242,957.40
Changyi Company	40.00	(714,906.95)	-	614,738,726.66	4,049,071.92	-	615,418,067.59
Yichang Company	40.00	800,969.92	-	653,013,664.96	9,251,869.32	-	652,248,261.06
Longtan Bridge	46.40	(37,596.12)	-	806,147,403.60	(14,999.61)	-	159,074,999.72

(3) Financial information of significant non-wholly owned subsidiaries

Unit: RMB

Name of subsidiaries	31 December 2020						31 December 2019					
	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	224,374,128.83	13,223,866,776.99	13,448,240,905.82	1,674,711,016.59	4,461,232,012.38	6,135,943,028.97	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
Zhendan Company	6,653,267.32	1,766,840,363.63	1,773,493,630.95	1,282,925,050.56	-	1,282,925,050.56	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
Wufengshan Bridge	507,989,836.47	10,967,603,588.54	11,475,593,425.01	17,690,083.16	6,628,885,431.58	6,646,575,514.74	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
Changyi Company	99,566,683.00	3,801,200,998.55	3,900,767,681.55	423,420,864.90	1,940,500,000.00	2,363,920,864.90	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
Yichang Company	68,484,852.78	2,828,084,011.28	2,896,568,864.06	10,354,701.67	1,253,680,000.00	1,264,034,701.67	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
Longtan Bridge	291,802,353.37	1,338,064,187.44	1,629,866,540.81	38,691,027.50	-	38,691,027.50	56,169,430.22	371,077,085.89	427,246,516.11	106,795.00	-	106,795.00

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	1,128,883,798.58	465,769,696.17	580,808,259.13	749,647,715.45	1,380,995,500.30	667,303,013.00	678,848,954.23	812,475,765.87
Zhendan Company	71,109,702.74	(51,490,307.78)	(51,490,307.78)	(86,527,085.47)	78,435,768.94	(44,083,316.10)	(44,083,316.10)	73,802,147.35
Wufengshan Bridge	-	208,944.57	208,944.57	281,517.88	-	1,757,523.49	1,757,523.49	(557,816.70)
Changyi Company	418,722.28	(1,787,267.40)	(1,787,267.40)	(1,704,827.80)	-	10,122,679.78	10,122,679.78	(3,854,165.34)
Yichang Company	-	2,002,424.80	2,002,424.80	(2,228,404.24)	-	23,129,673.31	23,129,673.31	(8,170,997.10)
Longtan Bridge	-	(74,207.80)	(74,207.80)	108,553.47	-	(40,278.22)	(40,278.22)	65,864.56

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates

(1) Significant associates

Name of 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	Suzhou	Suzhou	Construction and operation of expressway	30.01	-	Equity method
Yanjiang Company	Suzhou	Suzhou	Construction and operation of expressway	-	25.15	Equity method

(2) Financial information of significant associates

Unit: RMB

	31 December 2020/Amount recognized in the current year			31 December 2019/Amount recognized in the prior year		
	Yangtze Bridge Company	Suzhou Expressway Management	Yanjiang Company	Yangtze Bridge Company	Suzhou Expressway Management	Yanjiang Company
Current asset	2,892,724,151.06	2,048,309,912.47	1,550,322,650.10	239,003,234.16	2,100,857,616.17	1,821,964,212.05
Non-current asset	19,757,165,390.14	6,479,350,936.30	9,801,256,259.72	20,548,743,769.61	6,489,664,440.35	10,385,798,051.04
Total assets	22,649,889,541.20	8,527,660,848.77	11,351,578,909.82	20,787,747,003.77	8,590,522,056.52	12,207,762,263.09
Current liabilities	2,833,883,860.89	244,661,477.60	1,084,963,608.39	2,199,147,735.15	379,053,240.73	1,874,291,174.23
Non-current liabilities	10,178,388,863.92	1,645,789,560.10	2,081,792,575.00	10,674,899,009.47	1,774,793,526.39	2,077,800,000.00
Total liabilities	13,012,272,724.81	1,890,451,037.70	3,166,756,183.39	12,874,046,744.62	2,153,846,767.12	3,952,091,174.23
Minority interests	3,259,534,330.27	20,457,664.52	196,491,821.50	1,734,741,919.32	12,155,977.77	293,159,425.03
Equity attributable to shareholders of the parent company	6,378,082,486.12	6,616,752,146.55	7,988,330,904.92	6,178,958,339.83	6,424,519,311.63	7,962,511,663.83
Net assets share calculated according to proportion of shareholding	1,700,396,790.80	1,985,687,319.18	2,204,779,329.76	1,647,310,293.40	1,927,934,000.23	2,197,653,219.22
Adjustments						
Goodwill	53,174,434.00	27,211,243.38	13,173,081.00	53,174,434.00	27,211,243.38	13,173,081.00
Net book value of the equity investment in associates	1,753,571,224.80	2,012,898,562.56	2,217,952,410.76	1,700,484,727.40	1,955,145,243.61	2,210,826,300.22
Operating income	1,683,175,741.53	1,636,466,129.63	1,763,909,977.43	1,514,663,705.75	1,979,745,236.86	2,145,380,128.00
Net income attributable to the parent company	392,774,815.84	374,455,854.55	265,088,993.34	770,696,050.65	663,337,871.03	639,759,592.78
Other comprehensive income attributable to the parent company	62,839,500.00	-	-	203,136,000.00	-	-
Total comprehensive income attributable to the parent company	455,614,315.84	374,455,854.55	265,088,993.34	973,832,050.65	663,337,871.03	639,759,592.78
Dividends received from associates in the current year	68,380,279.20	54,620,883.00	66,038,451.62	68,380,279.20	47,353,500.00	82,938,209.23

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 enjoys the net income of the shareholders' equity accordingly.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VII. EQUITY IN OTHER ENTITIES (CONTINUED)

2. Equity in associates (Continued)

- (3) Financial information of non-significant associates

Unit: RMB

	31 December 2020/ Amount recognized in the current year	31 December 2019/ Amount recognized in the prior year
Associates:		
Total net book value of the investment	1,146,104,892.49	1,072,795,247.40
Total amount of the following items calculated according to the proportion of shareholding		
Net profit	84,888,877.67	52,565,700.66
Other comprehensive income	-	-
Total comprehensive income	84,888,877.67	52,565,700.66

- (4) Explanations on significant restrictions to the ability of transferring funds to the Group from associates

There are no significant restrictions to the ability of transferring funds to the Group from associates.

- (5) Contingent liabilities related to associates

There are no contingent liabilities related to associates.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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, investments in other equity instruments, notes receivables, accounts receivable, other receivables, borrowings, bonds payable, accounts payable, other payables (excluding dividends payable), other current liabilities (excluding pending output VAT) and notes 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 2020	31 December 2019
Financial assets		
Financial assets measured at fair value through profit or loss		
Held-for-trading financial assets	1,533,818,523.40	676,935,184.62
Other non-current financial assets	2,039,192,599.15	1,446,175,745.21
Financial assets measured at fair value through other comprehensive income		
Investments in other equity instruments	5,471,025,963.66	5,655,468,613.24
Financial assets measured at amortized costs		
Notes receivable	10,859,500.00	–
Accounts receivable	309,072,553.64	224,285,157.62
Other receivables	69,332,773.51	46,209,939.50
Financial liabilities		
Financial liabilities measured at amortized costs		
Short-term borrowings	1,475,103,433.33	1,972,708,495.84
Notes payable	38,400,000.00	–
Accounts payable	1,701,582,093.30	1,262,414,819.54
Other payables	146,846,966.11	163,850,914.15
Non-current liabilities due within one year	1,103,456,242.14	3,161,145,193.63
Other current liabilities	8,257,078,476.00	4,998,884,246.00
Long-term borrowings	11,545,381,743.39	8,335,475,444.12
Bonds payable	1,984,606,358.58	997,460,933.93

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 2020

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 analyze the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, and implement risk management, and monitor 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 2020, 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 the balance sheet date, the balance of the Group's assets and liabilities in foreign currency are set out below:

Unit: RMB

	31 December 2020	31 December 2019
Cash and bank balances	707,143.19	752,601.96
Non-current liabilities due within one year	1,616,615.88	1,728,430.43
Long-term borrowings	11,316,311.81	13,827,444.12

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	(484,984.79)	(484,984.79)	(583,345.30)	(583,345.30)
USD	5% decrease against RMB	484,984.79	484,984.79	583,345.30	583,345.30
HKD	5% increase against RMB	26,517.87	26,517.87	28,222.57	28,222.57
HKD	5% decrease against RMB	(26,517.87)	(26,517.87)	(28,222.57)	(28,222.57)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 RMB8,835,580,000.00 as at 31 December 2020 (31 December 2019: RMB6,937,364,000.00). 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 net profit for the year 2020 would decrease/increase by RMB33,133,425.00 (2019: decrease/increase by RMB26,015,115.00). This is mainly attributable to the Company's exposure to interest rates on its variable-rate long-term borrowings.

1.1.3. Other price risk

The Group's investment in held-for-trading financial assets, other equity instruments and other non-current financial assets are measured at fair value at the balance sheet date. 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 Company 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 2020, 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 RMB1,339,879,170.96 (31 December 2019: decrease/increase by RMB796,166,598.68) 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 RMB2,051,634,736.37 (31 December 2019: decrease/increase by RMB2,062,292,479.97) due to changes in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.2. Credit risk

As at 31 December 2020, 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 cash and bank balances, notes receivable, accounts receivable, other receivables and factoring receivable disclosed in Note VI. 1, 3, 4, 6, 8 and the amount of financial guarantees contract related to real estate sales disclosed in Note XI "Contingencies". As at the balance sheet date, the carrying amount of the financial assets of the Group has represented its maximum exposure to credit risk.

In order to minimize the credit risk, the Group has determined credit limits, made credit approvals and taken 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 cash and bank balances is limited because they are deposited with banks with high credit ratings and Group Finance Company.

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 accounts receivable (including lease receivable) formed by all businesses. As at 31 December 2020, the credit risk and expected credit losses of accounts receivable are as follows:

Unit: RMB

Credit risk ratings	31 December 2020		
	Default loss ratio	Accounts receivable	Provision for credit impairment
Low risk	-	297,115,176.56	-
Normal	2%	12,201,405.18	244,028.10
Loss	100%	-	-
Total		309,316,581.74	244,028.10

The accounts receivable of the Group are mainly from tolls from highway network to be split. Such amounts are from related parties with high credit risk ratings and no overdue situations. The credit risk of such accounts receivable is relatively low.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

1.2. Credit risk (Continued)

As at 31 December 2020, the Group 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 rating	31 December 2020		
	Default loss ratio	Other receivables	Provision for credit impairment
Low risk	-	63,111,097.20	-
Normal	2%	6,348,649.29	126,972.98
Loss	100%	15,812,140.02	15,812,140.02
Total		85,271,886.51	15,939,113.00

As at 31 December 2020, the Group measured the provision for impairment losses of factoring receivable 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 factoring receivable are set out as follows:

Unit: RMB

Credit risk rating	31 December 2020		
	Default loss ratio	Factoring receivable	Provision for credit impairment
Low risk	-	348,771,370.50	-
Total		348,771,370.50	-

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

VIII. RISKS RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

1. Risk management objectives and policies (Continued)

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 2020, the Group has available unutilized bank loan facilities of approximately RMB43,461,820,000.00 (31 December 2019: RMB30,580,560,000.00). Meanwhile, medium term notes, super short-term bonds and etc. are important source of funding for the Group. As at 31 December 2020, the limit of super short-term bonds registered in National Association of Financial Market Institutional Investors ("NAFMII") but not issued by the Group is approximately RMB4,770,000,000.00 (31 December 2019: RMB4,040,000,000.00). The limit of the mid-term notes registered in NAFMII but not issued is approximately RMB2,000,000,000.00 (31 December 2019: Nil).

As at 31 December 2020, the Group had current liabilities in excess of current assets amounting to RMB6,495,901,174.32 (31 December 2019: RMB7,094,635,190.49). The Group has taken the following measures to reduce liquidity risk:

- The Group has available unutilized bank loan facilities of approximately RMB23,572,420,000.00 with a credit time limit over one year.
- The Group has NAFMII-registered but not issued super short-term bonds of approximately RMB1,770,000,000.00 with a registration time limit over one year.
- The Group has NAFMII-registered but not issued mid-term notes of approximately RMB2,000,000,000.00 with a registration time limit over one year.
- In addition, the Group has obtained the approval of the China Securities Regulatory Commission for the registration application for the public offering of corporate bonds with a total face value of not more than RMB8,000,000,000.00.

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 2020

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
Notes payable	-	38,400,000.00	-	-	-
Accounts payable	281,243,834.60	384,345,105.61	647,892,286.79	388,100,866.30	-
Other payables	26,264,190.61	120,582,775.50	-	-	-
Short-term borrowings	-	16,047,577.78	1,499,656,555.56	-	-
Other current liabilities	4,269,237,277.78	1,004,897,222.22	3,020,312,222.22	-	-
Long-term borrowings (including long-term borrowings due within 1 year)	1,801,382.50	142,312,612.48	503,923,833.51	3,384,065,265.81	12,520,209,507.80
Bonds payable (including bonds payable due within 1 year)	9,716,666.67	19,433,333.33	113,907,534.25	3,466,400,000.00	-
Lease liabilities (including lease liabilities due within 1 year)	-	-	4,967,648.97	11,835,601.70	-
Mortgage guarantees	-	-	595,334,261.33	-	-
Total	4,588,263,352.16	1,726,018,626.92	6,385,994,342.63	7,250,401,733.81	12,520,209,507.80

IX. DISCLOSURE ON FAIR VALUE

1. Fair value of assets and liabilities measured at fair value

Unit: RMB

Item	31 December 2020			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	34,818,523.40	1,499,000,000.00	2,039,192,599.15	3,573,011,122.55
1. Held-for-trading financial assets	34,818,523.40	1,499,000,000.00	-	1,533,818,523.40
(1) Fund investment	34,575,723.08	-	-	34,575,723.08
(2) Stock investment	242,800.32	-	-	242,800.32
(3) Financial products	-	1,499,000,000.00	-	1,499,000,000.00
2. Other non-current financial assets	-	-	2,039,192,599.15	2,039,192,599.15
(II) Investments in other equity instruments	4,217,955,963.66	-	1,253,070,000.00	5,471,025,963.66
Total assets continuously measured at fair value	4,252,774,487.06	1,499,000,000.00	3,292,262,599.15	9,044,037,086.21

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 — fund investment and stock investment and part of other equity instruments, whose fair values are the prices of similar items quoted at active market at the end of the period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020	Valuation technique	Significant unobservable input	Range
Held-for-trading financial assets — financial products	1,499,000,000.00	Discounted cash flow analysis	Expected yield rate	0.55%~3.55%

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%

Fair values 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 2020	Valuation technique	Significant unobservable input	Weighted average
Investment in other equity instrument	1,253,070,000.00	Option pricing model	Risk-free interest rate Anticipated dividend rate Discount rate for block trade	2.15% 0.87% 3.16%

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 listed company Jiangsu Financial Leasing Co., Ltd., whose fair value is measured at the estimate by using the option pricing model with reference to the price of shares of Jiangsu Financial Leasing Co., Ltd. quoted in the open market.

Item	Fair value at 31 December 2020	Valuation technique	Significant unobservable input	Range
Other non-current financial assets	2,039,192,599.15	Based on net value of share capital investment with reference to observable market price	Liquidity discount	N/A

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

IX. DISCLOSURE ON FAIR VALUE (CONTINUED)

5. Fair value of financial assets and financial liabilities not measured at fair value

The Group's financial assets and financial liabilities measured at amortized cost mainly include: notes receivable, accounts receivable, other receivables, short-term borrowings, accounts payable, other payables, notes payable, 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	31 December 2020	Fair value at 31 December 2020			Total
	Carrying amounts	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Financial instruments measured at amortized cost					
Financial liabilities					
1. Bonds payable	2,984,038,590.76	3,060,930,000.00	-	-	3,060,930,000.00
2. Long-term borrowings (note)	2,200,000,000.00	2,272,155,750.00	-	-	2,272,155,750.00
Total	5,184,038,590.76	5,333,085,750.00	-	-	5,333,085,750.00

Note: Long-term borrowings include medium term notes and corporate bond from related party, and the details are set out in Note VI. 29.

The fair value of the above financial liabilities is determined based on 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 2020

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 Company

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 and the same ultimate shareholder
Suzhou Expressway Management	Associate
Yangtze Bridge Company*	Associate and the same ultimate shareholder
Luode Fund Company	Associate
Culture Media*	Associate
Group Finance Company*	Associate and the same ultimate shareholder

4. Other related parties of the Company

Name of other related parties	Relationship between other related parties and the Company
Jiangsu Tongxingbao Smart Transportation Science & Technology Co., Ltd. ("Tongxingbao Company") *	Same ultimate shareholder
Jiangsu Petroleum 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 Huatong Engineering Testing Co., Ltd. ("Huatong 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 Xiandai Engineering Testing Co., Ltd. (Engineering Testing Company) *	Same ultimate shareholder
Suzhou Circular Expressway Co., Ltd. ("Suzhou Circular 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
Jiangsu Hutong Bridge Co., Ltd. ("Hutong Bridge Company")	Same ultimate shareholder
Husuzhe Expressway	Same ultimate shareholder
Jiangsu Communications Holding Commercial Operation Management Co., Ltd. ("Communications Holding Commercial Operation Company")	Same ultimate shareholder
Jiangsu Eastern Expressway Management Co., Ltd. ("Eastern Expressway Company")	Same ultimate shareholder
Jiangsu Communications Holding Training Co., Ltd. ("Communications Holding Training Company")	Same ultimate shareholder

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	385,810,522.52	430,344,485.97
Xiandai R&B Company*	Detection and design fee	–	250,000.00
Xiandai R&B Company*	Construction contract fee for upgrading of traffic safety facilities	70,000,000.00	–
Xiandai R&B Company*	Party school exhibition hall construction fee	1,875,000.00	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	21,470,421.00	29,277,669.00
Tongxingbao Company*	Maintenance and operating administration fees for toll collection system	26,659,894.39	23,505,382.20
Tongxingbao Company*	Expenses for purchase of fixed assets	–	6,970.00
Maintenance Technology Company*	Road maintenance fee	14,983,174.59	13,069,050.00
Information Company*	Communication system maintenance fee	33,012,998.90	14,662,219.26
Huatong Company*	Engineering reinforcement and maintenance fee	–	3,431,235.39
Huatong Company*	Bridge pier replacement fee etc.	10,946,848.11	2,752,746.37
Kuailu Company	Lease fee of transportation service	8,983,247.48	7,087,766.00
Nanlin Hotel	Food and beverage	14,841.00	2,100.00
Micro Video Company*	Renovation fee for machine room and offices	8,409,368.56	1,918,000.00
Engineering Maintenance Company*	Speed increasing renovation fee	–	2,807,331.07
Engineering Maintenance Company*	Periodic bridge inspection fee	462,936.24	–
Engineering Testing Company*	Bridge inspection fee	2,280,932.47	–
Engineering Testing Company*	ETC mast construction fee	826,223.36	–
Communications Holding	Interest expenses of loans from a related party	91,612,445.43	70,764,681.42
Group Finance Company*	Interest expenses of working capital loan	19,401,181.25	32,359,469.09
Sutong Bridge Company	Interest expenses of entrusted loan	3,032,125.00	152,250.00
Communications Holding Training Company*	Training fee	3,926,162.00	–
Jinghu Company	Interest expenses of entrusted loan	620,277.78	–

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 2020

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	2,752,695.86	3,258,156.26
Kuailu Company	Toll road income	270,000.00	932,038.84
Tongxingbao Company*	ETC customer-service network management income	624,369.89	759,221.08
Xiexin Ninghu Company	Management and lease income	–	825,605.68
Culture Media*	Advertising income	32,733,131.19	32,248,966.99
Yangtze Bridge Company*	Entrusted management income	14,679,716.98	6,785,000.00
Hutong Bridge Company	Entrusted management income	1,707,547.17	–

- (2) Leases with related parties

The Group as the lessor:

Unit: RMB

Name of lessee	Type of leased assets	Lease income recognized in 2020	Lease income recognized in 2019
Jiangsu Petroleum Company*	Fixed assets	15,916,137.85	15,899,339.75
Taixing Hechang Petroleum Company*	Fixed assets	5,146,640.33	4,231,805.28
Railway Group Company*	Fixed assets	3,612,400.00	3,612,400.00
Xiandai R&B Company*	Fixed assets	1,690,000.00	1,690,000.00
Kuailu Company	Fixed assets	712,500.00	366,666.67
Engineering Testing Company*	Fixed assets	556,190.46	545,656.62

The Group as the lessee:

Unit: RMB

Name of lessor	Type of leased assets	Lease expenses recognized in 2020	Lease expenses recognized in 2019
Communications Holding Commercial Operation Company*	Fixed assets	887,295.50	–

- (3) Guarantees with related parties

The Group as the guaranteed party:

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Communications Holding	USD 1,982,088.26	15 October 1998	18 July 2027	Not completed

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020	Remarks
Borrowed from (repaid to) Jinghu Company	100,000,000.00	13 October 2020	30 October 2020	-	Entrusted loan with annual interest rate of 3.85%
Jinghu Company	(100,000,000.00)	13 October 2020	30 October 2020	-	Entrusted loan with annual interest rate of 3.85%
Jinghu Company	260,000,000.00	15 October 2020	30 October 2020	-	Entrusted loan with annual interest rate of 3.85%
Jinghu Company	(260,000,000.00)	15 October 2020	30 October 2020	-	Entrusted loan with annual interest rate of 3.85%
Group Finance Company*	(300,000,000.00)	23 July 2019	22 July 2020	-	Entrusted loan with annual interest rate of 3.915%
Group Finance Company*	(60,000,000.00)	18 October 2019	28 May 2020	-	Borrowings from a related party with annual interest rate of 3.915%
Group Finance Company*	(15,000,000.00)	20 November 2019	28 May 2020	-	Borrowings from a related party with annual interest rate of 3.915%
Group Finance Company*	(85,000,000.00)	20 November 2019	20 July 2020	-	Borrowings from a related party with annual interest rate of 3.915%
Group Finance Company*	(50,000,000.00)	3 December 2019	15 October 2020	-	Borrowings from a related party with annual interest rate of 3.915%
Group Finance Company*	(100,000,000.00)	3 December 2019	2 December 2020	-	Borrowings from a related party with annual interest rate of 3.915%
Group Finance Company*	(100,000,000.00)	3 December 2019	11 August 2020	-	Borrowings from a related party with annual interest rate of 3.915%
Group Finance Company*	(100,000,000.00)	8 May 2019	9 March 2020	-	Borrowings from a related party with annual interest rate of 4.1325%
Group Finance Company*	200,000,000.00	13 October 2020	29 October 2020	-	Borrowings from a related party with annual interest rate of 3.550%
Group Finance Company*	(200,000,000.00)	13 October 2020	29 October 2020	-	Borrowings from a related party with annual interest rate of 3.550%
Group Finance Company*	150,000,000.00	14 October 2020	29 October 2020	-	Borrowings from a related party with annual interest rate of 3.550%
Group Finance Company*	(150,000,000.00)	14 October 2020	29 October 2020	-	Borrowings from a related party with annual interest rate of 3.550%
Group Finance Company*	150,000,000.00	15 October 2020	29 October 2020	-	Borrowings from a related party with annual interest rate of 3.550%
Group Finance Company*	(150,000,000.00)	15 October 2020	29 October 2020	-	Borrowings from a related party with annual interest rate of 3.550%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020	Remarks
Group Finance Company*	100,000,000.00	25 November 2020	24 November 2021	100,000,000.00	Borrowings from a related party with annual interest rate of 3.550%
Group Finance Company*	30,000,000.00	24 November 2020	27 December 2020	-	Borrowings from a related party with annual interest rate of 3.550%
Group Finance Company*	(30,000,000.00)	24 November 2020	27 December 2020	-	Borrowings from a related party with annual interest rate of 3.550%
Group Finance Company*	50,000,000.00	24 November 2020	1 December 2021	50,000,000.00	Borrowings from a related party with annual interest rate of 3.550%
Communications Holding	-	14 November 2018	24 October 2023	500,000,000.00	Borrowings from a related party with annual interest rate of 4.43%
Communications Holding	-	8 November 2019	29 August 2024	100,000,000.00	Borrowings from a related party with annual interest rate of 3.76%
Communications Holding	50,000,000.00	22 July 2020	22 July 2025	50,000,000.00	Borrowings from a related party with annual interest rate of 3.85%
Communications Holding	-	14 November 2018	24 October 2023	300,000,000.00	Borrowings from a related party with annual interest rate of 4.43%
Communications Holding	200,000,000.00	22 July 2020	22 July 2025	200,000,000.00	Borrowings from a related party with annual interest rate of 3.85%
Communications Holding	-	5 December 2012	2 December 2022	250,000,000.00	Borrowings from a related party with annual interest rate of 5.50%
Communications Holding	-	17 May 2013	15 May 2023	250,000,000.00	Borrowings from a related party with annual interest rate of 5.30%
Communications Holding	550,000,000.00	21 June 2020	23 July 2025	550,000,000.00	Borrowings from a related party with annual interest rate of 3.85%
Communications Holding	500,000,000.00	28 May 2020	29 May 2035	500,000,000.00	Borrowings from a related party with annual interest rate of 3.45%
Sutong Bridge Company	(100,000,000.00)	18 December 2019	17 December 2020	-	Borrowings from a related party with annual interest rate of 3.915%
Sutong Bridge Company	190,000,000.00	1 December 2020	30 November 2021	190,000,000.00	Borrowings from a related party with annual interest rate of 3.60%
Sutong Bridge Company	180,000,000.00	2 December 2020	1 December 2021	180,000,000.00	Borrowings from a related party with annual interest rate of 3.60%
Husuzhe Expressway	100,000,000.00	1 December 2020	30 November 2021	100,000,000.00	Borrowings from a related party with annual interest rate of 3.50%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2019	Remarks
Borrowed from (repaid to) 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%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2019	Remarks
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%

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) Other transactions with related parties

Eastern Expressway Company and Jiaying Xingchuang Trading Co., Ltd("Xingchuang Trade Company") entered into a Domestic Factoring Contract with Resource (the "factoring contract") with NingHu Factoring Company as at 25 September 2020. Eastern Expressway Company transfer to NingHu Factoring Company its account receivables that originate from service zone lease to Xingchuang Trade Company with balance RMB4,670,000.00, and NingHu Factoring Company provide financial factoring service to Eastern Expressway Company in a duration period of 9 months with payment of RMB4,670,000.00, annual interest rate of 6.5%. Under the factoring contract, Xingchuang Trade Company take the burden of repayment of factoring capital and interest.

(6) 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	6,648,799.00	4,473,957.21

(7) 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 2020

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 2020 Gross carrying amount	31 December 2019 Gross carrying amount
Bank deposits (Note 1)	Group Finance Company*	137,498,011.11	247,936,363.39
Accounts receivable (Note 2)	Jiangsu Petroleum Company* (Note 3)	4,291,421.01	11,387,692.48
	Suzhou Expressway Management	3,509,922.55	4,239,368.00
	Yanjiang Company	226,683.55	729,764.00
	Yangtze Bridge Company*	15,643,915.36	7,624,368.00
	Hutong Bridge Company	2,090,400.00	-
	Kuailu Company	49,929.40	54,716.45
	Luode Fund Company	334.02	1,366.41
	Xiandai R&B Company *	-	106,496.20
	Culture Media*	2,982,300.00	3,444,150.00
	Taixing Hechang Petroleum Company* (Note 3)	1,425,207.62	2,511,436.45
	Engineering Testing Company*	27,692.92	5,960.00
	Sub-total	30,247,806.43	30,105,317.99
Prepayments	Information Company *	2,550,000.00	3,550,000.00
	Tongxingbao Company *	5,528.47	126,918.30
	Kuailu Company	-	69,000.00
	Sub-total	2,555,528.47	3,745,918.30
Dividends receivable	Kuailu Company	4,989,960.00	4,989,960.00

Note 1: In 2020, 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, Changyi Company, Yichang Company, Zhendan Expressway, Yangtze River Management and Longtan Bridge have also participated in this agreement. As at 31 December 2020, the Group has deposited RMB137,498,011.11 (31 December 2019: RMB247,936,363.39) in Group Finance Company in accordance with the financial service agreement.

Note 2: As at 31 December 2020, 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 RMB163,142,123.08 (31 December 2019: RMB110,499,585.71). 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 2020, 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 2020

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 2020	31 December 2019
Accounts payable (Note)	Xiandai R&B Company *	258,033,523.85	226,679,984.84
	Yangtze Bridge Company*	392,525.03	1,491,285.00
	Yanjiang Company	1,051,989.82	1,516,515.00
	Information Company*	11,583,646.79	5,618,616.23
	Suzhou Expressway Management	73,265.87	422,260.00
	Network Operation Company*	2,185,555.00	2,900,148.00
	Tongxingbao Company*	3,017,404.89	2,742,679.72
	Kuailu Company	871,850.00	445,937.50
	Micro Video Company*	7,094,019.44	908,666.51
	Maintenance Technology Company*	140,000.00	140,000.00
	Huatong Company*	-	3,483,449.13
	Culture Media*	74,833.33	-
	Sub-total	284,518,614.02	246,349,541.93
Receipts in advance	Kuailu Company	458,689.67	458,689.67
	Xiandai R&B Company*	80,000.00	80,000.00
	Sub-total	538,689.67	538,689.67
Other payables	Communications Holding*	9,941,712.30	-
	Tongxingbao Company*	785,334.00	689,609.00
	Network Operation Company *	1,140.00	1,200.00
	Xiandai R&B Company *	4,240,337.64	1,415,714.54
	Yangtze Bridge Company*	-	2,863,158.35
	Luode Fund Company	10,000,000.00	10,000,000.00
	Sub-total	24,968,523.94	14,969,681.89
Short-term borrowings	Group Finance Company*	150,142,000.00	810,975,608.33
	Sutong Bridge Company	370,407,000.00	100,119,625.00
	Husuzhe Expressway	100,106,944.44	-
	Sub-total	620,655,944.44	911,095,233.33
Long-term borrowings (including long-term borrowings due within 1 year)	Communications Holding*	2,721,430,637.24	1,430,344,904.11

Note: As at 31 December 2020, 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 RMB2,170,537.54 (31 December 2019: RMB20,314,519.97). 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

7. Directors' emoluments

2020

Unit: RMB

Name	Directors' emoluments	Salaries and other benefits (including housing fund etc., for details, see Note 1)	Performance related payments (Note 4)	Post-employment benefits (Including enterprise annuity etc., for details, see Note 2)	Total
Executive directors					
Gu De Jun (Note 5)	-	-	-	-	-
Sun Xi Bin (Note 6)	-	350,024.00	397,300.00	79,920.00	827,244.00
Cheng Xiao Guang (Appointed in February 2020)	-	293,264.00	120,800.00	62,677.00	476,741.00
Yao Yong Jia	-	339,024.00	292,750.00	76,188.00	707,962.00
Non-executive directors					
Chen Yan Li (Note 3)	-	-	-	-	-
Chen Yong Bing (Note 3)	-	-	-	-	-
Wu Xin Hua (Note 3)	-	-	-	-	-
Hu Yu (Note 5)	-	-	-	-	-
Ma Zhong Li	346,962.87	-	-	-	346,962.87
Independent non-executive directors					
Zhang Zhu Ting	107,895.00	-	-	-	107,895.00
Chen Liang	107,895.00	-	-	-	107,895.00
Lin Hui	107,895.00	-	-	-	107,895.00
Zhou Shu Dong	107,895.00	-	-	-	107,895.00
Liu Xiao Xing	107,895.00	-	-	-	107,895.00
Supervisors					
Lu Zheng Feng	-	248,524.00	315,145.00	35,940.00	599,609.00
Kong Yuan Yi (Appointed in July 2020)	-	212,964.00	270,920.00	34,116.00	518,000.00
Shao Li (Resigned in July 2020)	-	74,920.00	106,660.00	8,164.00	189,744.00
Pan Ye (Note 3)	-	-	-	-	-
Ding Guo Zhen (Note 3)	-	-	-	-	-
Yu Lan Ying (Note 3)	-	-	-	-	-
Total	886,437.87	1,518,720.00	1,503,575.00	297,005.00	4,205,737.87

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

7. Directors' emoluments (Continued)

2019

Unit: RMB

Name	Directors' emoluments	Salaries and other benefits (including housing fund etc., for details, see Note 1)	Performance related payments (Note 4)	Post-employment benefits (Including enterprise annuity etc., for details, see Note 2)	Total
Executive directors					
Gu De 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 (Note 3)	-	-	-	-	-
Chen Yong Bing (Note 3)	-	-	-	-	-
Wu Xin Hua (Note 3)	-	-	-	-	-
Hu Yu (Note 5)	-	-	-	-	-
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

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. Mr. Sun Xi Bin will act as the executive director and chairman of the Board of Directors of the Company. The Board of Directors of the Company received a letter of resignation from Ms. Hu Yu, a Director, on 24 December 2020. Ms. Hu Yu applied for resignation as a Director, a member of the Audit Committee of the Board of Directors and a member of the Remuneration and Evaluation Committee of the Board of Directors of the Company due to change of work.

Note 6: On 2 March 2020, the Board of Directors of the Company elected Sun Xi Bin, an executive director, as the Chairman of the Ninth Session of the Board of Directors and Chairman of the Strategic Committee of the Board of Directors of 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 2020

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

8. Five individuals with the highest emoluments

Two (2019: two) 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 (2019: three) individuals are listed as follows:

Unit: RMB

	Accumulative amount for the current year	Accumulative amount for the prior year
Salaries and other benefits	1,896,722.00	1,708,303.82
Post-employment benefits	199,944.00	231,135.27
Total	2,096,666.00	1,939,439.09

Their emoluments were within the following bands:

	Current year	Prior year
Less than HKD 1,000,000	3	3

XI. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

(1) Capital commitments

Unit: RMB

	31 December 2020	31 December 2019
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	19,341,446,316.53	13,161,894,077.78

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 industry 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 the bank. As at 31 December 2020, the outstanding guarantees amounted to approximately RMB595,334,261.33 (31 December 2019: RMB483,970,962.53).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	–

XIII. OTHER SIGNIFICANT EVENTS

1. Annuity scheme

See Note VI. 24.

2. Basic endowment insurance

See Note VI. 24.

3. Net Profit for the year has been arrived at after charging:

Unit: RMB

Item	Current year	Prior year
Staff costs (Including: Directors' emoluments)	929,155,144.19	868,265,627.73
Basic endowment insurance and annuity payment	110,659,408.49	151,444,390.41
Total staff costs	1,039,814,552.68	1,019,710,018.14
Audit fee	3,200,000.00	3,200,000.00
Depreciation and amortization (Included in operating costs and administrative expenses)	1,570,916,692.92	1,505,863,530.44
Losses on disposal and retirement of non-current assets	5,015,187.63	70,252,066.32
Amortization of land use rights (Included in operating costs and administrative expenses)	64,658,222.64	64,658,222.64
Sales cost of inventories	1,143,437,020.21	1,376,148,701.35

4. 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 (2019: 12) based on the standard with which the Group's management determines resources allocation and performance assessment, including Shanghai-Nanjing Expressway, Ningchang Expressway and Zhenli Expressway, Guangjing Expressway and Xicheng Expressway, Xiyi Expressway and Wuxi Huantaihu Expressway, Zhendan Expressway, Wufengshan Bridge, 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 2020

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

4. Segment reporting (Continued)

(2) Financial information of reporting segment

Unit: RMB

	Shanghai-Nanjing Expressway		Guangjing Expressway and Xicheng Expressway		Xi'yi 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
	Segment operating income	3,926,110,186.74	5,230,727,736.60	754,274,294.15	960,563,083.65	325,057,442.18	371,123,856.74	418,722.28	-	-	-	941,161,964.98
Operating costs	1,764,679,609.32	1,641,739,059.28	276,906,482.36	372,000,894.08	251,047,092.77	223,423,375.58	1,289,354.50	-	-	-	747,271,849.26	586,436,160.81
Including: Amortization of toll roads												
operation rights	600,518,184.83	613,821,368.03	121,386,719.72	116,191,846.40	127,192,332.25	108,741,726.77	203,590.31	-	-	-	451,614,434.44	399,594,199.57
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	-	-	-	-
Segment operating profit	2,161,430,577.42	3,588,988,677.32	475,367,811.79	588,562,189.57	74,010,349.41	147,700,481.16	(850,632.22)	-	-	-	193,910,315.72	607,664,432.39
Reconciling items:												
Less: Taxes and levies	16,124,177.59	18,830,619.85	2,715,387.46	3,458,027.10	1,170,206.79	1,336,045.88	23,926.22	-	-	-	1,388,074.16	4,298,762.14
Selling expenses	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses	72,716,162.62	73,296,557.93	-	-	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-	-	-	-	-
Add: Other income	26,729,773.45	5,239,608.13	3,882,776.42	-	-	-	-	-	-	-	2,224,743.40	1,945,039.96
Investment income	-	-	-	-	-	-	-	-	-	-	-	-
Gains or losses from changes in fair values	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses of credit	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses of assets	-	-	-	-	-	-	-	-	-	-	-	-
Gains(losses) from disposal of assets	171,744.99	(65,199,120.58)	-	(2,065,741.85)	-	-	-	-	-	-	-	(3,006,085.40)
Operating profit	2,089,491,755.65	3,436,902,987.09	476,535,220.75	583,038,430.62	72,840,142.62	146,364,435.28	(874,558.44)	-	-	-	194,736,984.96	602,304,624.81
Non-operating income	7,129,200.00	-	-	-	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total profit	2,106,620,955.65	3,436,902,987.09	476,535,220.75	583,038,430.62	72,840,142.62	146,364,435.28	(874,558.44)	-	-	-	194,736,984.96	602,304,624.81
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net profit	2,106,620,955.65	3,436,902,987.09	476,535,220.75	583,038,430.62	72,840,142.62	146,364,435.28	(874,558.44)	-	-	-	194,736,984.96	602,304,624.81
Total segment assets	9,338,559,144.11	10,246,479,106.80	946,419,951.73	1,087,890,522.90	1,689,536,140.13	1,816,728,567.87	3,900,767,681.55	2,962,772,539.74	2,896,568,864.06	2,340,293,304.01	5,108,236,089.36	5,273,673,911.14
Total segment liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Supplementary information:												
Depreciation and amortization	780,714,355.23	705,243,114.96	104,475,472.68	252,938,871.20	127,192,428.00	-	179,393.61	-	-	-	478,800,217.71	414,223,607.33
Interest income	-	-	-	-	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-	-	-	-	-
Investment income from long-term equity investments under equity method	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	9,338,559,144.11	10,246,479,106.80	946,419,951.73	1,087,890,522.90	1,689,536,140.13	1,816,728,567.87	3,900,767,681.55	2,962,772,539.74	2,896,568,864.06	2,340,293,304.01	5,108,236,089.36	5,273,673,911.14
Capital expenditure	16,858,322.81	277,121,709.24	16,277,230.54	152,255,854.17	-	-	904,056,308.00	838,411,723.93	831,203,393.60	573,579,200.29	-	52,522,856.75
Including: Expenditure arising from												
construction in progress	-	262,336,721.65	-	134,103,707.20	-	-	904,056,308.00	838,411,723.93	831,203,393.60	573,579,200.29	-	42,971,204.86
Expenditure arising from purchase of fixed assets	16,858,322.81	14,784,987.59	16,277,230.54	17,881,956.97	-	-	-	-	-	-	-	9,551,651.89
Expenditure arising from purchase of intangible asset	-	-	-	270,190.00	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

4. Segment reporting (Continued)

(2) Financial information of reporting segment (Continued)

Unit: RMB

	Zhendan Expressway		Wufengshan Bridge		Longtan Bridge		Ancillary services	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
Segment operating income	69,256,321.13	76,560,202.02	-	-	-	-	1,311,492,871.44	1,347,754,062.96
Operating costs	53,306,239.56	52,662,589.69	-	-	-	-	1,178,933,604.08	1,242,077,560.33
Including: Amortization of toll roads								
operation rights	32,747,193.32	35,885,492.76	-	-	-	-	-	-
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	845,506,820.33	881,212,422.91
Segment operating profit	15,950,081.57	23,897,612.33	-	-	-	-	132,559,267.36	105,676,502.63
Reconciling items:								
Less: Taxes and levies	249,322.76	275,616.73	-	-	-	-	30,851,458.45	33,881,659.48
Selling expenses	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-
Add: Other income	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Gains or losses from changes in fair values	-	-	-	-	-	-	-	-
Impairment losses of credit	-	-	-	-	-	-	-	-
Impairment losses of assets	-	-	-	-	-	-	-	-
Gains(losses) from disposal of assets	-	-	-	-	-	-	-	-
Operating profit	15,700,758.81	23,621,995.60	-	-	-	-	101,707,808.91	71,794,843.15
Non-operating income	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-
Total profit	15,700,758.81	23,621,995.60	-	-	-	-	101,707,808.91	71,794,843.15
Income tax expenses	-	-	-	-	-	-	-	-
Net profit	15,700,758.81	23,621,995.60	-	-	-	-	101,707,808.91	71,794,843.15
Total segment assets	1,513,593,649.62	1,540,003,035.38	11,475,593,425.01	9,228,360,377.16	1,338,064,187.44	427,246,516.11	375,533,647.53	377,244,975.33
Total segment liabilities	-	-	-	-	-	-	-	-
Supplementary information:								
Depreciation and amortization	47,240,092.89	47,794,653.49	-	-	-	-	61,462,501.55	54,724,546.76
Interest income	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-
Investment income from long-term equity investments under equity method	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	1,513,593,649.62	1,540,003,035.38	11,475,593,425.01	9,228,360,377.16	1,338,064,187.44	427,246,516.11	375,533,647.53	377,244,975.33
Capital expenditure	138,196,263.94	14,147,515.01	1,960,301,992.14	2,530,709,929.70	966,987,101.55	371,077,085.89	3,875,405.65	42,152,237.45
Including: Expenditure arising from construction in progress	-	11,557,592.54	1,960,301,992.14	2,530,709,929.70	966,987,101.55	371,077,085.89	-	37,188,282.12
Expenditure arising from purchase of fixed assets	138,196,263.94	2,589,922.47	-	-	-	-	3,875,405.65	4,963,955.33
Expenditure arising from purchase of intangible asset	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

4. 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	621,675,771.55	825,216,616.96	82,999,171.89	72,135,066.68	-	-	8,032,466,746.34	10,078,181,218.81
Operating costs	351,563,142.96	432,465,133.96	59,912,869.12	25,204,780.96	-	-	4,686,890,023.93	4,576,009,544.69
Including: Amortization of toll roads operation rights	-	-	-	-	-	-	1,333,662,454.87	1,274,234,633.53
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	845,506,820.33	881,212,422.91
Segment operating profit (loss)	270,112,628.59	392,751,483.00	23,086,302.77	46,930,285.72	-	-	3,345,576,722.41	5,502,171,674.12
Reconciling items:								
Less: Taxes and levies	71,660,162.43	62,690,810.14	1,672,015.49	2,219,195.94	-	-	125,864,731.35	126,990,737.26
Selling expenses	24,698,106.87	35,281,256.47	280.00	690,540.83	-	-	24,698,386.89	35,971,797.28
Administrative expenses	-	-	-	-	124,510,247.37	154,300,332.18	197,226,409.99	227,595,890.11
Financial expenses	-	-	-	-	444,319,354.76	464,164,014.33	444,319,354.76	464,164,014.33
Add: Other income	279,215.48	23,022.66	-	-	103,051.67	50,287.77	33,219,560.42	7,257,958.52
Investment income	-	-	-	-	618,460,042.64	886,313,895.55	618,460,042.64	886,313,895.55
Gains or losses from changes in fair values	-	-	-	-	33,547,488.70	71,295,344.11	33,547,488.70	71,295,344.11
Impairment losses of credit	-	-	-	-	(94,002.60)	(96,972.99)	(94,002.60)	(96,972.99)
Impairment losses of assets	-	-	-	-	-	-	-	-
Gains(losses) from disposal of assets	-	135.92	-	-	48,553.99	18,745.59	220,298.98	(70,252,066.32)
Operating profit	174,033,574.77	294,802,574.97	21,414,007.28	44,020,548.97	83,235,532.27	339,116,953.52	3,238,821,227.56	5,541,967,394.01
Non-operating income	-	-	-	-	75,796,977.75	32,336,183.87	82,926,177.75	32,336,183.87
Non-operating expenses	-	-	-	-	88,111,461.54	52,532,595.64	88,111,461.54	52,532,595.64
Total profit	174,033,574.77	294,802,574.97	21,414,007.28	44,020,548.97	70,921,048.48	318,920,541.75	3,233,635,943.77	5,521,770,982.24
Income tax expenses	-	-	-	-	714,881,261.68	1,221,286,273.27	714,881,261.68	1,221,286,273.27
Net profit	174,033,574.77	294,802,574.97	21,414,007.28	44,020,548.97	(643,960,213.20)	(902,365,731.52)	2,518,754,682.09	4,300,484,708.97
Total segment assets	2,788,804,491.62	4,417,920,934.76	2,741,818,417.41	1,833,345,563.53	16,982,064,675.59	14,073,099,270.02	61,095,560,365.16	55,625,048,624.75
Total segment liabilities	-	-	-	-	28,046,290,724.15	22,942,211,489.26	28,046,290,724.15	22,942,211,489.26
Supplementary information:								
Depreciation and amortization	1,302,810.85	585,600.49	4,498,666.23	7,083,882.76	29,708,976.81	87,927,476.14	1,635,574,915.56	1,570,521,753.13
Interest income	-	-	-	-	6,900,927.45	9,466,560.13	6,900,927.45	9,466,560.13
Interest expenses	-	-	-	-	436,079,760.40	462,160,618.94	436,079,760.40	462,160,618.94
Investment income from long-term equity investments under equity method	-	-	-	-	375,141,407.68	649,050,248.68	375,141,407.68	649,050,248.68
Non-current assets other than long-term equity investments	64,629,350.39	96,184,864.16	2,237,315,446.92	1,639,329,155.39	5,543,011,873.94	5,622,962,923.32	46,427,829,451.79	42,659,159,799.31
Capital expenditure	1,123,103.83	1,542,230.75	1,008,383.63	1,351,389.01	105,873,882.05	28,941,505.33	4,945,761,387.74	4,883,813,237.52
Including: Expenditure arising from construction in progress	667,186.86	1,141,504.82	-	1,316,037.72	60,562,549.08	28,941,505.33	4,723,778,531.23	4,833,334,496.05
Expenditure arising from purchase of fixed assets	455,916.97	400,725.93	1,008,383.63	35,351.29	45,311,332.97	-	221,982,856.51	50,208,551.47
Expenditure arising from purchase of intangible assets	-	-	-	-	-	-	-	270,190.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIII. OTHER SIGNIFICANT EVENTS (CONTINUED)

4. 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 part of 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 investments, 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 considered 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.

5. 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 Company'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 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Cash and bank balances

Unit: RMB

Item	31 December 2020			31 December 2019		
	Foreign currency	Exchange rate	Amount in RMB	Foreign currency	Exchange rate	Amount in RMB
Cash:						
RMB			101,872.46			108,886.37
Bank balances:						
RMB			51,984,214.92			69,428,540.12
HKD	840,196.75	0.8416	707,143.19	840,163.83	0.8958	752,601.96
Other monetary funds:						
RMB			1,733,458.88			2,703,204.52
Total			54,526,689.45			72,993,232.97

2. Held-for-trading financial assets

Unit: RMB

Item	31 December 2020	31 December 2019
Financial products	1,031,000,000.00	370,000,000.00
Stock investment	123,797.34	-
Total	1,031,123,797.34	370,000,000.00

3. Accounts receivable

(1) Disclosure of accounts receivable by aging:

Unit: RMB

Aging	31 December 2020			
	Amount	Proportion (%)	Provision for credit impairment	Carrying amount
Within one year	272,753,083.31	94.41	211,467.03	272,541,616.28
1-2 years	16,135,190.22	5.59	32,561.07	16,102,629.15
Total	288,888,273.53	100.00	244,028.10	288,644,245.43

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(2) Disclosure of accounts receivable by provision methods for bad debts

Unit: RMB

Category	31 December 2020				Net carrying amount
	Gross carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	
Bad debt provision is made on an individual basis	-	-	-	-	-
Bad debt provision is made on a collective basis	288,888,273.53	100.00	244,028.10	100.00	288,644,245.43
Total	288,888,273.53	100.00	244,028.10	100.00	288,644,245.43

Category	31 December 2019				Net carrying amount
	Gross carrying amount Amount	Proportion (%)	Bad debt provision Amount	Proportion (%)	
Bad debt provision is made on an individual basis	-	-	-	-	-
Bad debt provision is made on a collective basis	158,848,821.80	100.00	155,150.24	100.00	158,693,671.56
Total	158,848,821.80	100.00	155,150.24	100.00	158,693,671.56

(3) Analysis of provision for credit impairment

Unit: RMB

Provision for credit impairment	Lifetime expected credit loss (not credit-impaired)	Lifetime expected credit loss (credit-impaired)	Total
Balance at 1 January 2020	155,150.24	-	155,150.24
Provision for the year	87,104.87	-	87,104.87
Transfer from merger of Ningchang Zhenli	1,772.99	1,699,980.00	1,701,752.99
Transfer out due to derecognition of financial assets	-	(1,699,980.00)	(1,699,980.00)
Balance at 31 December 2020	244,028.10	-	244,028.10

(4) Accounts receivable actually written off in the current period

Unit: RMB

Item	31 December 2020
Accounts receivable actually written off	1,699,980.00

No significant accounts receivable were written off in the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

(5) Top five entities with the largest balances of accounts receivable

Unit: RMB

Name of entity	Amount	Provision for credit impairment	Proportion to total accounts receivable (%)
Network Operation Company	134,899,662.78	–	46.70
Jiaxing Kaytone Investment Co., Ltd.	60,512,326.11	–	20.95
Zhendan Company	40,631,669.03	–	14.06
Dinuo Fangmaoshan Business Management Co., Ltd.	19,117,338.58	–	6.62
Nanjing Baisheng Business Management Co., Ltd	10,003,098.50	–	3.46
Total	265,164,095.00	–	91.79

4. Prepayments

(1) The aging analysis of prepayments is as follows:

Unit: RMB

Aging	31 December 2020		31 December 2019	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	10,433,257.03	90.98	2,233,926.81	37.33
1-2 years	1,034,862.14	9.02	3,749,794.80	62.67
Total	11,468,119.17	100.00	5,983,721.61	100.00

(2) Top five entities with the largest balances of prepayments

Unit: RMB

Name of entity	Amount	Proportion to total prepayments (%)
Suzhou Transportation Engineering Group Co., Ltd.	5,929,192.01	51.70
Jiangsu Expressway Information Engineering Co., Ltd.	2,250,000.00	19.62
Suzhou Electric Co., Ltd.	746,244.55	6.51
Jiangsu Construction Engineering Co., Ltd	720,000.00	6.28
Changzhou Power Supply Company	468,978.54	4.09
Total	10,114,415.10	88.20

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables

Unit: RMB

Item	Note	31 December 2020	31 December 2019
Dividends receivable	(1)	4,989,960.00	4,989,960.00
Others	(2)	8,226,786.07	8,192,904.41
Total		13,216,746.07	13,182,864.41

(1) Dividends receivable

Unit: RMB

Item	31 December 2020	31 December 2019
Kuailu Company	4,989,960.00	4,989,960.00

(2) Other receivables — others

<1> Disclosure of other receivables by aging

Unit: RMB

Aging	31 December 2020			Carrying amount
	Amount	Proportion (%)	Provision for credit impairment	
Within 1 year	5,662,077.70	23.46	58,851.27	5,603,226.43
More than 1 year	18,477,065.28	76.54	15,853,505.64	2,623,559.64
Total	24,139,142.98	100.00	15,912,356.91	8,226,786.07

<2> Disclosure of other receivables by nature

Unit: RMB

Nature	31 December 2020	31 December 2019
Amounts of investment clearance	15,812,140.02	15,812,140.02
Petty cash	4,723,955.89	4,101,224.53
Other insignificant amounts	2,603,047.07	4,172,424.71
Construction deposit	1,000,000.00	—
Total	24,139,142.98	24,085,789.26

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020	80,744.83	15,812,140.02	15,892,884.85
Transfer from merger of Ningchang Zhenli	4,829.75	–	4,829.75
Provisions for the year	14,642.30	–	14,642.30
Balance at 31 December 2020	100,216.88	15,812,140.02	15,912,356.90

<4> Top five entities with the largest balances of other receivables

Unit: RMB

Name of entity	Nature of other receivables	31 December 2020	Aging	Proportion of the amount to total other receivables (%)	31 December 2020 (Provision for credit impairment)
Jiangsu Yixing Highway Administration Department	Amount of investment clearance	15,812,140.02	Over 3 years	65.50	15,812,140.02
Jiangsu Assets and Equity Exchange Co., Ltd.	Deposits	1,000,000.00	Within 1 year	4.14	–
Jiangsu Expressway Operation & Management Center	Other	151,644.45	Over 1 year	0.63	–
Jiangsu Changtong Automobile Traction and Rescue Co., Ltd.	Service fee	53,166.00	Within 1 year	0.22	1,063.32
Jiangsu Jurong Electric Co., Ltd.	Electricity charge deposit	40,901.96	Over 1 year	0.17	818.04
Total		17,057,852.43		70.66	15,814,021.38

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

6. Inventories

Categories of inventories

Unit: RMB

Item	31 December 2020			31 December 2019		
	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	6,787,802.43	-	6,787,802.43	6,147,463.57	-	6,147,463.57
Petrol	7,330,225.14	-	7,330,225.14	6,814,398.54	-	6,814,398.54
Total	14,118,027.57	-	14,118,027.57	12,961,862.11	-	12,961,862.11

7. Other current assets

Unit: RMB

Item	31 December 2020	31 December 2019
Loans to related parties (Note 1)	1,590,000,000.00	372,298,904.00
Entrusted loans (Note 2)	1,387,000,000.00	-
Enterprise income tax in advance	69,541,654.67	30,931,773.44
Others	3,584,213.36	1,753,306.98
Interest receivable	44,907,512.05	14,620.83
Total	3,095,033,380.08	404,998,605.25

Note 1: It represents the loans of RMB1,090,000,000.00 lent by the Company to its subsidiary Zhendan Company, with an annual interest rate of 1.90% and 2.10%; and the loans of RMB500,000,000.00 lent to its subsidiary Guangjing Xicheng, with an annual interest rate of 1.80%;

Note 2: The Company entrusted Pudong Development Bank Nanjing Branch to provide a loan of RMB61,000,000.00 to its subsidiary Zhendan Company at an annual interest rate of 4.35%; the Company entrusted China Merchants Bank Nanjing Branch and Pudong Development Bank Nanjing Branch to provide a loan of RMB900,000,000.00 to its subsidiary Ninghu Properties at an annual interest rate of 4.75%; the Company entrusted Pudong Development Bank Nanjing Branch to provide a loan of RMB426,000,000.00 to its subsidiary Hanwei Company at an annual interest rate of 4.35%-4.75%.

8. Investments in other equity instruments

(1) Details of investments in other equity instruments are as follows

Unit: RMB

Item	31 December 2020			31 December 2019		
	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	4,064,994,063.66	-	4,064,994,063.66	4,188,311,013.24	-	4,188,311,013.24
Total	4,064,994,063.66	-	4,064,994,063.66	4,188,311,013.24	-	4,188,311,013.24

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	87,139,100.00	(166,493,748.42)	Non-tradable equity instrument investment
Total	87,139,100.00	(166,493,748.42)	

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 2020			31 December 2019		
	Gross carrying amount	Provision for impairment	Net carrying amount	Gross carrying amount	Provision for impairment	Net carrying amount
Investments in subsidiaries	9,195,914,177.98	-	9,195,914,177.98	12,981,816,684.47	-	12,981,816,684.47
Investments in associates	4,656,181,197.67	-	4,656,181,197.67	4,455,346,214.15	-	4,455,346,214.15
Total	13,852,095,375.65	-	13,852,095,375.65	17,437,162,898.62	-	17,437,162,898.62

(1) Investments in subsidiaries

Unit: RMB

Investee	31 December		31 December 2020	Provision for impairment	Cash dividend for the year
	2019	Changes in the year			
Subsidiaries					
Guangjing Xicheng Company	2,125,000,000.00	-	2,125,000,000.00	-	87,486,915.86
Ningchang Zhenli Company (Note 1)	5,029,236,884.47	(5,029,236,884.47)	-	-	-
Ninghu Properties	500,000,000.00	-	500,000,000.00	-	-
Ninghu Investment (Note 2)	1,288,100,000.00	536,334,377.98	1,824,434,377.98	-	-
Zhendan Company	423,910,000.00	-	423,910,000.00	-	-
Wufengshan Bridge	3,112,980,000.00	-	3,112,980,000.00	-	-
Hanwei Company (Note 3)	184,499,800.00	190,000,000.00	374,499,800.00	-	-
Longtan Bridge (Note 4)	268,090,000.00	517,000,000.00	785,090,000.00	-	-
Yangtze River Management	50,000,000.00	-	50,000,000.00	-	-
Total	12,981,816,684.47	(3,785,902,506.49)	9,195,914,177.98	-	87,486,915.86

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

9. Long-term equity investments (Continued)

(1) Investments in subsidiaries (Continued)

Note 1: On 25 March 2020, the State-owned Assets Supervision and Administration Commission of Jiangsu Provincial Government issued the "Approval of the Provincial State-owned Assets Supervision and Administration Commission on the Implementation of the Project for the Merger of Ningchang Zhenli Company by Ninghu Company" (Su Guo Zi Fu [2020] No. 10), agreeing Ninghu Expressway to merge Ningchang Zhenli as the surviving party. On 23 April 2020, the second extraordinary general meeting of 2020 of the Company deliberated and passed the proposal on the merger of Ningchang Zhenli Company, a wholly-owned subsidiary of the Company. On 11 November 2020, Jiangsu Provincial Department of Transportation issued the "Reply to the Change of Operation Rights to Ningchang Expressway and Zhenli Expressway" (Su Jiao Cai Han [2020] No. 87) to clarify that Ninghu Expressway enjoys the toll road rights to Ningchang Expressway and Zhenli Expressway as the operating entity. Ningchang Zhenli Company is a wholly-owned subsidiary of the Company acquired through a business combination under common control in 2015. Upon completion of the merger in the current period, the Company recognized the relevant assets and liabilities of Ningchang Zhenli Company based on the carrying amount at the date of business combination under common control continuously calculated to the carrying amount of assets and liabilities at the date of merger. The net gain or loss realized by Ningchang Zhenli Company from the date of business combination under common control to the date of merger was transferred to the retained earnings of Ninghu Expressway. The difference between the carrying amount of the long-term equity investments in Ningchang Zhenli Company and the assets and liabilities of Ningchang Zhenli Company transferred to Ninghu Expressway based on the above principle was included in capital reserve.

Note 2: On 25 October 2019, the thirteenth meeting of the ninth session of the Board of Directors of the Company deliberated and approved the increase of the registered capital of RMB200,000,000.00 to Ninghu Investment. On 24 April 2020, the twentieth meeting of the ninth session of the Board of Directors of the Company deliberated and approved the increase of the registered capital of RMB450,000,000.00 to Ninghu Investment. The capital contribution of RMB536,334,377.98 was completed in December 2020.

Note 3: On 24 December 2020, the twenty-sixth meeting of the ninth session of the Board of Directors of the Company deliberated and approved the increase of the registered capital of RMB190,000,000.00 to Hanwei. The capital increase was completed on 29 December 2020.

Note 4: On 25 October 2019, the thirteenth meeting of the ninth session of the Board of Directors of the Company deliberated and approved the Company to increase the registered capital in Longtan Bridge to RMB1,340,840,000.00. The Company completed the capital contribution of RMB517,000,000.00 in June 2020.

(2) Investments in associates

Unit: RMB

Investee	1 January 2020		Changes in the current year				Declaration of cash dividends or profits	Provision for impairment losses	Transfer from merger of Ningchang Zhenli	31 December 2020	31 December 2020 (provision for impairment)
	Increase	Decrease	Investment income under the equity method	Adjustment of other comprehensive income	Other changes in equity						
Associates											
Kuailu Company	55,370,197.85	-	-	(6,190,101.28)	-	-	-	-	-	49,180,096.57	-
Yangtze Bridge Company	1,700,484,727.40	-	-	104,713,765.90	16,753,010.70	-	(68,380,279.20)	-	-	1,753,571,224.80	-
Suzhou Expressway Management	1,955,145,243.61	-	-	112,374,201.95	-	-	(54,620,883.00)	-	-	2,012,898,562.56	-
Xixin Ninghu Company	10,781,980.54	-	-	544,948.27	-	-	-	-	-	11,326,928.81	-
Xiandai R&B Company	24,396,039.69	-	-	26,927,871.18	-	-	-	-	26,710,539.69	78,034,450.56	-
Network Operation Company	9,809,579.69	-	-	3,198,121.77	-	920,767.42	-	-	9,811,377.81	23,739,846.69	-
Media Company	62,487,431.67	-	-	4,022,047.04	-	-	-	-	-	66,509,478.71	-
Group Finance Company	636,871,013.70	-	-	36,549,595.27	-	-	(12,500,000.00)	-	-	660,920,608.97	-
Total	4,455,346,214.15	-	-	282,140,450.10	16,753,010.70	920,767.42	(135,501,162.20)	-	36,521,917.50	4,656,181,197.67	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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. At 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
2. Increase in the current year	580,592,376.54	242,783,685.29	95,673,466.76	114,078,664.71	141,894,156.34	16,464,515.85	11,493,719.98	24,597,216.59	1,227,577,802.06
(1) Purchase	356,101.76	-	1,002,800.00	453,539.38	13,704,598.67	3,286,929.00	2,395,915.78	984,383.25	22,184,267.84
(2) Transferred from construction in progress	12,620,875.04	4,633,989.18	30,512,514.64	58,945,290.96	6,961,238.90	208,534.10	-	-	113,882,442.82
(3) Increase from merging Ningchang Zhenli	568,738,528.51	237,086,598.02	64,158,273.34	55,600,949.06	117,077,476.42	15,834,656.86	9,074,150.75	23,940,458.44	1,091,511,091.40
(4) Reclassification	(1,123,128.77)	1,063,098.09	(121.22)	(921,114.69)	4,150,842.35	(2,865,604.11)	23,653.45	(327,625.10)	-
3. Decrease in the current year	4,334,377.98	8,100.00	4,471,426.51	12,529,925.92	9,419,835.19	1,907,358.38	2,006,936.54	169,985.39	34,847,945.91
(1) Disposal or retirement	-	8,100.00	4,471,426.51	12,529,925.92	9,419,835.19	1,907,358.38	2,006,936.54	169,985.39	30,513,567.93
(2) Other transfer out	4,334,377.98	-	-	-	-	-	-	-	4,334,377.98
4. At 31 December 2020	1,483,990,404.99	675,278,292.58	285,454,176.61	411,877,964.33	444,869,278.13	50,505,372.32	44,516,043.62	34,397,198.53	3,430,888,731.11
II. Total accumulated depreciation									
1. At 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
2. Increase in the current year	323,874,872.19	237,209,955.69	73,524,790.19	76,448,847.87	105,220,954.70	12,321,169.13	8,878,427.92	9,669,400.77	847,148,418.46
(1) Amount accrued	46,003,201.98	11,778,082.66	22,432,285.76	42,405,333.42	19,556,108.51	4,298,217.98	2,743,284.12	2,821,495.79	152,038,010.22
(2) Increase from merging Ningchang Zhenli	278,451,394.94	224,686,745.21	51,077,304.44	34,752,624.33	84,823,884.86	8,494,347.54	6,120,016.21	6,704,090.71	695,110,408.24
(3) Reclassification	(579,724.73)	745,127.82	15,199.99	(709,109.88)	840,961.33	(471,396.39)	15,127.59	143,814.27	-
3. Decrease in the current year	-	4,059.37	3,363,601.42	9,444,889.62	8,706,492.63	1,834,413.79	1,946,728.44	164,562.51	25,464,747.78
(1) Disposal or retirement	-	4,059.37	3,363,601.42	9,444,889.62	8,706,492.63	1,834,413.79	1,946,728.44	164,562.51	25,464,747.78
4. At 31 December 2020	709,833,484.16	600,265,461.17	191,935,428.76	162,987,077.30	298,007,885.05	35,346,724.59	35,477,529.54	15,609,579.08	2,049,463,169.65
IV. Total net book value									
1. At 31 December 2020	774,156,920.83	75,012,831.41	93,518,747.85	248,890,887.03	146,861,393.08	15,158,647.73	9,038,514.08	18,787,619.45	1,381,425,561.46
2. At 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) Fixed assets leased out under operating leases

Unit: RMB

Item	31 December 2020	31 December 2019
Buildings	79,900,535.20	89,377,235.82

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	5,506,391.30	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Kunshan toll station	5,281,850.88	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Huaqiao toll station	6,889,098.39	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Xuejia toll station	6,837,098.87	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Suzhou management offices and maintenance center building	24,518,948.33	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Changzhou Luoshuwan buildings	2,889,457.24	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Changzhou toll station and maintenance center building	2,034,128.81	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Changzhou ETC customer service branch buildings	710,835.93	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Jingfa Service zone office buildings	38,100,439.88	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway South Network Centre and project management center houses	15,231,925.63	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Buildings in Wuxi management areas and Xidong toll station	38,334,419.37	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Wuxi airport toll station	5,866,028.03	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Heyang toll station	6,795,088.07	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Zhenjiang toll station	7,347,930.20	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Danyang toll station	986,835.93	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Living buildings of Ningzhen management areas	9,282,115.03	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Nanjing toll station	8,652,585.99	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Tangshan toll station	4,298,120.31	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Danyang toll station	9,807,806.91	Incorporated into communication facilities and cannot obtain certification at present
Shanghai-Nanjing Expressway Jurong toll station	4,680,405.14	Incorporated into communication facilities and cannot obtain certification at present
Zhenli Expressway Shanghai Station Property Construction	2,755,984.83	Incorporated into communication facilities and cannot obtain certification at present
Zhenli Expressway Bingrong Station Property Construction	5,337,629.91	Incorporated into communication facilities and cannot obtain certification at present
Ningchang Administration Office House Property	152,500,267.94	Incorporated into communication facilities and cannot obtain certification at present
Total	364,645,392.92	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020			31 December 2019		
	Gross carrying amount	Provision for impairment losses	Net carrying amount	Gross carrying amount	Provision for impairment losses	Net carrying amount
Construction Project of acoustic barrier	3,078,624.89	-	3,078,624.89	3,078,624.89	-	3,078,624.89
Information project	9,332,638.24	-	9,332,638.24	6,762,306.43	-	6,762,306.43
Housing projects of toll stations and service zones	60,511,493.69	-	60,511,493.69	37,464,739.93	-	37,464,739.93
Lighting system construction project	2,641,650.30	-	2,641,650.30	2,118,630.30	-	2,118,630.30
Three big system construction project	11,456,476.10	-	11,456,476.10	24,200,760.88	-	24,200,760.88
Others	15,310,191.44	-	15,310,191.44	4,485,807.52	-	4,485,807.52
Total	102,331,074.66	-	102,331,074.66	78,110,869.95	-	78,110,869.95

(2) Changes in significant construction in progress

Unit: RMB

Project	Budget amount	31 December 2019	Increase in current year	Including: Transfer from merger of Ningchang Zhenli	Transfer to fixed assets	Transfer to intangible assets	31 December 2020	Proportion of amount injected to budget amount (%)	Construction progress	Source of funds
Housing projects of Toll stations and service zones	117,186,270.36	37,464,739.93	88,541,338.97	76,363,220.15	65,494,585.21	-	60,511,493.69	76.44	In progress	Own funds
Lighting system construction project	3,710,000.00	2,118,630.30	1,187,401.84	-	664,381.84	-	2,641,650.30	89.11	In progress	Own funds
Three big system construction project	228,034,293.76	24,200,760.88	18,099,475.56	-	27,751,639.34	3,092,121.00	11,456,476.10	18.55	In progress	Own funds
Information project	17,142,416.55	6,762,306.43	6,890,081.70	6,000,000.00	-	4,319,749.89	9,332,638.24	79.64	In progress	Own funds
Construction Project of acoustic barrier	14,842,947.38	3,078,624.89	-	-	-	-	3,078,624.89	97.69	In progress	Own funds
Others	122,289,021.32	4,485,807.52	32,020,450.35	16,578,215.56	19,971,836.43	1,224,230.00	15,310,191.44	79.13	In progress	Own funds
Total		78,110,869.95	146,738,748.42	98,941,435.71	113,882,442.82	8,636,100.89	102,331,074.66			

(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 2020

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. At 31 December 2019	16,646,171,695.95	1,725,422,592.87	51,848,864.95	18,423,443,153.77
2. Increase in the current year	7,915,221,915.97	-	8,636,100.89	7,923,858,016.86
(1) Purchase	-	-	-	-
(2) Transferred from construction in progress	-	-	8,636,100.89	8,636,100.89
(3) Transferred from merging Ningchang	7,915,221,915.97	-	-	7,915,221,915.97
3. Decrease in the current year	-	-	-	-
4. At 31 December 2020	24,561,393,611.92	1,725,422,592.87	60,484,965.84	26,347,301,170.63
II. Total accumulated amortization				
1. At 31 December 2019	7,716,837,256.07	1,272,300,573.01	39,912,290.27	9,029,050,119.35
2. Increase in the current year	3,713,114,215.45	63,861,062.64	9,769,267.78	3,786,744,545.87
(1) Amortization accrued	640,257,594.72	63,861,062.64	9,769,267.78	713,887,925.14
(2) Transferred from construction in progress	3,072,856,620.73	-	-	3,072,856,620.73
3. Decrease in the current year	-	-	-	-
4. At 31 December 2020	11,429,951,471.52	1,336,161,635.65	49,681,558.05	12,815,794,665.22
IV. Total net book value				
At 31 December 2020	13,131,442,140.40	389,260,957.22	10,803,407.79	13,531,506,505.41
At 31 December 2019	8,929,334,439.88	453,122,019.86	11,936,574.68	9,394,393,034.42

13. Long-term prepaid expenses

Unit: RMB

Item	31 December 2019	Increase in the current year	Amortization in the current year	31 December 2020
Decorations for buildings	5,660,377.22	-	5,660,377.22	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020		31 December 2019	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment losses of assets	16,156,385.00	4,039,096.25	16,048,035.09	4,012,008.77
Changes in fair value of investments in other equity instruments	166,493,748.42	41,623,437.11	-	-
Deferred income collected in advance and not amortized	59,253,775.00	14,813,443.75	-	-
Total	241,903,908.42	60,475,977.11	16,048,035.09	4,012,008.77

(2) Deferred tax liabilities that are not offset

Unit: RMB

Item	31 December 2020		31 December 2019	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair values of investments in other equity instruments	-	-	588,425,343.89	147,106,335.97
Difference between tax policies and that under accounting policies for service zone lease income	49,592,742.86	12,398,185.72	4,424,387.27	1,106,096.82
Total	49,592,742.86	12,398,185.72	592,849,731.16	148,212,432.79

(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	12,398,185.72	48,077,791.39	4,012,008.77	-
Deferred tax liabilities	12,398,185.72	-	4,012,008.77	144,200,424.02

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

15. Other non-current assets

Unit: RMB

Item	31 December 2020	31 December 2019
Entrusted loan	-	1,286,000,000.00
Loans to related parties	-	600,124,083.58
Apartment procurement for talents	14,879,760.00	14,955,570.00
Interest receivable	-	30,284,152.78
Less: Interest receivable due within one year	-	30,284,152.78
Total	14,879,760.00	1,901,079,653.58

16. Short-term borrowings

(1) Categories of short-term borrowings:

Unit: RMB

Item	31 December 2020	31 December 2019
Bank loans	500,000,000.00	660,000,000.00
Including: Unsecured loans	500,000,000.00	600,000,000.00
Entrusted loans	-	60,000,000.00
Non-bank financial institution loans	60,000,000.00	1,360,000,000.00
Including: Unsecured loans	-	300,000,000.00
Entrusted loans (Note 1)	60,000,000.00	1,060,000,000.00
Interest payable	539,000.00	2,320,888.89
Total	560,539,000.00	2,022,320,888.89

Note 1: Entrusted bank loans are provided by Far East Shipping Company through Finance Company on 19 August 2020. The principal of the loan is RMB60,000,000.00 with a term of 1 year at an annual interest rate of 3.15%. The balance for the current period is RMB60,000,000.00.

(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 2020

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 2020	31 December 2019
Construction payable	602,775,511.62	519,176,660.00
Toll road fee payable	1,637,001.87	19,781,256.00
Purchase of petroleum payable	6,822,003.91	7,591,687.90
Others	50,578,003.26	43,042,116.63
Total	661,812,520.66	589,591,720.53

(2) The aging analysis of accounts payable according to invoice date (close to posting date):

Unit: RMB

Item	31 December 2020	31 December 2019
Within 1 year	496,663,457.87	510,867,005.52
1-2 years	122,338,012.72	47,340,281.78
2-3 years	24,404,384.61	5,493,512.06
More than 3 years	18,406,665.46	25,890,921.17
Total	661,812,520.66	589,591,720.53

(3) Description of significant accounts payable aged more than one year:

Unit: RMB

Item	31 December 2020	Reasons for outstanding or not carrying forward
Construction payable	126,116,687.08	Long settlement procedure of the project
Total	126,116,687.08	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2019	Increase in the current year	Decrease in the current year	31 December 2020
1. Short-term compensation	1,023,753.28	728,936,902.97	728,778,973.77	1,181,682.48
2. Post-employment benefits – defined contribution plan	–	94,432,442.84	94,432,442.84	–
3. Termination benefits	–	15,685,452.19	15,685,452.19	–
Total	1,023,753.28	839,054,798.00	838,896,868.80	1,181,682.48

(2) Short-term compensation

Unit: RMB

Item	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
I. Wages or salaries, bonuses, allowances and subsidies	–	545,391,371.62	545,391,371.62	–
II. Staff welfare	–	8,040,394.97	8,040,394.97	–
III. Social security contributions Including: Medical insurance	–	63,253,996.79	63,253,996.79	–
Work injury insurance	–	58,928,582.89	58,928,582.89	–
Maternity insurance	–	953,927.09	953,927.09	–
IV. Housing funds	–	3,371,486.81	3,371,486.81	–
V. Union running costs and employee education costs	–	55,804,980.00	55,804,980.00	–
VI. Non-monetary welfare	1,023,753.28	19,063,485.06	18,905,555.86	1,181,682.48
VII. Others	–	32,799,027.28	32,799,027.28	–
	–	4,583,647.25	4,583,647.25	–
Total	1,023,753.28	728,936,902.97	728,778,973.77	1,181,682.48

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2019	Increase in the current year	Decrease in the current year	31 December 2020
1. Basic endowment insurance	–	49,287,824.60	49,287,824.60	–
2. Unemployment insurance	–	1,596,821.92	1,596,821.92	–
3. Enterprise annuity payment	–	43,547,796.32	43,547,796.32	–
Total	–	94,432,442.84	94,432,442.84	–

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 19% and 0.5% — 1% of the employee's monthly basic wage based on last year's salary (According to Ning Ren She [2020] No. 33, Ren She Bu [2020] No.11, and Ren She Bu [2020] No. 49, the contributions to basic pension insurance and unemployment insurance plan are half-reduced from February to June 2020 due to the impact of COVID-19). The Company 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 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 Company should contribute RMB49,287,824.60, RMB43,547,796.32 and RMB1,596,821.92 to basic pension insurance, annuity scheme, unemployment insurance plan respectively (2019: RMB61,847,920.10, RMB33,855,340.00 and RMB1,816,861.46), which have been fully paid up by the Company as at 31 December 2020.

(2) Non-monetary welfare

Non-monetary benefits are RMB32,799,027.28 (2019: RMB21,522,815.88), 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 2020	31 December 2019
VAT	28,472,226.83	18,445,130.14
Property tax	12,827.16	1,907,511.62
Individual income tax	4,272,987.24	2,180,474.66
City construction and maintenance tax	1,741,274.87	1,119,272.94
Others	1,323,176.87	2,415,615.42
Total	35,822,492.97	26,068,004.78

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

20. Other payables

Unit: RMB

Item	Note	31 December 2020	31 December 2019
Dividends payable	(1)	93,379,246.71	97,197,529.87
Others	(2)	83,987,296.92	57,237,009.75
Total		177,366,543.63	154,434,539.62

(1) Dividends payable

Item	31 December 2020	31 December 2019
Ordinary shares dividends	93,379,246.71	97,197,529.87

Note: Balance of dividends payable over 1 year is RMB87,139,577.17, which is the dividend not received by the investor.

(2) Others

Details of other payables are as follows:

Unit: RMB

Item	31 December 2020	31 December 2019
Payable of daily procurement in service zone	5,803,735.64	4,582,251.27
Lease deposit of service zone	35,271,000.00	31,571,000.00
Others	42,912,561.28	21,083,758.48
Total	83,987,296.92	57,237,009.75

21. Non-current liabilities due within one year

Unit: RMB

Item	31 December 2020	31 December 2019
Long-term borrowings due within one year	1,616,615.88	1,728,430.43
Bonds payable due within one year	999,432,232.18	2,993,675,802.12
Interest payable	55,629,284.74	59,771,780.71
Total	1,056,678,132.80	3,055,176,013.26

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 2020	31 December 2019
Bank loans	212,932,927.69	15,555,874.55
Including: Guaranteed loan (Note 1)	12,932,927.69	15,555,874.55
Unsecured loan	200,000,000.00	–
Loans from related parties	500,000,000.00	–
Including: Government bonds (Note 2)	500,000,000.00	–
Interest payable	55,629,284.74	59,771,780.71
Less: Long-term borrowings due within one year	1,616,615.88	1,728,430.43
Interest payable due within one year	55,629,284.74	59,771,780.71
Long-term borrowings due after one year	711,316,311.81	13,827,444.12

Explanations of long-term borrowings:

Note 1: The Company obtained bank credit limit of USD 9,800,000 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 USD 4,900,000 and Spanish government loan of USD 4,900,000. 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 USD 1,982,088.26.

Note 2: The government bonds are special government bonds applied by Communications Holding for the construction project. According to the notice of issuance of the Company's government bonds, Communications Holding lent the principal of RMB500,000,000.00 to the Group for the construction of the Longtan River Crossing Project. The bonds have a maturity of 15 years, at a coupon rate of 3.45%, with interest payable semi-annually and principal repaid at maturity.

(2) Analysis of maturity for long-term borrowings over one year is as follows:

Unit: RMB

Item	31 December 2020	31 December 2019
1-2 years	1,616,615.88	1,728,430.43
2-5 years	206,466,463.52	5,185,291.28
Over 5 years	503,233,232.41	6,913,722.41
Total	711,316,311.81	13,827,444.12

(3) Other explanations

Annual interest rate of the loans above is from 2% to 3.5% (31 December 2019: 2%).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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
2020:				
Capital premium	4,657,648,647.58	2,970,763,115.53	–	7,628,411,763.11
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)
Transfer from merger of Ningchang Zhenli (Note 1)	–	2,970,763,115.53	–	2,970,763,115.53
Other capital reserve	2,743,526,629.09	920,767.42	–	2,744,447,396.51
Including: Share of capital reserve of the investee under the equity method	(12,975,555.28)	920,767.42	–	(12,054,787.86)
Transfer from capital reserve under the previous accounting system	2,682,977,235.00	–	–	2,682,977,235.00
Difference arising from merging associates (Note)	73,524,949.37	–	–	73,524,949.37
Total	7,401,175,276.67	2,971,683,882.95	–	10,372,859,159.62
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 (Note)	–	73,524,949.37	–	73,524,949.37
Total	7,327,650,327.30	73,524,949.37	–	7,401,175,276.67

Note 1: The increase in the current year arose from the merger of Ningchang Zhenli, a wholly-owned subsidiary, by Ninghu Expressway. For details, refer to Note (XIV), 9(1).

Note 2: Increase in other capital reserve represents the changes in owners' equity arising from merging of Sujiaoyong Company by Sujiahang Company, the Company's associate in prior year. 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 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

24. Other comprehensive income

Unit: RMB

Item	1 January 2020	Amount incurred for current year before tax	Amount recognized in the current year			31 December 2020	
			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	730,095,757.57	(741,004,608.43)	-	(191,568,299.90)	(549,436,308.53)	-	180,659,449.04
Including: Other comprehensive income that cannot be subsequently reclassified to profit or loss under the equity method (Note 1)	288,776,749.65	16,753,010.70	-	-	16,753,010.70	-	305,529,760.35
Changes in the fair value of investments in other equity instruments (Note 2)	441,319,007.92	(766,273,199.58)	-	(191,568,299.90)	(574,704,899.68)	-	(133,385,891.76)
Gain or loss on changes in fair value of investments in other equity instruments							
— Transfer to other comprehensive income from Ningchang Zhenli	-	8,515,580.45	-	-	8,515,580.45	-	8,515,580.45
Total other comprehensive income	730,095,757.57	(741,004,608.43)	-	(191,568,299.90)	(549,436,308.53)	-	180,659,449.04

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 associate of the Company, Yangzi Bridge Company. The Company shall adjust other comprehensive income according to the shareholding ratio.

Note 2: Investments in other equity instruments 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
2020 & 2019				
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 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

26. Retained profits

Unit: RMB

Item	31 December 2020	31 December 2019
Opening retained profits	7,388,635,490.28	6,602,016,006.52
Add: Net profit attributable to owners of the Company for the year	2,044,258,577.88	3,103,983,333.76
Less: Appropriation to statutory surplus reserve (Note 1)	-	-
Declaration of dividends on ordinary shares (Note 2)	2,317,363,850.00	2,317,363,850.00
Transfer to the opening retained profits from Ningchang Zhenli	1,256,384,876.44	-
Closing retained profits	5,859,145,341.72	7,388,635,490.28

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 2020, 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: Cash dividends distribution decided after the balance sheet date

According to a proposal of the board of directors on 26 March 2021, on the basis of 5,037,747,500 issued shares (with the par value of RMB1 per share) in 2020, 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	6,132,653,163.44	3,636,258,512.46	6,493,154,308.19	2,745,731,550.65
Including: Shanghai-Nanjing Expressway	3,926,110,186.74	1,764,679,609.32	5,230,727,736.60	1,641,739,059.28
Ningchang & Zhenli Expressway	941,181,964.98	747,271,649.26	-	-
Ancillary services	1,265,361,011.72	1,124,307,253.88	1,262,426,571.59	1,103,992,491.37
Advertising and others	27,961,049.93	224,904.52	10,525,245.30	-
Total	6,160,614,213.37	3,636,483,416.98	6,503,679,553.49	2,745,731,550.65

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

28. Taxes and levies

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
City construction and maintenance tax	12,532,910.41	12,988,586.19
Education surcharge	8,977,685.99	9,288,402.27
Property tax	1,450,321.95	12,805,269.45
Land use tax	132,665.01	7,783,866.40
Others	770,867.47	706,178.13
Total	23,864,450.83	43,572,302.44

29. Administrative expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Salaries and additional remuneration	60,941,743.68	45,863,626.43
Depreciation and amortization	76,539,873.43	77,269,877.27
Audit fee	3,200,000.00	3,200,000.00
Consulting and intermediary service fee	19,664,222.21	20,017,058.12
Entertainment fee	192,666.67	332,241.53
Maintenance and repair costs	932,727.27	1,055,504.56
Office expenses	1,058,303.06	367,013.43
Travelling expenses	589,674.76	719,590.02
Vehicle related expenses	777,460.50	1,331,296.58
Others	10,908,933.33	9,703,732.97
Total	174,805,604.91	159,859,940.91

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	340,401,687.70	334,156,934.67
Less: Interest income	45,279,681.89	27,786,583.43
Exchange differences	(9,311,596.13)	1,240,627.90
Bond issue fee and other loan charges	19,265,583.27	7,553,706.65
Others	1,399,282.57	2,153,531.54
Total	306,475,275.52	317,318,217.33

31. Other income

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Government grants (Note XIV. 35)	28,954,516.85	5,239,608.13
Total	28,954,516.85	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	282,140,450.10	440,817,991.51
Income from long-term equity investments under cost method	87,486,915.86	87,185,053.83
Investment income from investments in other equity instruments in the holding period	87,139,100.00	159,177,968.64
Investment income from held-for-trading financial assets	16,625,580.67	11,768,129.66
Interest income from loans	64,537,634.74	76,011,473.21
Total	537,929,681.37	774,960,616.85

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

33. Impairment losses of credit

Unit: RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
(Losses) Reversals from credit impairment of accounts receivable	(87,104.87)	9,915.78
Losses from credit impairment of other receivables	(14,642.30)	(1,696.91)
Total	(101,747.17)	8,218.87

34. Gains (Losses) from disposal of assets

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Gains (Losses) from disposal of assets	171,744.99	(65,199,120.58)
Total	171,744.99	(65,199,120.58)

35. Non-operating income

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Income from highway property compensation	5,008,100.00	4,521,100.00
Compensation for soil pits	37,272,700.00	-
Others	10,513,853.81	23,634,003.85
Total	52,794,653.81	28,155,103.85

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	Presented items	Related to income or asset
Additional deduction of VAT	10,934,945.62	5,239,608.13	- Other income	Related to income
Subsidies for working steadily	3,839,935.94	-	- Other income	Related to income
Compensation for land pits	37,272,700.00	-	- Non-operating income	Related to income
Subsidy for reconstruction of highway provincial boundary toll station	11,610,105.00	-	- Other income	Related to asset
Ningchang Expressway construction compensations	2,224,743.40	-	- Other income	Related to asset
Others	344,786.89	-	- Other income	Related to income
Total	66,227,216.85	5,239,608.13		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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
Expenses for the retirement of fixed assets	4,899,632.55	–
Expenditure for repair of damaged highway property	21,681,111.49	12,534,009.67
Public welfare donations	600,000.00	846,000.00
Various funds	1,853,538.60	1,666,828.70
Others	662,878.94	113,258.74
Total	29,697,161.58	15,160,097.11

37. Income tax expenses

Unit: RMB

Item	Amount recognized in the current year	Amount recognized in the prior year
Current tax expenses	567,900,372.16	800,715,815.96
Deferred tax expenses	(3,121,796.64)	60,502,722.45
Total	564,778,575.52	861,218,538.41

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	2,609,037,153.40	3,965,201,872.17
Income tax expenses calculated at 25% (prior year: 25%)	652,259,288.35	991,300,468.04
Effect of cost, expenses and loss that are not deductible for tax purposes	26,710,903.66	18,918,831.71
Effect of non-taxable income	(114,191,616.49)	(149,000,761.34)
Total	564,778,575.52	861,218,538.41

38. Other comprehensive income

See Note XIV. 24 for details.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	839,054,798.00	667,354,515.11
Depreciation and amortization	1,304,065,858.80	806,672,847.26
Toll related expenses	147,527,637.48	85,288,912.61
Road maintenance expenses	481,773,935.93	326,238,664.23
System maintenance expenses	87,260,657.09	25,391,561.95
Petroleum cost in the service zone	791,580,543.13	881,212,422.91
Catering cost in the service zone	4,837,101.99	3,490,346.78
Audit fee	3,200,000.00	3,200,000.00
Consulting and intermediary service fee	19,664,222.21	20,017,058.12
Advertisement fee	1,108,806.98	707,574.49
Others	131,215,460.28	86,017,588.10
Total	3,811,289,021.89	2,905,591,491.56

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.	102,870,200.00	10,501,412.83
Receipts from interest income of bank deposit	45,279,681.89	27,786,583.43
Total	148,149,881.89	38,287,996.26

(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	91,524,939.32	49,162,687.53

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	2,216,000,000.00	711,000,000.00

(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	2,936,000,000.00	371,000,000.00

(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	16,500,000.00	14,055,595.34

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	2,044,258,577.88	3,103,983,333.76
Add: Impairment losses of credit	101,747.17	(8,218.87)
Depreciation of fixed assets	172,642,531.93	115,811,564.90
Amortization of intangible assets	1,125,762,949.65	688,031,093.76
Amortization of long-term prepaid expenses	5,660,377.22	2,830,188.60
Amortization of deferred income	(11,269,497.50)	-
(Income) Losses on disposal of fixed assets, intangible assets and other long-term assets	(171,744.99)	65,199,120.58
Losses on retirement of fixed assets	4,899,632.55	-
Financial expenses	350,355,674.84	334,156,934.67
Investment income	(537,929,681.37)	(774,960,616.85)
(Increase) Decrease in deferred tax assets	(3,548,442.33)	60,502,722.44
Increase in inventories	(1,156,165.46)	(1,656,857.92)
Decrease in receivables from operating activities (increase is indicated by "-")	(135,468,853.09)	63,902,685.67
Increase in payables from operating activities (decrease is indicated by "-")	63,756,710.82	(35,767,633.11)
Net cash flow from operating activities	3,077,893,817.32	3,622,024,317.63
2. Net changes in cash and cash equivalents:		
Closing balance of cash	54,526,689.45	72,993,232.97
Less: Opening balance of cash	72,993,232.97	100,931,394.05
Net decrease in cash and cash equivalents	(18,466,543.52)	(27,938,161.08)

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	300,808,683.45	298,671,588.61
Xiandai R&B Company*	Party school exhibition hall construction fee	1,875,000.00	1,685,000.00
Xiandai R&B Company*	Construction contract fee for upgrading of traffic safety facilities	70,000,000.00	-
Xiandai R&B Company *	Detection and design fee	-	250,000.00
Xiandai R&B Company*	ETC mast construction fee	-	5,600,000.00
Engineering Testing Company*	ETC mast construction fee	826,223.36	-
Network Operation Company*	Maintenance and operating administration fees for toll collection system	17,436,323.00	19,634,244.00
Group Finance Company*	Interest expenses of working capital loan	6,622,875.00	12,741,875.33
Communications Holding*	Interest expenses of related party borrowings	9,168,493.14	-
Tongxingbao Company*	Maintenance and operating administration fees for toll collection system	20,883,780.10	15,558,258.69
Tongxingbao Company*	Payments for purchase of fixed assets	-	6,970.00
Maintenance Technology Company*	Road maintenance fee	9,800,000.00	7,706,950.00
Nanlin Hotel	Catering and accommodation	14,841.00	2,100.00
Information Company*	Communication system maintenance fee	31,147,878.90	11,628,393.86
Huatong Company*	Bridge pier replacement fee	10,946,848.11	2,752,746.37
Micro Video Company*	Machine room renovation fee	6,799,728.56	1,504,650.00
Kuailu Company	Shuttle bus rent	8,983,247.48	3,969,556.00
Yichang Company	Interest expenses of entrusted loan	2,594,496.86	10,401,926.09
Changyi Company	Interest expenses of entrusted loan	-	2,312,567.60
Communications Holding Training Company *	Training fee	3,509,260.00	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	45,349,305.57	54,158,215.41
Hanwei Company	Interest income from entrusted loans	22,458,729.15	21,172,241.14
Guangjing Xicheng Company	Interest income from loans to related parties	29,093,313.68	23,852,323.57
Kuailu Company	Toll road income	270,000.00	932,038.84
Tongxingbao Company*	ETC Customer-service Network Management income	551,741.57	629,424.78
Group Finance Company*	Interest income from deposits	607,690.07	30,058.89
Zhendao Company	Interest income from entrusted borrowings	881,600.00	681,016.66
Zhendao Company	Interest income from super short-term financing bonds	12,863,996.51	1,274,904.00
Zhendao Company	Entrusted management fee	28,959,248.67	16,674,188.44
Xiexin Ninghu Company	Management and lease income	-	825,605.68
Culture Media*	Income from billboard cooperation agreement	561,880.73	-

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	3,612,400.00
Engineering Testing Company *	Fixed assets	556,190.46	545,656.62
Kuailu Company	Fixed assets	712,500.00	366,666.67
Jiangsu Petroleum Company	Fixed assets	6,586,632.93	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

XIV. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

42. Related party relationships and transactions (Continued)

(3) Guarantees with related parties

The Company as the guaranteed party:

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Communications Holding*	USD 1,982,088.26	15 October 1998	18 July 2027	Not completed

The Company as the guarantor:

Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
NingHu Factoring Company	RMB173,000,000.00	8 June 2020	6 September 2024	Not completed
NingHu Factoring Company	RMB120,000,000.00	11 December 2020	10 December 2023	Not completed

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	Balance at 31 December 2020	Remarks
Borrowed from (repaid to)					
Ningchang Zhenli Company	(18,000,000.00)	26 April 2019	25 April 2020	–	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(62,000,000.00)	26 April 2019	25 April 2020	–	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(75,000,000.00)	28 May 2019	27 May 2020	–	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(70,000,000.00)	26 June 2019	25 June 2020	–	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(220,000,000.00)	16 July 2019	15 July 2020	–	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(120,000,000.00)	30 July 2019	29 July 2020	–	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(50,000,000.00)	29 August 2019	28 August 2020	–	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(80,000,000.00)	27 September 2019	26 September 2020	–	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(65,000,000.00)	29 October 2019	28 October 2020	–	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(70,000,000.00)	26 December 2019	25 December 2020	–	Entrusted loan with annual interest rate of 3.50%
Group Finance Company*	(300,000,000.00)	23 July 2019	22 July 2020	–	Entrusted loan with annual interest rate of 3.92%
Yichang Company	(80,000,000.00)	16 July 2019	15 July 2020	–	Entrusted loan with annual interest rate of 4.35%
Yichang Company	(150,000,000.00)	16 July 2019	15 July 2020	–	Entrusted loan with annual interest rate of 4.35%
Yichang Company	(20,000,000.00)	16 July 2019	15 July 2020	–	Entrusted loan with annual interest rate of 4.35%
Communications Holding*	500,000,000.00	29 May 2020	29 May 2035	500,000,000.00	Entrusted loan with annual interest rate of 3.45%
Lend to (collect from):					
Zhendan Company	(11,000,000.00)	18 March 2019	18 March 2020	–	Entrusted loan with annual interest rate of 4.35%
Zhendan Company	21,000,000.00	20 March 2020	20 March 2021	21,000,000.00	Entrusted loan with annual interest rate of 4.35%
Zhendan Company	40,000,000.00	22 December 2020	22 December 2021	40,000,000.00	Entrusted loan with annual interest rate of 4.35%
Zhendan Company	(200,000,000.00)	12 October 2019	3 April 2020	–	Transfer from ultra-short-term financing bonds with annual interest rate of 2.59%
Zhendan Company	(160,000,000.00)	19 December 2019	15 January 2020	–	Transfer from ultra-short-term financing bonds with annual interest rate of 2.20%
Zhendan Company	160,000,000.00	14 January 2020	16 April 2020	–	Transfer from ultra-short-term financing bonds with annual interest rate of 2.29%
Zhendan Company	(160,000,000.00)	14 January 2020	16 April 2020	–	Transfer from ultra-short-term financing bonds with annual interest rate of 2.29%
Zhendan Company	200,000,000.00	2 April 2020	16 October 2020	–	Transfer from ultra-short-term financing bonds with annual interest rate of 2.20%
Zhendan Company	(200,000,000.00)	2 April 2020	16 October 2020	–	Transfer from ultra-short-term financing bonds with annual interest rate of 2.20%
Zhendan Company	160,000,000.00	15 April 2020	23 October 2020	–	Transfer from ultra-short-term financing bonds with annual interest rate of 1.75%
Zhendan Company	(160,000,000.00)	15 April 2020	23 October 2020	–	Transfer from ultra-short-term financing bonds with annual interest rate of 1.75%
Zhendan Company	730,000,000.00	14 August 2020	29 January 2021	730,000,000.00	Transfer from ultra-short-term financing bonds with annual interest rate of 1.90%
Zhendan Company	360,000,000.00	29 October 2020	26 March 2021	360,000,000.00	Transfer from ultra-short-term financing bonds with annual interest rate of 2.10%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 current year:

Unit: RMB

Related party	Amount of borrowing/loan (Note)	Inception date	Maturity date	Balance at 31 December 2020	Remarks
Ninghu Properties	(50,000,000.00)	20 October 2016	20 October 2021	450,000,000.00	Entrusted loan with annual interest rate of 4.75%
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	8 November 2021	150,000,000.00	Entrusted loan with annual interest rate of 4.75%
Hanwei Company	(75,000,000.00)	20 March 2018	20 March 2021	261,000,000.00	Entrusted loan with annual interest rate of 4.75%
Hanwei Company	100,000,000.00	19 January 2020	19 January 2021	-	Entrusted loan with annual interest rate of 4.35%
Hanwei Company	(100,000,000.00)	19 January 2020	19 January 2021	-	Entrusted loan with annual interest rate of 4.35%
Hanwei Company	80,000,000.00	21 August 2020	21 August 2021	80,000,000.00	Entrusted loan with annual interest rate of 4.35%
Hanwei Company	45,000,000.00	21 September 2020	21 September 2021	45,000,000.00	Entrusted loan with annual interest rate of 4.35%
Hanwei Company	40,000,000.00	13 November 2020	13 November 2021	40,000,000.00	Entrusted loan with annual interest rate of 4.35%
Guangjing Xicheng	300,000,000.00	3 March 2020	16 October 2020	-	Transfer from ultra-short-term financing bonds with annual interest rate of 2.10%
Guangjing Xicheng	(300,000,000.00)	3 March 2020	16 October 2020	-	Transfer from ultra-short-term financing bonds with annual interest rate of 2.10%
Guangjing Xicheng	50,000,000.00	2 April 2020	16 October 2020	-	Transfer from ultra-short-term financing bonds with annual interest rate of 2.20%
Guangjing Xicheng	(50,000,000.00)	2 April 2020	16 October 2020	-	Transfer from ultra-short-term financing bonds with annual interest rate of 2.20%
Guangjing Xicheng	150,000,000.00	27 May 2020	16 October 2020	-	Transfer from ultra-short-term financing bonds with annual interest rate of 1.65%
Guangjing Xicheng	(150,000,000.00)	27 May 2020	16 October 2020	-	Transfer from ultra-short-term financing bonds with annual interest rate of 1.65%
Guangjing Xicheng	500,000,000.00	28 October 2020	23 April 2021	500,000,000.00	Transfer from ultra-short-term financing bonds with annual interest rate of 1.80%
Guangjing Xicheng	(600,000,000.00)	4 December 2015	4 December 2020	-	Mid-term notes with annual interest rate of 3.69%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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	Balance at 31 December 2019	Remarks
Borrowed from (repaid to)					
Ningchang Zhenli Company	(90,000,000.00)	28 September 2018	27 September 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(80,000,000.00)	26 October 2018	25 October 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(70,000,000.00)	26 November 2018	25 November 2019	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	50,000,000.00	29 January 2019	28 January 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(50,000,000.00)	29 January 2019	28 January 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	60,000,000.00	21 February 2019	20 February 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(60,000,000.00)	21 February 2019	20 February 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	90,000,000.00	27 March 2019	26 March 2020	-	Entrusted loan with annual interest rate of 3.50%
Ningchang Zhenli Company	(90,000,000.00)	27 March 2019	26 March 2020	-	Entrusted loan with annual interest rate of 3.50%
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%
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%
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%
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%
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%
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%
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%
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%
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%
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%
Guangjing Xicheng	-	3 December 2015	4 December 2020	600,000,000.00	Entrusted loan with annual interest rate of 4.75%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 *	6,648,799.00	4,473,957.21

- (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 2020 Gross carrying amount	31 December 2019 Gross carrying amount
Bank deposits	Group Finance Company*	1,975,362.73	22,534,164.13
Accounts receivable (Note)	Suzhou Expressway Management	3,150,003.68	3,714,855.00
	Guangjing Xicheng Company	263,133.74	632,548.37
	Jiangsu Petroleum Company	1,035,308.37	-
	Ningchang Zhenli Company	-	105,945.00
	Yangtze Bridge Company*	110,632.68	264,164.00
	Yanjiang Company	179,810.63	379,781.00
	Ninghu Investment	1,487.51	1,127.07
	Luode Fund Company	334.02	1,366.41
	Zhendan Company	40,631,669.03	16,736,781.44
	Xiandai R&B Company *	-	106,496.20
	Engineering Testing Company*	27,692.92	5,960.00
	Sub-total	45,400,072.58	21,949,024.49
Prepayments	Information Company *	2,250,000.00	3,250,000.00
Other current assets	Zhendan Company	1,157,721,834.87	372,313,524.83
	Guangjing Xicheng Company	501,602,739.73	-
	Ninghu Properties	901,306,250.01	-
	Hanwei Company	461,276,687.48	-
	Sub-total	3,021,907,512.09	372,313,524.83
Other non-current assets	Ninghu Properties	-	951,378,819.45
	Guangjing Xicheng Company	-	600,124,083.58
	Hanwei Company	-	364,905,333.33
	Sub-total	-	1,916,408,236.36
Dividends receivable	Kuailu Company	4,989,960.00	4,989,960.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

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 from related parties (Continued)

Note: As at 31 December 2020, 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 RMB144,459,712.06 (31 December 2019: RMB76,331,798.13). 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.

Amounts due to related parties

Unit: RMB

Account	Related party	31 December 2020	31 December 2019
Accounts payable (<i>Note</i>)	Xiandai R&B Company *	246,421,987.94	209,568,989.70
	Information Company*	11,172,230.44	4,859,421.87
	Suzhou Expressway Management	66,058.87	300,523.00
	Guangjing Xicheng Company	26,609.72	316,796.00
	Yanjiang Company	146,819.37	337,322.00
	Ningchang Zhenli	-	255,432.00
	Yangtze Bridge Company*	107,238.65	298,565.00
	Tongxingbao Company*	2,569,081.08	2,172,435.92
	Kuailu Company	871,850.00	445,937.50
	Network Operation Company*	1,881,408.00	2,513,455.00
	Zhendan Company	18,562.61	50,604.00
Micro Video Company*	6,314,373.07	660,194.51	
	Sub-total	269,596,219.75	221,779,676.50
Contract liabilities	Kuailu Company	458,689.67	458,689.67
	Xiandai R&B Company *	80,000.00	80,000.00
	Sub-total	538,689.67	538,689.67
Other payables	Xiandai R&B Company *	4,240,337.64	1,415,714.54
	Luode Fund Company	10,000,000.00	10,000,000.00
	Zhendan Company	204,154.00	12,895.00
	Communications Holding*	543,493.14	-
	Sub-total	14,987,984.78	11,428,609.54
Short-term borrowings	Ningchang Zhenli Company	-	810,832,222.22
	Group Finance Company*	-	300,358,875.00
	Yichang Company	-	250,332,291.67
	Sub-total	-	1,361,523,388.89
Long-term borrowings	Communications Holding	500,000,000.00	-

Note: As at 31 December 2020, 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 RMB1,290,275.26 (31 December 2019: RMB18,272,618.00). 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.

SUPPLEMENTARY INFORMATION

1. BREAKDOWN OF NON-RECURRING PROFIT OR LOSS

Unit: RMB

Item	Amount
Gains on disposal of non-current assets	(220,298.98)
Government grants recognized in profit or loss for the current period	(70,492,849.28)
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	(127,576,123.66)
Other non-operating income or expenses other than the above	42,458,572.65
Tax effects	30,570,802.64
Effects attributable to minority interests	1,044,570.87
Total	(124,215,325.76)

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	8.82	0.4891	N/A
Net profit after deduction of non-recurring profits or losses	8.37	0.4645	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	2,464,213,675.74	4,199,704,371.82
Including: Net profit from continuing operations	2,464,213,675.74	4,199,704,371.82

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	0.4891	0.8336
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	0.4891	0.8336
Diluted earnings per share (Note)	N/A	N/A

Note: At 31 December 2020, 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	2020	2019	2018	2017	2016
I. Total operating income	8,032,466,746.34	10,078,181,218.81	9,969,011,165.19	9,455,680,364.52	9,201,297,065.63
Including: Operating income	8,032,466,746.34	10,078,181,218.81	9,969,011,165.19	9,455,680,364.52	9,201,297,065.63
Less: Total operating costs	5,478,998,906.92	5,430,731,983.67	5,517,447,676.45	5,102,289,248.76	5,268,407,934.91
Including: Operating costs	4,686,890,023.93	4,576,009,544.69	4,574,394,775.24	4,334,469,882.41	4,363,720,292.21
Taxes and levies	125,864,731.35	126,990,737.26	168,977,540.49	87,587,512.45	193,471,914.58
Selling expenses	24,698,386.89	35,971,797.28	37,740,440.75	11,891,702.66	26,762,162.81
Administrative expenses	197,226,409.99	227,595,890.11	211,774,235.71	187,898,190.23	182,065,268.91
Financial expenses	444,319,354.76	464,164,014.33	524,560,684.26	480,441,961.01	502,388,296.40
Add: Other income	33,219,560.42	7,257,958.52	1,974,865.99	1,828,187.63	-
Investment income (Losses are indicated by "-")	618,460,042.64	886,313,895.55	1,056,795,788.01	586,872,528.43	472,966,663.18
Including: Income from investments in associates	375,141,407.68	649,050,248.68	575,193,240.34	494,404,817.98	438,033,337.00
Gains from changes in fair values (Losses are indicated by "-")	33,547,488.70	71,295,344.11	158,299,349.44	5,659,093.70	(2,674,333.86)
Impairment losses of credit	(94,002.60)	(96,972.99)	(33,670.02)	-	-
Impairment losses of assets	-	-	-	(217,724,263.15)	(100,274.83)
Gains (losses) from disposal of assets	220,298.98	(70,252,066.32)	(7,661,280.27)	(5,659,248.33)	(3,570,995.87)
II. Operating profit	3,238,821,227.56	5,541,967,394.01	5,660,938,541.89	4,724,367,414.04	4,399,510,189.34
Add: Non-operating income	82,926,177.75	32,336,183.87	21,943,624.11	14,176,398.39	44,626,929.31
Less: Non-operating expenses	88,111,461.54	52,532,595.64	30,241,722.55	24,721,090.14	26,861,204.94
III. Total profit	3,233,635,943.77	5,521,770,982.24	5,652,640,443.45	4,713,822,722.29	4,417,275,913.71
Less: Income tax expenses	714,881,261.68	1,221,286,273.27	1,176,929,505.77	1,029,003,203.69	980,138,119.41
IV. Net profit	2,518,754,682.09	4,300,484,708.97	4,475,710,937.68	3,684,819,518.60	3,437,137,794.30
(I) Categorized by the nature of continuing operation					
1. Net profit from continuing operations	2,518,754,682.09	4,300,484,708.97	4,475,710,937.68	3,684,819,518.60	3,437,137,794.30
2. Net profit from discontinued operations	-	-	-	-	-
(II) Categorized by ownership:					
1. Profit or loss attributable to minority interests	54,541,006.35	100,780,337.15	99,107,012.95	96,957,661.29	91,073,926.81
2. Net profit attributable to owners of the Company	2,464,213,675.74	4,199,704,371.82	4,376,603,924.73	3,587,861,857.31	3,346,063,867.49

SUPPLEMENTARY INFORMATION

4. THE GROUP'S SUMMARY OF PERFORMANCE, ASSETS AND LIABILITIES IN THE PAST FIVE ACCOUNTING YEARS (CONTINUED)

Unit: RMB

Item	2020	2019	2018	2017	2016
V. Other comprehensive income, net of tax	(467,550,226.48)	453,657,154.34	550,433,417.58	(161,480,128.50)	420,906,148.50
Other comprehensive income attributable to owners of the Company, net of tax	(484,793,101.48)	453,920,404.34	456,918,743.98	(161,480,128.50)	420,906,148.50
(I) Other comprehensive income that cannot be reclassified to profit or loss	(484,793,101.48)	453,920,404.34	456,918,743.98	-	-
1. Other comprehensive income that cannot be reclassified to profit or loss under equity method	16,753,010.70	54,156,057.60	155,637,000.59	-	-
2. Changes in fair value of investments in other equity instruments	(501,546,112.18)	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
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
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	17,242,875.00	(263,250.00)	93,514,673.60	-	-
VI. Total comprehensive income:	2,051,204,455.61	4,754,141,863.31	5,026,144,355.26	3,523,339,390.10	3,858,043,942.80
Total comprehensive income attributable to owners of the Company	1,979,420,574.26	4,653,624,776.16	4,833,522,668.71	3,426,381,728.81	3,766,970,015.99
Total comprehensive income attributable to minority interests	71,783,881.35	100,517,087.15	192,621,686.55	96,957,661.29	91,073,926.81
VII. Earnings per share:					
(I) Basic earnings per share	0.4891	0.8336	0.8688	0.7122	0.6642
(II) Diluted earnings per share	N/A	N/A	N/A	N/A	N/A

Unit: RMB

Item	31 December 2020	31 December 2019	31 December 2018	31 December 2017	31 December 2016
Total assets	61,095,560,365.16	55,625,048,624.75	48,162,728,832.15	42,532,491,238.25	36,282,573,528.48
Total liabilities	28,046,290,724.15	22,942,211,489.26	18,808,871,890.93	16,637,560,626.40	13,340,716,539.71
Minority interests	4,839,308,542.18	4,135,853,528.34	3,216,659,209.60	2,374,646,648.97	732,100,804.70
Total equity attributable to shareholders of the parent company	28,209,961,098.83	28,546,983,607.15	26,137,197,731.62	23,520,283,962.88	22,209,756,184.07



Jiangsu Expressway Company Limited
(Hong Kong Stock Exchange Stock Code: 00177)