



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

2021 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, and jointly and severally accept responsibility in respect thereof.**
- II. **All directors of the Company attended the board of directors' meeting.**
- III. **KPMG Huazhen LLP has issued a standard unqualified audit report for the Company. The Company's annual financial report is prepared in accordance with the PRC Accounting Standards and is in compliance with the disclosure requirements of the Hong Kong Companies Ordinance and the Hong Kong Listing Rules.**
- IV. **Cheng Xiaoguang, 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), 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 resolved by the board of directors**

During the Reporting Period, the Company realized a net profit attributable to the shareholders of the Company of RMB4,178,794,000 and earnings per share of approximately RMB0.8295. The board of directors of the Company proposed to distribute cash dividends of RMB0.46 per share (tax inclusive) to 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 on 5 August 2022.

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 non-operational 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 III "Report of the Board" 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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Documents Available for Inspection	A copy of the annual report signed by the Chairman
	Financial statements signed and sealed by the legal representative, person in charge of the accounting body, and chief accountant
	Original of the audit report sealed by the accounting firm, and sealed and signed by a certified accountant
	Original copies of all documents and announcements of the Company published in the press designated by the CSRC during the Reporting Period
	Articles of Association
	Copies of annual reports released on other stock exchanges



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, Jiangsu Communications Holding	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)
China Merchants Expressway	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)
Factoring Company	Ninghu Commercial Factoring (Guangzhou) Co., Ltd. (寧滬商業保理(廣州)有限公司)
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 Company	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)
Yuexin Company	Jiangsu Yuexin Ninghu Gas Co., Ltd. (江蘇悅鑫寧滬天然氣有限公司)(previously known as Jiangsu Xiexin Ninghu Gas Co., Ltd.)
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	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	Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)
Media Company	Jiangsu Communications & Culture Media Company Limited (江蘇交通文化傳媒有限公司)
Sundian or Xiandai R&B Company	Jiangsu Sundian Road & Bridge Co., Ltd. (江蘇現代路橋有限責任公司)

DEFINITIONS

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)
Zijin Trust Company	Zijin Trust Co., Ltd. (紫金信託有限責任公司)
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)
Suxichang South Expressway Company	Jiangsu Suxichang South Expressway Co., Ltd. (江蘇蘇錫常南部高速公路有限公司)
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	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 Human Resources Company	Jiangsu Communications Holding Human Resources Development Co., Ltd. (江蘇交控人力資源發展有限公司) (previously known as Jiangsu Communications Holding Training Co., Ltd.)
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 Company	Jiangsu Communications Holding Commercial Operation Management Co., Ltd. (江蘇交控商業運營管理有限公司)
Xitai Company	Jiangsu Xitai Tunnel Company Limited (江蘇錫泰隧道有限責任公司)
Cuipingshan Hotel	Jiangsu Cuipingshan Hotel Management Co., Ltd. (江蘇翠屏山賓館管理有限公司)
Luode Fund Company	Jiangsu Luode Equity Investment Fund Management Co., Ltd. (江蘇洛德股權投資基金管理有限公司)
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))

DEFINITIONS

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))
Ninghang Company	Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司)
Ninghang Cultural Tourism Company	Jiangsu Ninghang Cultural Tourism Development Co., Ltd. (江蘇寧杭文化旅游發展有限公司)
Husuzhe Company	Jiangsu Husuzhe Expressway Co., Ltd. (江蘇滬蘇浙高速公路有限公司)
Huatong Engineering 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))
PPP	Public – Private – Partnership, which is a mode of cooperation between the government and social capital in accordance with laws
Shanghai-Nanjing Expressway	Jiangsu Section of Shanghai-Nanjing Expressway
Guangjing Expressway	Northern connection of Guangling-Jingjiang Section, Jiangyin Yangtze Bridge
Xicheng Expressway	Southern connection of Jiangyin-Wuxi Section, Jiangyin Yangtze Bridge
Jiangyin Bridge	Jiangyin Yangtze Bridge
Sujiahang Expressway	Jiangsu Section of Suzhou-Jiaxing Expressway and Suzhou-Hangzhou Expressway
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
Zhenli Expressway	Dantu Hub-Liyang Qianma Hub Expressway
Xiyi Expressway	Wuxi North Hub-Yixing Xiwu Hub Expressway
Wuxi Huantaihu Expressway	Wuxi Shuofang Hub-Wuxi Nanquan Interchange Expressway
Sujiayong Expressway	Suzhou-Jiaxing-Ningbo Expressway
Wufengshan Toll Bridge	Wufengshan Toll Bridge and North-South Connection Project
Changyi Expressway	Changzhou-Yixing Expressway
Yichang Expressway	Jiangsu Section of Yixing-Changxing Expressway
Suxichang Expressway	Changzhou Qianhuang Hub – Wuxi Nanquan Hub

DEFINITIONS

IC Company	IC İÇTAŞ İnşaat Sanayi ve Ticaret A.Ş., a joint stock company duly organized and validly existing under the laws of Turkey
Consortium	a consortium as a special purpose vehicle in Hong Kong jointly established by China Merchants Expressway, CMU, Zhejiang Expressway, the Company, Sichuan Expressway and Anhui Expressway through their respective wholly-owned subsidiaries in Hong Kong
CMU	China Merchants Union (BVI) Limited
Zhejiang Expressway	Zhejiang Expressway Co., Ltd.
Sichuan Expressway	Sichuan Expressway Co., Ltd.
Anhui Expressway	Anhui Expressway Co., Ltd.
Reporting Period	the one-year period from 1 January 2021 to 31 December 2021
Year-on-year	as compared with the same period of 2020
CSRC	China Securities Regulatory Commission
SFC	Securities and Futures Commission of Hong Kong
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
A Share(s)	RMB-denominated ordinary shares(s) issued by the Company and listed on the SSE
H Share(s)	overseas-listed foreign shares(s) 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 in 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
Model Code	Model Code for Securities Transactions by Directors of Listed Issuers under Appendix 10 to the Hong Kong Listing Rules
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
KPMG or Auditors	KPMG Huazhen LLP
Deloitte	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

Cheng Xiaoguang
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
Abbreviation of Chinese Name	寧滬高速
Name of the Company in English	Jiangsu Expressway Company Limited
Abbreviation of English Name	Jiangsu Expressway
Legal Representative of the Company	Cheng Xiao Guang

II. CONTACT PERSONS AND CONTACT METHODS

	Secretary to the board of directors	Representative of security affairs
Name	Yao Yong Jia	Tu Jun
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
E-mail	jsnh@jsexpwy.com	tujun@jsexpwy.com

III. BASIC INFORMATION

Registered Address	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
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
E-mail	jsnh@jsexpwy.com

IV. PLACES FOR DISCLOSURE AND INSPECTION OF INFORMATION

Media name and website for Annual Report Disclosure	China Securities Journal, Securities Times and Shanghai Securities News
Websites of the Stock Exchange for Annual Report Disclosure	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 Expressway	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	KPMG Huazhen LLP 8/F, Tower E2, Oriental Plaza, 1 East Chang'an Avenue, Dongcheng District, Beijing
	Signing accountants	Public Interest Entity Auditor recognised in accordance with the Financial Reporting Council Ordinance Huang Wenhui, Zhou Xuchun

VII · KEY ACCOUNTING DATA AND FINANCIAL INDICATORS FOR LAST FIVE YEARS

(I) Key accounting data

Unit: Yuan Currency: RMB

Key accounting data	2021	2020	Increase/decrease in the Reporting Period as compared to the corresponding period of the prior year (%)	2019	2018	2017
	End of 2021	End of 2020	Increase/decrease as compared with the end of the previous year (%)	End of 2019	End of 2018	End of 2017
Operating revenue	13,792,587,242.50	8,032,466,746.34	71.71	10,078,181,218.81	9,969,011,165.19	9,455,680,365
Net profit attributable to shareholders of the Company	4,178,794,496.71	2,464,213,675.74	69.58	4,199,704,371.82	4,376,603,924.73	3,587,861,857
Net profit attributable to shareholders of the Company, net of non-recurring profit and loss	3,678,823,218.12	2,339,998,349.98	57.21	4,186,308,062.59	3,853,866,528.73	3,565,591,487
Net cash flow from operating activities	5,467,265,535.69	3,137,401,530.39	74.26	5,763,283,624.15	5,715,489,506.54	5,232,104,978
Net assets attributable to shareholders of the Company	30,230,283,751.28	28,209,961,098.83	7.16	28,546,983,607.15	26,137,197,731.62	23,520,283,963
Total liabilities	32,302,127,737.00	28,046,290,724.15	15.17	22,942,211,489.26	18,808,871,890.93	16,637,560,626
Total assets	67,662,020,722.45	61,095,560,365.16	10.75	55,625,048,624.75	48,162,728,832.15	42,532,491,238

(II) Principal financial indicators

Unit: Yuan Currency: RMB

Principal Financial Indicators	2021	2020	Increase/decrease in the Reporting Period as compared to the corresponding period of the previous year (%)	2019	2018	2017
	Basic earnings per share (RMB/share)	0.8295	0.4891	69.60	0.8336	0.8688
Diluted earnings per share (RMB/share)	0.8295	0.4891	69.60	0.8336	0.8688	0.7122
Basic earnings per share, net of non-recurring profit or loss (RMB/share)	0.7303	0.4645	57.22	0.8310	0.7650	0.7078
Weighted average return on net assets (%)	14.37	8.82	Increased by 5.55 percentage points	15.89	17.71	16.06
Weighted average return on net assets, net of non-recurring profit or loss (%)	12.76	8.37	Increased by 4.39 percentage points	15.84	16.14	15.96

COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

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

1. Reasons for the significant year-on-year increase in operating revenue: Under the impact of the pandemic and the policy on toll-free travel in the same period of the prior year, there was a significant decrease in the Company's toll revenue; during the Reporting Period, benefiting from the strong recovery of the operation of toll roads and bridges business, the toll revenue increased significantly; the delivery scale of the real estate projects of the subsidiaries was larger than that of the same period of the prior year, and the sales revenue carried forward increased accordingly; during the Reporting Period, the Company implemented the Accounting Standards for Enterprises No.14, and recognized construction revenue for PPP project contracts that meet the corresponding conditions according to gross profit, and did not adjust the information for the comparable period.
2. The significant year-on-year increase in net profit attributable to the shareholders of the Company, net profit attributable to the shareholders of the Company net of non-recurring profit or loss, basic earnings per share and basic earnings per share net of non-recurring profit or loss was mainly due to: year-over-year increase in operating revenue; increase in fair value of other non-current financial assets held by subsidiaries of the Company, resulting in a year-on-year increase in gain on changes in fair value; and year-over-year increase in investment income from higher operating results of associates, increase in dividends from investments in other equity instruments and other non-current financial assets.
3. The significant year-on-year increase in net cash flow from operating activities was mainly attributable to: the strong recovery of toll revenue as compared with the corresponding period of the prior year, and the completion and commencement of operation of Changyi Expressway, Yichang Expressway and Wufengshan Toll Bridge.

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

IX. PRINCIPAL FINANCIAL DATA FOR 2021 BY QUARTERS

Unit: Yuan Currency: RMB

	Q1 (January – March)	Q2 (April – June)	Q3 (July – September)	Q4 (October – December)
Operating revenue	2,392,460,566.03	2,669,304,145.97	2,597,636,052.81	3,184,357,143.27
Net profit attributable to shareholders of the Company	1,144,186,487.95	1,535,142,754.96	1,108,976,313.17	390,488,940.63
Net profit attributable to the shareholders of the Company, net of non-recurring profit or loss	1,133,760,046.59	1,256,141,700.11	1,042,538,210.92	246,383,260.50
Net cash flow from operating activities	1,037,934,638.41	1,561,654,700.52	1,546,869,666.41	1,320,806,530.35

Note: Operating revenue for the Reporting Period does not include the revenue from construction services recognized by the Company as a result of the implementation of Accounting Standards for Enterprises No.14.

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

Applicable N/A

COMPANY INFORMATION AND PRINCIPAL FINANCIAL INDICATORS

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 2021	Note (if applicable)	Amount of 2020	Amount of 2019
Gain or loss from disposal of non-current assets	7,868,251.48		220,298.98	-70,252,066.32
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	30,018,403.84	Mainly the recognition of the compensation and deductible portion of value-added tax for construction of Ningchang Expressway and compensation concerning the construction of transformation project of expressway provincial toll stations during the Reporting Period.	70,492,849.28	7,264,195.27
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
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	620,818,161.05	Mainly the recognition of gain from changes in fair value of other non-current financial assets held by subsidiaries of approximately RMB489,879,000 and dividends of approximately RMB106,091,000 during the Reporting Period.	127,576,123.66	102,581,022.36
Other non-operating income and expenses other than the aforesaid items	-15,901,579.91		-42,458,572.65	-38,402,863.75
Less: Effectx of income tax	134,177,990.28		30,570,802.64	4,847,625.70
Effects attributable to minority interests (after tax)	8,653,967.59		1,044,570.87	1,146,567.86
Total	499,971,278.59		124,215,325.76	13,396,309.23

Explanation on the recurring profit or loss items that are in conformity with the definition of "extraordinary profit or loss items" as set out in the Explanatory Announcement No. 1 of Information Disclosure by Public Issuers — Extraordinary Profit or Loss Items

Applicable N/A

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 Reporting Period	Effect on profit for the Reporting Period
Fund investments – Fuanda Advantageous Growth Fund	30,249,184.94	36,323,820.44	6,074,635.50	6,074,635.50
Gold investments	4,326,538.14	–	-4,326,538.14	-221,063.53
Wealth management products	1,499,000,000.00	2,610,193,360.00	1,111,193,360.00	23,845,990.01
Other non-current financial assets (CDB Kai Yuan Phase II)	1,223,030,476.20	1,753,107,019.89	530,076,543.69	490,769,928.55
Other non-current financial assets (Luode Dening)	31,952.81	–	-31,952.81	-31,952.81
Other non-current financial assets (Zhongbei Zhiyuan)	317,317,997.32	291,927,158.31	-25,390,839.01	1,834,160.99
Other non-current financial assets (Luode Huizhi)	498,812,172.82	498,449,674.06	-362,498.76	29,799,021.01
Other non-current financial assets (Jiangsu Leasing Company Convertible Bonds)	–	460,658,016.00	460,658,016.00	68,942,016.00
Other equity instruments (Bank of Jiangsu)	2,377,830,000.00	3,471,763,834.00	1,093,933,834.00	137,618,000.00
Other equity Instruments (Jiangsu Leasing Company)	1,253,070,000.00	1,191,060,000.00	-62,010,000.00	70,200,000.00
Other equity instruments (Fuanda Asset Management Scheme)	1,840,125,963.66	1,142,763,244.89	-697,362,718.77	106,000,000.00
New shares	242,800.32	1,496.00	-241,304.32	1,038,925.32
Total	9,044,037,086.21	11,456,247,623.59	2,412,210,537.38	935,869,661.04

XII. OTHERS

Applicable N/A

REPORT OF THE BOARD

I. DISCUSSION AND ANALYSIS OF THE OPERATIONS

I) Basic information about the Company

The Company was incorporated in Jiangsu Province, the PRC on 1 August 1992. It is principally engaged in the investment, construction, operation and management of toll roads and bridges in Jiangsu Province, and actively explores and ventures into the financial industry with transportation plus and industry promotion with finance, aiming to achieve sustainable development of the Group. As at 31 December 2021, the Group directly owned six wholly-owned subsidiaries, four subsidiaries and invested in 12 joint ventures, with total assets of approximately RMB67,662,000,000 and net assets of approximately RMB35,360,000,000.

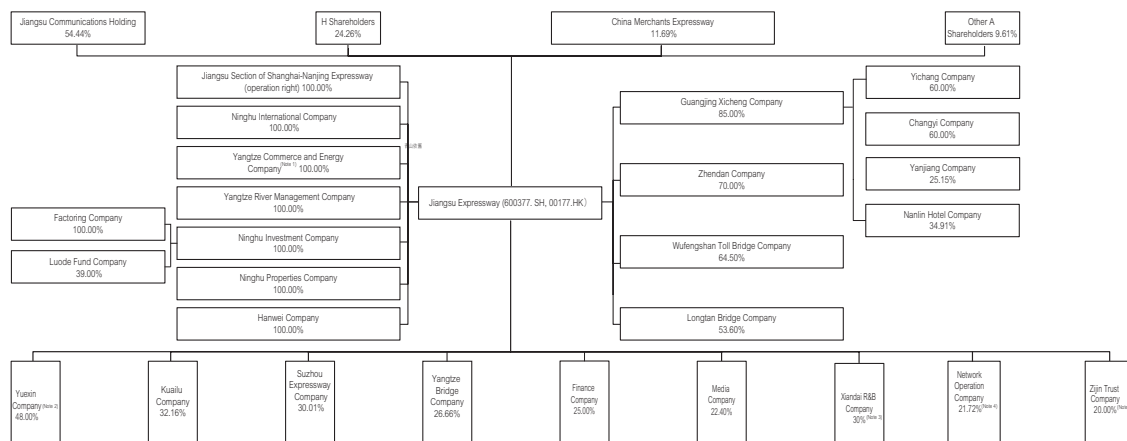
The Group's operating areas are located in the Yangtze River Delta, which is the most economically vibrant region in the PRC. The road and bridge projects owned or invested by the Group involve the roads and bridges serving as the major transport corridors linking roads stretching east-to-west and south-to-north 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. 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, Wufengshan Toll Bridge, Jiangyin Bridge and Sujiahang Expressway, etc. As at 31 December 2021, 17 road and bridge projects were directly operated and invested by the Group, and over 910 kilometers of the roads and bridges open to traffic were owned or invested by the Group.

The total share capital of the Company is 5,038,000,000 shares, of which 1,222,000,000 H Shares were issued and listed on the Stock Exchange on 27 June 1997, accounting for approximately 24.26% of the total share capital of the Company; 150,000,000 A shares were issued and listed on the SSE on 16 January 2001, accounting for approximately 2.98% of the total share capital of the Company; The Group established the Level I American Depositary Receipt (ADR) Program which became effective on 23 December 2002. The Company is the only listed road and bridge company in Jiangsu Province with Jiangsu Communications Holding as its controlling shareholder, which currently holds 54.44% of the shares of the Company.



REPORT OF THE BOARD

Major assets structure of the Company is as follows:



Note 1: In December 2020, as considered and approved at the twenty-sixth meeting of the ninth session of the board of directors of the Company, it was agreed that the Company contributed RMB100 million to establish a wholly-owned subsidiary, Yangtze Commerce and Energy Company. In February 2021, the Company completed the business registration of Yangtze Commerce and Energy Company, and obtained the Business License from the market supervision and administration department.

Note 2: Due to the change of shareholder name of Jiangsu Xiexin Ninghu Gas Co., Ltd., the name of “Jiangsu Xiexin Ninghu Gas Co., Ltd.” was changed to “Jiangsu Yuexin Ninghu Gas Co., Ltd.” in August 2021.

Note 3: The Company holds 15.00% equity interest in Xiandai R&B Company, Guangjing Xicheng Company, a subsidiary of the Company, holds 7.50% equity interest of Xiandai R&B Company, and Yangtze Bridge Company, an investee company, holds 7.50% equity interest of Xiandai R&B Company.

Note 4: The Company holds 7.24% equity interest of Network Operation Company, Guangjing Xicheng Company, a subsidiary of the Company, holds 7.24% equity interest of Network Operation Company, and Suzhou Expressway Company and Yangtze Bridge Company, investee companies, hold 3.62% and 3.62% equity interest of Network Operation Company, respectively.

Note 5: In August 2021, as considered and approved at the second meeting of the tenth session of the board of directors of the Company, the Company was approved to invest no more than RMB2 billion to participate in the capital increase and share expansion of Zijin Trust Company and obtain 20.00% equity interest of Zijin Trust Company upon the completion of the capital increase and share expansion; in October 2021, the Company completed the capital contribution of Zijin Trust Company and the change of business registration.

REPORT OF THE BOARD

(II) Discussion and analysis of the operations of the Company

2021 is the first year of the new development journey of the “14th Five-Year Plan”, constructing a new development pattern of “giving priority to domestic circulation and promoting positive interplay between domestic circulation and international circulation”. Facing the new development environment and situation, the Company took the initiative to adapt to the new normal, focused on the development of the main business, and improved quality and efficiency; explored transportation plus with stability and improvement; the Company promoted financial investment, strengthened production with financing, and achieved steady and strong pace of high-quality development, with all operating indicators significantly improved.

As at the end of 2021, the Company’s total assets amounted to RMB67.662 billion (2020: RMB61.096 billion), and net assets attributable to shareholders of the listed companies Company amounted to RMB30.23 billion (2020: RMB28.21 billion). During the Reporting Period, the Company achieved operating income of RMB13.793 billion (2020: RMB8.032 billion), representing a year-on-year increase of 71.71%, realizing a total profit of RMB5.42 billion (2020: RMB3.234 billion), representing a year-on-year increase of 67.60%, and net profit attributable to shareholders of the Company amounted to RMB4.179 billion (2020: RMB2.464 billion), representing a year-on-year increase of 69.58%, and earnings per share reached RMB0.8295 (2020: RMB0.4891); net operating cash flow amounted to RMB5.467 billion (2020: RMB3.137 billion) and weighted average return on net assets was 14.37% (2020: 8.82%; weighted average return on net assets = net profit for the year ÷ [(opening balance of net assets + closing balance of net assets) ÷ 2]).

1. Road and Bridge Operations

Superior location. The Group’s operating region is located in the Yangtze River Delta, which is the largest city cluster in China. The Yangtze River Delta region is one of the most economically vibrant region with the highest degree of openness and the strongest innovation capability in China, and its total economic volume accounts for approximately one-fourth of the country. The unique vitality of the region drives the sustainable development of the economy of the region, creating a stable and superior external environment for the Group’s business development.

Core road network layout. **Firstly**, all the road and bridge projects owned or invested by the Group are the key sections of the “fifteen-ray, six-vertical and ten-horizontal” expressway network in Jiangsu Province, which are also the main lines in the expressway network in the Yangtze River Delta region, and an important part of the national expressway network. 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. **Secondly**, the potential of the newly opened road and bridge projects is yet to be released. In 2021, Yichang Expressway and Wufengshan Toll Bridge were successfully put into operation. It is expected that with the stabilization of the pandemic situation and the completion of the expansion of Jinghu Expressway in the future, the newly opened roads and bridges will gradually contribute more profits and further enhance the Group’s core position in the road network of southern Jiangsu. **Thirdly**, projects under construction were in vigorous progress. During the Reporting Period, investment of RMB668,000,000 has been completed for the construction of Longtan Bridge Project, with a total investment of RMB2.006 billion, accounting for 32.08% of the total investment of the project, and it is expected to be completed and open for traffic in 2024. The completion of Longtan Bridge will achieve a new breakthrough in the development of Yongjiang in Jiangsu, and the continuous expansion of the road network of the Group will further enhance the major strategic capabilities in expressway network service areas.

Leading management level. **Firstly**, traffic efficiency on roads continued to improve. The Company successfully implemented the intensive maintenance across provinces and long-distance with large traffic flow for the first time, and adopted two modes of transportation organization, namely “half-scale and full closure combined with one-way and full closure without driving”, to minimize the adverse impact of road construction; the Company accurately implemented the high-flow classification management and control plan, and launched the ramp intelligent management and control system and the high-flow lane management and control system. The traffic efficiency during peak traffic hours increased by 9.13% and the traffic speed increased by 26.31%. The “Quasi-Free Flow” toll system was constructed in Wufengshan River Crossing Channel, creating a precedent for the “Quasi-Free Flow” of the entire expressway section in China. The transaction success rate was approximately 100%, and the traffic efficiency on road increased by more than 3 times; the Company took the lead in carrying out the hardening transformation of the median strips, and significantly reduced maintenance and repair costs and time of road occupation for operations by adopting “tree-pool”, “L-shaped anti-glare board” and “ground plug-in anti-glare board” and other methods. **Secondly**, road quality continued to upgrade. The Group firmly established the concept of full life cycle, carried out special research on maintenance management, explored the measures for large-flow expressway pavement maintenance and extension, and made scientific planning to keep Shanghai-Nanjing Expressway in good condition with long road age and large traffic volume. “25 Years of Comprehensive Technology Research and Development and Tracking Demonstration of Efficient Maintenance of Asphalt Pavement on Shanghai-Nanjing Expressway” was awarded the first prize of China Highway and Transportation Society

in 2021, the Company actively explored new measures for mechanized maintenance, adopted the “intelligent unmanned group” for the first time, implemented the first highway maintenance project that has been opened and put into operation nationwide without manual pressure, and achieved significant improvement in indicators such as water infiltration rate and compaction rate, which effectively improved the maintenance quality and efficiency, marking the official entry of “maintenance of Su style” into the stage of “intelligent maintenance”; the Company carried out traffic safety hazard assessment for high-risk sections of road, upgraded traffic safety facilities, and effectively improved traffic safety on the road. **Thirdly**, the Company maintained its leading position in the industry in terms of road management and maintenance. The intelligence level of expressway is at the forefront, and the “14th Five-Year Plan” of developing expressways in Jiangsu Province clearly proposed to comprehensively promote the intelligent transformation of Shanghai-Nanjing Expressway and the experience of the future intelligent expressway in Wufengshan; the Company set up a science and technology innovation fund, actively explored the independent innovation mechanism and the integration of construction, learning and research, continuously strengthened the transformation of scientific research achievements, and drove high-quality development with innovation; fully deployed the “cloud check-in” system to further optimize cost control and save nearly 50% of labor costs; explored the application of smart tools, developed BIM + GIS integrated management and maintenance platform, tracked the work status of bridges and tunnels in real time in a visualized form, and achieved multi-level management combining macro and refined management across the entire line; the Company cooperated with Gaode Map to jointly launch the Gaode IOT early warning system, realizing the senseless alert of information on road closure in various scenarios such as road occupation for construction, lane control and accident disposal of super-large in ultra-large traffic flow sections, and we served tens of millions of drivers and passengers in the past, and effectively improved the perception rate of road conditions and road traffic capacity of travelers.

2. Ancillary business

Through the transformation and development of the “double promotion” of service areas, the Group created a new image of service areas with distinctive theme features and improved service functions, building the “Ninghu Brand” and forming the “Jiangsu Effect” across the nation.

Took various measures to build the “three delicacies” service areas. **Firstly**, the Company established a wholly-owned subsidiary, Yangtze Commerce and Energy Company, to improve the professional operation level of service areas, and professional and specialized management of service areas. Several service areas such as Yangcheng Lake Service Area and Meicun Service Area were rated as national excellent service areas; **secondly**, the first self-operated service area in Guangling Service Area in Yangzhou was put into operation, which further enhanced the contribution ability of ancillary business segment to the main business; **thirdly**, the Company promoted the upgrading and transformation of Taihu Bay Service Area and Ge Lake Service Area in an orderly manner, strived to build the “refined, elegant and exquisite” service areas, continuously improved service quality and boosted the brand effect.

Upgraded and built a “smart” service area. **Firstly**, the experience of contactless fuel payment was good. Based on the characteristics of public services in the service areas, the Group took the lead in piloting ETC fueling and contactless payment in service areas. Drivers could complete payment sitting in their car without queuing, card swiping, and code scanning for payment, and drivers could quickly complete the refueling for their cars with contactless payment which further improved customer experience; **secondly**, the Company launched the “Yiyuntong” smart service cloud platform to realize intelligent daily management, modularized collection and online fund management, providing support for the visualized supervision of the operation condition of service areas.

Targeted efforts were made to build “green” service areas. Based on the new development stage, the Group actively responded to the requirements of green transportation construction and promoted the green development of service areas. **Firstly**, the Company comprehensively adopted electronic invoices to simplify the invoicing process in order to reduce carbon emissions; **secondly**, the Company has installed oil and gas recovery and testing systems to connect with provincial regulatory platforms to help prevent and control air pollution; **thirdly**, Meicun Service Area has passed the inspection and acceptance, becoming the first batch of water-saving expressway service area of the expressway system in Jiangsu Province.

3. Financial investments

In order to diversify operational risks and maintain the development trend of high profit returns, the Group continued to focus on opportunities for investment in quality financial targets and prudently carried out strategic allocation. During the Reporting Period, the Company contributed RMB1.99 billion to participate in the capital increase and share expansion of Zijin Trust Company, which was another major type of financial equity investment of the Group after its investment in Jiangsu Leasing Company, Bank of Jiangsu, Finance Company and Factoring Company, which had strategic significance for the Company to optimize industrial structure and create new revenue growth points.

REPORT OF THE BOARD

II. INDUSTRY OF THE COMPANY DURING THE REPORTING PERIOD

(I) BASIC INFORMATION OF THE ROAD TRANSPORTATION INDUSTRY

In view of the background of macro-economy, China's GDP in 2021 was RMB114.37 trillion, representing an increase of 8.1% over the previous year, and the increase of residents' income was basically in line with the growth of economy, which signified that the economic recovery has achieved remarkable results, demonstrating the strong resilience and vitality of China's economic development. The highway transportation industry in which the Group has been operating is highly coupling with the macro-economic environment. The long-term trend of stable economic development in China will create good conditions for the high-quality development of the highway transportation industry.

In view of the changes in transportation demand, currently, the main sales areas of various industries in Jiangsu are located in the Yangtze River Delta region, where highway transportation plays a leading role. With the acceleration of transformation and upgrading of industries in Jiangsu, the characteristics of "high value, small batch, and timeliness" of freight transportation have become more prominent, and the demand for "door-to-door" and professional services continued to grow. The advantages of short-distance, fast and direct road transportation in facilitating the economic cycle and stabilizing and optimizing the supply chain will continue to maintain.

In view of the changes in competitive landscape, highway is the most basic and most extensive transportation method in the comprehensive transportation system. Compared with other transportation methods, such as railway, aviation, highway is featured with direct access and flexibility, which is irreplaceable in short-distance transportation. In recent years, the turnover of freight transportation on road has maintained positive growth. Based on the actual situation of the Company, the newly completed Ninghu Intercity Railway and Jinghu High-speed Railway did not show obvious diversion impact on core road assets and there were no new road assets resulting in diversion. Therefore, the Company's road assets are in a relatively stable competition environment.

(II) Position of the Company in the industry

In terms of location, the Company is the only listed road and bridge company in Jiangsu Province, focusing on the continuous integration of high-quality road and bridge projects in the road network of southern Jiangsu. As at the end of the Reporting Period, the Group directly operated and invested in 17 road and bridge projects, and owned or invested in more than 910 km mileage of new road and bridge. The roads operated by the Group occupied a dominant position in the expressway network of southern Jiangsu. As the "ballast stone" of the eastern coastal and national economic development, GDP in Jiangsu amounted to RMB11.6 trillion in 2021, representing an increase of 8.6% over the previous year, ranking second in China. The region is experiencing high level of economic activities, with continuous growth in car ownership, which provides strong support for the long-term development of the Company's business.

In terms of the market image, as an "A + H Shares" listed company, the Company has always followed regulatory requirements, actively fulfilled its responsibilities as a listed company, and the market image is positive. The Shanghai Stock Exchange rated the Company as the highest level A in the latest two years in terms of the information disclosure evaluation results. The Company was awarded the "Best Board of Directors" at the 12th China Listed Company Investor Relations Tianma Award Forum and the "2021 Golden Quality ESG Award for Listed Company".

In terms of operating results, the Company's performance indicators ranked top among listed companies in the same industry. In addition, the Company has always maintained a high dividends payout ratio since its listing. The high cash dividend demonstrates the Company's responsibility as a listed company to ensure long-term stable returns for shareholders.

REPORT OF THE BOARD

For the third quarter of 2021/As at the end of the third quarter of 2021, the scale of total assets, revenue, profit and ROE of major road and bridge companies in the industry were as follows:

Code	Abbreviation	Total assets (RMB)	Net assets (RMB)	Operating income (RMB)	Net profit (RMB)	ROE (%)
600377	Jiangsu Expressway	67,510,000,000	34,940,000,000	7,659,000,000	3,791,000,000	12.87
001965	China Merchants Expressway	96,710,000,000	62,500,000,000	5,995,000,000	4,507,000,000	7.56
600350	Shandong Expressway	101,900,000,000	37,680,000,000	10,010,000,000	2,356,000,000	6.79
600548	Shenzhen Expressway	57,930,000,000	27,180,000,000	6,626,000,000	2,027,000,000	9.15
000429	Guangdong Expressway A	19,020,000,000	11,050,000,000	3,974,000,000	1,958,000,000	16.20
600012	Anhui Expressway	17,630,000,000	12,540,000,000	2,581,000,000	1,123,000,000	9.34
601107	Sichuan Expressway	41,380,000,000	17,280,000,000	6,312,000,000	1,013,000,000	5.89
00576	Zhejiang Expressway	174,310,000,000	43,240,000,000	12,196,000,000	5,117,000,000	15.83

(III) Policies relating to road transportation industry

The Regulations for the Administration of Toll Highways (《收費公路管理條例》), which came into effect on 1 November 2004, has been organised for amendment since 2013 and has been open for public consultation twice in 2013 and 2015. On 20 December 2018, the Ministry of Transport issued the draft amendments on the Regulations for the Administration of Toll Highways, which is generally beneficial to the long-term development of expressway enterprises. Currently, the time of official promulgation of the Regulations for the Administration of Toll Highways has not yet been determined.

In May 2019, the General Office of the State Council issued the "Implementation Plan for Deepening the Reform of Toll Highway System and Cancelling Toll Stations at Provincial Boundaries" (《深化收費公路制度改革取消高速公路省界收費站實施方案》), requiring the acceleration of the construction and improvement of the toll road system, the removal and standardization of local toll reduction policies, and the issuance and optimization of specific implementation opinions on toll reduction policies such as toll-free passage for small passenger vehicles during major holidays and "green channel" for transportation of fresh and live agricultural products. In addition, the Plan required the revision of the standards of "Classification of Toll Vehicles on Toll Roads (《收費公路車輛通行費車型分類》)" and the adjustment of the toll calculation method of freight vehicles. From 1 January 2020, freight vehicles will be uniformly charged based on the vehicle (axle) type.

On 15 February 2020, the Ministry of Transport issued a notice that from 00:00 midnight on 17 February 2020 until the end of the containment measures, toll roads payment nationwide would be waived; on 28 April 2020, the Ministry of Transport issued a notice that the toll roads payment legally approved by the law would be resumed from 00:00 midnight on 6 May 2020. The Ministry of Transport, the National Development and Reform Commission and other eight ministries and commissions issued the Notice on the Supporting Policy on Toll Fees payable for Toll Roads during the Control Period of the Novel Coronavirus Disease (《關於新冠肺炎疫情防控期間免收收費公路車輛通行費支持保障政策的通知》), which clearly required the provincial governments and relevant operating entities to extend the payment period of toll roads through negotiation, signing of contracts and other means in accordance with relevant regulations, and compensate certain amount during the toll-free period accordingly. Till now, Jiangsu Province has not specified the toll-free compensation policy for expressways.

On 2 June 2021, the Ministry of Transport and other three departments issued the "Implementation Plan for Comprehensively Promoting Differentiated Toll Collection on Expressways" (《全面推廣高速公路差异化收費實施方案》), proposing to comprehensively promote differentiated toll on expressways. As of the date of this report, the relevant departments in Jiangsu Province have been discussing and formulating differentiated toll policies on expressways. The Company pays close attention to the trend of differentiated toll policies and has commenced to conduct the relevant research.

In addition, during the Reporting Period, there was no significant adjustment to the toll road policy. The implementation of preferential policies on 5% discount on toll payment of ETC vehicles, toll-free travel for small passenger vehicles in major festivals and holidays, toll-free "green passage" for vehicles carrying fresh and live agricultural products, "Union Card" and "Preferential Port Container Vehicles" within Jiangsu Province continued.

REPORT OF THE BOARD

III. BUSINESS OF THE COMPANY DURING THE REPORTING PERIOD

The principal business of roads and bridges. During the Reporting Period, the Group recorded toll road income of approximately RMB8,263,073,000, representing a year-on-year increase of approximately 37.34%, and accounting for approximately 59.91% of the total operating revenue of the Group. Of which, the average daily toll road income of Shanghai-Nanjing Expressway amounted to approximately RMB14,055,950, representing a year-on-year increase of approximately 31.03%. During the Reporting Period, the average daily traffic volume of Shanghai-Nanjing Expressway was approximately 101,936 vehicles, representing a year-on-year decrease of approximately 1.07%. Of which, the traffic volume of passenger vehicles decreased by 3.64% year-on-year, accounting for approximately 78.71% of the total traffic volume; the average daily traffic volume of trucks increased by approximately 9.79% year-on-year, accounting for approximately 21.29% of the total traffic volume. Overall trend in traffic volume of passenger vehicles and trucks of other roads and bridges projects including Xiyi Expressway and Changjia Expressway were basically in line with that of Shanghai-Nanjing Expressway. During the Reporting Period, the data of the operations of each of the road and bridge projects is set out as below:

Project	Indicator	2021		2020		Year on-year (%)
Shanghai-Nanjing Expressway	Traffic volume of passenger vehicles (vehicle/day)	80,230	78.71%	83,265	80.81%	-3.64
	Traffic volume of trucks vehicles (vehicle/day)	21,706	21.29%	19,770	19.19%	9.79
	Total traffic volume (vehicle/day)	101,936	-	103,035	-	-1.07
	Average daily toll revenue (RMB'000/day)	14,055.95	-	10,727.08	-	31.03
Ningchang Expressway	Traffic volume of passenger vehicles (vehicle/day)	31,970	69.85%	35,569	72.94%	-10.12
	Traffic volume of trucks vehicles (vehicle/day)	13,800	30.15%	13,195	27.06%	4.58
	Total traffic volume (vehicle/day)	45,770	-	48,764	-	-6.14
	Average daily toll revenue (RMB'000/day)	2,659.95	-	1,940.60	-	37.07
Zhenli Expressway	Traffic volume of passenger vehicles (vehicle/day)	10,850	60.32%	13,723	70.15%	-20.93
	Traffic volume of trucks vehicles (vehicle/day)	7,136	39.68%	5,840	29.85%	22.2
	Total traffic volume (vehicle/day)	17,986	-	19,562	-	-8.06
	Average daily toll revenue (RMB'000/day)	925.03	-	630.93	-	46.61
Xicheng Expressway	Traffic volume of passenger vehicles (vehicle/day)	61,339	77.53%	72,156	80.12%	-14.99
	Traffic volume of trucks vehicles (vehicle/day)	17,775	22.47%	17,906	19.88%	-0.73
	Total traffic volume (vehicle/day)	79,114	-	90,062	-	-12.16
	Average daily toll revenue (RMB'000/day)	1,635.46	-	1,410.19	-	15.97
Guangjing Expressway	Traffic volume of passenger vehicles (vehicle/day)	51,864	75.78%	66,961	79.28%	-22.55
	Traffic volume of trucks vehicles (vehicle/day)	16,572	24.22%	17,500	20.72%	-5.3
	Total traffic volume (vehicle/day)	68,436	-	84,461	-	-18.97
	Average daily toll revenue (RMB'000/day)	747.94	-	650.67	-	14.95
Xiyi Expressway	Traffic volume of passenger vehicles (vehicle/day)	23,752	80.14%	21,848	83.22%	8.71
	Traffic volume of trucks vehicles (vehicle/day)	5,886	19.86%	4,406	16.78%	33.59
	Total traffic volume (vehicle/day)	29,638	-	26,255	-	12.89
	Average daily toll revenue (RMB'000/day)	1,177.48	-	751.54	-	56.68
Wuxi Huantaihu Expressway	Traffic volume of passenger vehicles (vehicle/day)	9,481	77.03%	10,793	79.18%	-12.15
	Traffic volume of trucks vehicles (vehicle/day)	2,827	22.97%	2,838	20.82%	-0.41
	Total traffic volume (vehicle/day)	12,308	-	13,631	-	-9.7
	Average daily toll revenue (RMB'000/day)	149.60	-	136.59	-	9.52
Jiangyin Bridge	Traffic volume of passenger vehicles (vehicle/day)	64,114	72.76%	75,620	76.34%	-15.22
	Traffic volume of trucks vehicles (vehicle/day)	24,006	27.24%	23,438	23.66%	2.42
	Total traffic volume (vehicle/day)	88,120	-	99,058	-	-11.04
	Average daily toll revenue (RMB'000/day)	4,441.70	-	2,747.06	-	61.69
Sujiahang Expressway	Traffic volume of passenger vehicles (vehicle/day)	42,995	82.70%	45,431	81.24%	-5.36
	Traffic volume of trucks vehicles (vehicle/day)	8,995	17.30%	10,488	18.76%	-14.24
	Total traffic volume (vehicle/day)	51,990	-	55,919	-	-7.03
	Average daily toll revenue (RMB'000/day)	3,323.33	-	2,032.62	-	63.50
Yanjiang Expressway	Traffic volume of passenger vehicles (vehicle/day)	38,540	67.72%	41,909	72.72%	-8.04
	Traffic volume of trucks vehicles (vehicle/day)	18,369	32.28%	15,720	27.28%	16.85
	Total traffic volume (vehicle/day)	56,909	-	57,629	-	-1.25
	Average daily toll revenue (RMB'000/day)	6,352.25	-	3,529.08	-	80
Changjia Expressway	Traffic volume of passenger vehicles (vehicle/day)	27,269	49.19%	29,588	56.09%	-7.84

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Project	Indicator	2021		2020		Year on-year (%)
Zhendan Expressway	Traffic volume of trucks vehicles (vehicle/day)	28,172	50.81%	23,164	43.91%	21.62
	Total traffic volume (vehicle/day)	55,441	-	52,752	-	5.1
	Average daily toll revenue (RMB'000/day)	1,689.13	-	924.39	-	82.73
	Traffic volume of passenger vehicles (vehicle/day)	16,447	84.26%	16,843	85.92%	-2.35
	Traffic volume of trucks vehicles (vehicle/day)	3,071	15.74%	2,760	14.08%	11.29
	Total traffic volume (vehicle/day)	19,518	-	19,602	-	-0.43
Changyi Expressway	Average daily toll revenue (RMB'000/day)	241.47	-	189.22	-	27.61
	Traffic volume of passenger vehicles (vehicle/day)	16,265	74.65%	4,087	78.09%	297.97
	Traffic volume of trucks vehicles (vehicle/day)	5,523	25.35%	1,147	21.91%	381.52
	Total traffic volume (vehicle/day)	21,788	-	5,234	-	316.28
Yichang Expressway	Average daily toll revenue (RMB'000/day)	235.43	-	104.68	-	124.90
	Traffic volume of passenger vehicles (vehicle/day)	10,743	64.72%	-	-	-
	Traffic volume of trucks vehicles (vehicle/day)	5,854	35.28%	-	-	-
	Total traffic volume (vehicle/day)	16,597	-	-	-	-
Wufengshan Toll Bridge	Average daily toll revenue (RMB'000/day)	322.23	-	-	-	-
	Traffic volume of passenger vehicles (vehicle/day)	11,855	71.04%	-	-	-
	Traffic volume of trucks vehicles (vehicle/day)	4,834	28.96%	-	-	-
	Total traffic volume (vehicle/day)	16,689	-	-	-	-
	Average daily toll revenue (RMB'000/day)	995.96	-	-	-	-

Note 1: The 17 toll road and bridge projects controlled or invested by the Group included Longtan Bridge and Luma First Class Highway in addition to the 15 toll roads and bridge projects listed in the table above. Of which, Luma First Class Highway was operated by Xiyi Expressway, and the data of the operation of Xiyi Expressway included the data of the operation of Luma First Class Highway.

Note 2: Changyi Expressway was put into operation in December 2020, Yichang Expressway was put into operation in January 2021, and Wufengshan Toll Bridge was put into operation in June 2021.

Note 3: The average daily traffic volume of 2020 included the traffic volume recorded during the toll-free travel period.

REPORT OF THE BOARD

Ancillary business. During the Reporting Period, the Company realized revenue of approximately RMB1,437,130,000 from ancillary services, representing a year-on-year increase of approximately 9.58%. In particular, revenue from the service areas rental business amounted to approximately RMB214,333,000, representing a year-on-year decrease of 1.70%, which was mainly due to the increase in rental exemption for some tenants in order to help small and medium-sized enterprises alleviate the impact of the pandemic and overcome operational difficulties during the pandemic. Revenue from the sales of petroleum products amounted to approximately RMB1,190,852,000, representing a year-on-year increase of approximately 12.23%, which was mainly due to the increase in oil price; and the gross profit from sales of petroleum products amounted to approximately RMB168,062,000, representing a year-on-year decrease of 22.03%, which was mainly due to the decrease in the difference in the trading price of refined oil as a result of the tight resources in the international crude oil supply market. Affected by the year-on-year decrease in the gross operating profit of the leasing and sales of petroleum products business, the gross operating profit of the ancillary services business decreased by approximately 56.97% year-on-year.

Investment business. **Firstly**, investment income from roads and bridges companies in which the Group held equity. During the Reporting Period, the Group's investment income from roads and bridges companies in which the Group held equity recorded approximately RMB656,024,000, representing a year-on-year increase of approximately 126.02%, which was mainly due to the increase in toll income resulting from recovery of traffic volume. **Secondly**, the dividends received from other equity instruments. During the Reporting Period, the Group received cumulative dividends of approximately RMB313,818,000 from other equity instruments, representing a year-on-year increase of approximately 110.21%, which was mainly attributable to the increase in dividends from financial companies invested by the Company. **Thirdly**, gain from other non-current financial assets. During the Reporting Period, the Group received dividends from other non-current financial assets of approximately RMB106,091,000, representing a year-on-year increase of approximately 48.14%, which was mainly due to the distribution by funds such as CDB Kai Yuan Phase II Fund subscribed by Ninghu Investment Company.

Property business. The Group's real estate development and sales were operated by its subsidiaries Ninghu Properties Company and Hanwei Company. During the Reporting Period, the Group steadily promoted the projects under construction, actively destocked and revitalized its inventory assets, and achieved good operating results. During the Reporting Period, the saleable area of commodity housing of the Group sold was approximately 31,001 square meters, and the pre-sale income was RMB716,345,000, and sales revenue carried forward was approximately RMB1,028,544,000. The net profit after tax realized was approximately RMB75,827,000 which was basically the same as that of the corresponding period of the previous year.

For the cost of property development and the products ready-for-sale, please refer to Part "7. Inventories" of "Section X Financial Reporting".

Other businesses. The Company's other businesses mainly comprises advertising businesses, factoring business and management services of certain subsidiaries. During the Reporting Period, the Group realized revenue from other businesses of approximately RMB115,011,000, representing a year-on-year increase of approximately 38.57% and it was mainly attributable to the increase in revenue from factoring business and advertising business.

IV. Analysis of Core Competitiveness during the Reporting Period

Applicable N/A

Since its establishment, 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 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 provide 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 in trucks and the improved utilization of expressways, which demonstrated the competitive edge of the Group in roads operation and management. Meanwhile, the Group has strengthened the development results with systems and built a modern corporate operation management and control method. Focusing on building digitalized expressways and intelligent traffic, the Group 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 of experience and development. With quality and efficiency in expressway operation service, the Group effectively reduced the management cost and operational risks in routine operation, enhancing a leading profitability in the industry. The Group gradually cultivated a capital operation team with international horizon leveraging on the capital market and boosting 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 by assets and capital operation as the two steering wheels.

Comprehensive risk management. The Group proactively adapted to new situation, and implemented risk control arrangement by improving the top-level design. The Group formulated its risk strategy, built a risk control system in coordinated operation with a risk management oriented approach for covering legal and regulation compliance, internal control and risk management, which optimized its management measures, strengthened in-process control and highlighted duty performance management, and effectively consolidated the resources of all relevant parties. It continuously put forward the establishment of risk control system which is compatible with the new development trends, 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 on two exchanges (in Hong Kong and China) and is traded in three cities (Hong Kong, Shanghai and New York) 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 domestic and overseas capital markets thanks to its long-term policies with high proportion of cash dividend. The Group will continue to improve its financing structure and reduce financing costs in the future development through leveraging on the capital market's efficient financing channels.

REPORT OF THE BOARD

V. Primary Operating Conditions during the Reporting Period

During the Reporting Period, the Group had realized a consolidated operating revenue of approximately RMB13,792,587,000, representing a year-on-year increase of approximately 71.71%, of which, toll revenue amounted to approximately RMB8,263,073,000, representing increase of approximately 37.34%; revenue from the ancillary business amounted to approximately RMB1,437,130,000, representing a year-on-year increase of approximately 9.58%; revenue from property sales amounted to approximately RMB1,028,544,000, representing a year-on-year increase of approximately 65.45%; revenue from construction amounted to approximately RMB2,948,829,000, and revenue from other business amounted to approximately RMB115,011,000, representing a year-on-year increase of approximately 38.57%. Under the PRC Accounting Standards, the Group realized operating profit of approximately RMB5,435,424,000 during the Reporting Period, representing a year-on-year increase of approximately 67.82%; net profit attributable to shareholders of the Company amounted to approximately RMB4,178,794,000, and earnings per share was approximately RMB0.8295, representing a year-on-year decrease of approximately 69.60%.

(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 of the prior year	Changes (%)
Operating revenue	13,792,587,242.50	8,032,466,746.34	71.71
Operating costs	8,781,659,687.75	4,686,890,023.93	87.37
Selling expenses	26,111,192.22	24,698,386.89	5.72
Administrative expenses	220,074,412.19	197,226,409.99	11.58
Finance costs	787,169,270.96	444,319,354.76	77.16
Research and development expenses	-	-	-
Net cash flow from operating activities	5,467,265,535.69	3,137,401,530.39	74.26
Net cash flow from investing activities	-6,388,219,507.00	-5,699,867,768.28	12.08
Net cash flow from financing activities	1,059,761,690.97	2,464,045,195.61	-56.99
Taxes and surcharges	266,061,190.47	125,864,731.35	111.39
Gains on changes in fair value	489,879,008.21	33,547,488.70	1360.26
Non-operating expenses	28,850,563.28	88,111,461.54	-67.26
Investment income	1,201,529,422.95	618,460,042.64	94.28
Non-operating income	12,948,983.37	82,926,177.75	-84.38
Impairment losses on assets	-5,497,868.60	-	-
Gains from disposal of assets	7,868,251.48	220,298.98	3471.62
Income tax	1,286,873,376.13	714,881,261.68	80.01
Other comprehensive income, net of tax	151,824,228.78	-467,550,226.48	-

Reasons for the change in in operating revenue: Under the impact of the pandemic and the policy on toll-free travel in the same period of the prior year, there was a significant decrease in the Group's toll revenue; during the Reporting Period, benefiting from the strong recovery of the operation of toll roads and bridges business, the toll revenue increased significantly year-on-year; the delivery scale of the real estate projects of the subsidiaries was larger than that of the same period of the prior year, and the sales revenue carried forward increased accordingly; during the Reporting Period, the Company implemented the Accounting Standards for Enterprises No. 14, and recognized construction revenue based on zero gross profit for PPP project contracts that meet the corresponding conditions, and did not adjust the information for the comparable period.

Reasons for the change in in operating costs: It was mainly due to the increase in amortization of road operation rights as a result of the operation of Changyi Expressway, Yichang Expressway and Wufengshan Toll Bridge during the Reporting Period; overhaul of certain sections of Shanghai-Nanjing Expressway, overhaul of Xicheng Expressway and Wuxi Huantaihu Expressway, etc., and increase in maintenance costs of bridges; affected by the tight resources in the crude oil supply market, the procurement cost of oil products increased; the delivery scale of the real estate projects of the subsidiaries was larger than that of the same period of the prior year, and the cost of sales carried forward increased accordingly; during the Reporting Period, the Company implemented the Accounting Standards for Enterprises No. 14 to recognize construction costs for PPP project contracts that meet the corresponding conditions, and did not adjust the information for the comparable period.

REPORT OF THE BOARD

Reasons for the change in selling expenses: The increase in selling expenses was mainly due to the year-on-year increase in sales commission of the property projects of relevant subsidiaries during the Reporting Period.

Reasons for the change in administrative expenses: It was mainly due to the rigid increase in labor costs and the year-on-year increase in maintenance and repair fees and intermediary fees during the Reporting Period.

Reasons for the change in financial expenses: Changyi Expressway, Yichang Expressway and Wufengshan Toll Bridge were completed and opened to traffic, the interest accrued on borrowings for these projects were recognized as expenses during the Reporting Period, resulting in a corresponding increase in financial expenses.

Reasons for the change in R&D expenses: None.

Reasons for the change in net cash flow from operating activities: The Group recorded a strong rebound in toll revenue as compared to the corresponding period of the prior year, and Changyi Expressway, Yichang Expressway and Wufengshan Toll Bridge were completed and opened to traffic during the Reporting Period, resulting in a significant year-on-year increase in net cash flow from operating activities.

Reasons for the change in net cash flow from investing activities: It was mainly due to the investment in wealth management products and equity increased year-on-year, which led to a year-on-year increase in net cash outflow from investing activities.

Reasons for the change in net cash flow from financing activities: The Group's external financing increased during the corresponding period of the prior year mainly due to the impact of the COVID-19 and the toll-free passage policy; while during the Reporting Period, the Group's toll revenue growth recovered and external financing decreased, and the capital contributions received by subsidiaries from minority shareholders decreased year-on-year, resulting in a year-on-year decrease in net cash flow from financing activities.

Reasons for the change in taxes and surcharges: The year-on-year increase in taxes and surcharges accrued during the Reporting Period was mainly due to the increase in the Group's toll revenue and the clearing of the land value increment tax of the real estate projects of subsidiaries during the Reporting Period.

Reasons for the change in gains from changes in fair value: It was mainly due to the increase in fair value of other non-current financial assets held by Ninghu Investment Company, a subsidiary of the Company, and the increase in fair value of convertible bonds of Jiangsu Leasing Company subscribed by Guangjing Xicheng Company, a subsidiary of the Company, during the Reporting Period.

Reasons for the change in non-operating expenses: It was mainly due to the provision of liquidated damages for delayed delivery for the South Nanjing New City project in the corresponding period of the prior year as affected by the pandemic, and the year-on-year decrease in road assets restoration expenses during the Reporting Period.

Reasons for the change in investment income: It was mainly due to the year-on-year increase in investment income contributed by associates engaged in road and bridge operations as they recorded substantial increase in their operating results during the Reporting Period; and the year-on-year increases in dividend from investments in other equity instruments and distribution from other non-current financial assets.

Reasons for the change in non-operating income: It was mainly due to the receipt of pit compensation and the provision made for liquidated damages receivable from Luode Fund Company for the delayed delivery of South Nanjing New City project during the Reporting Period.

Reasons for the change in asset impairment losses: It was mainly due to the asset valuation of certain spare parts that were idle during the Reporting Period, and the provision of corresponding impairment losses in accordance with the valuation results.

Reasons for the change in gain from disposal of assets: It was mainly due to the gain from disposal of part of the land use rights of Zhenjiang branch line of the Shanghai-Nanjing Expressway during the Reporting Period.

Reason for the change in income tax: It was mainly due to the fact that the Group had relatively less taxable income during the corresponding period of the prior year as a result of the impact of the COVID-19 and the toll-free passage policy.

Reasons for the change in other comprehensive income, net of tax: The year-on-year increase in other comprehensive income was mainly due to the significant increase in fair value of investments in other equity instruments held by the Group during the Reporting Period.

Description of material change in business type, profit composition or profit source of the Company during the Reporting Period

Applicable N/A

REPORT OF THE BOARD

2. Analysis of Revenue and Cost

Applicable N/A

The Group had a consolidated operating revenue of approximately RMB13,792,587,000 during the Reporting Period, representing an increase of approximately 71.71% as compared to the same period in the previous year, which was mainly due to the corresponding increase in toll revenue as a result of the recovery of toll business; the increase in the scale of housing delivery and the year-on-year increase in the recognised sales revenue from property business; during the Reporting Period, the Group implemented the Accounting Standards for Enterprises No. 14, and recognized construction revenue based on zero gross profit for PPP project contracts that meet the corresponding conditions, and did not adjust the information for the comparable period. Operating costs amounted to approximately RMB8,781,660,000, representing an increase of approximately 87.37% as compared to the same period in the previous year, which was mainly due to the increase in amortization of highway operation rights as a result of the commencement of operation of new roads and bridges projects. Road maintenance costs, oil procurement costs and property sales costs have increased. And the construction cost recognized according to the Accounting Standards for Enterprises No. 14. The Group's consolidated gross profit margin decreased by approximately 5.32 percentage points over the same period of the prior year.

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

Unit: Yuan Currency: RMB

By industries	Operating revenue	Operating costs	Principal business by industry			
			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	8,263,073,263.06	3,640,585,191.45	55.94	37.34	17.57	Increased by 7.41 percentage points
Shanghai-Nanjing Expressway	5,130,420,253.57	1,874,264,876.20	63.47	30.67	6.21	Increased by 8.42 percentage points
Guangjing Expressway and Xicheng Expressway	869,938,635.26	374,964,722.95	56.90	15.33	34.44	Decreased by 6.13 percentage points
Ningchang Expressway and Zhenli Expressway	1,308,519,652.48	662,770,741.11	49.35	39.03	-11.31	Increased by 28.75 percentage points
Xiyi Expressway and Wuxi Huantaihu Expressway	484,383,787.26	290,930,775.54	39.94	49.01	15.89	Increased by 17.17 percentage points
Zhendan Expressway	88,136,724.28	67,456,839.79	23.46	27.26	26.55	Increased by 0.43 percentage point
Changyi Expressway	85,930,654.39	91,509,997.82	-6.49	20,422.11	7,109.18	-
Yichang Expressway	111,490,335.25	152,453,956.02	-36.74	-	-	-
Wufengshan Toll Bridge	184,253,220.57	126,233,282.02	31.49	-	-	-
Ancillary services	1,437,129,800.35	1,380,090,064.44	3.97	9.58	17.06	Decreased by 6.14 percentage points
Property sales	1,028,544,320.23	732,545,827.31	28.78	65.45	108.37	Decreased by 14.67 percentage points
Revenue/cost during the construction period	2,948,829,334.42	2,948,829,334.42	-	-	-	-
Other business	115,010,524.44	79,609,270.13	30.78	38.57	32.88	Increased by 2.96 percentage points
Total	13,792,587,242.50	8,781,659,687.75	36.33	71.71	87.37	Decreased by 5.32 percentage points

REPORT OF THE BOARD

*Note*¹: Data in the above table does not include the amount of revenues and costs incurred for the provision of road management services between the Group's segments.

*Note*²: During the Reporting Period, the Group's toll road business showed a trend of steady progress with a significant year-on-year increase in toll revenue. As a result, the gross profit margin of toll road business increased as compared with the corresponding period of the prior year. Affected by the overhaul of Xicheng Expressway during the Reporting Period, the road maintenance costs of Xicheng Expressway increased year-on-year, and the gross profit margin of toll business decreased accordingly. The operating losses of Changyi Expressway and Yichang Expressway were due to the new opening of roads and bridges, and the traffic volume was in the cultivation period.

*Note*³: During the Reporting Period, affected by the tight resources in the international crude oil supply market and the continuous increase in crude oil prices, the difference in the trading price of refined oil decreased. As a result, the gross profit margin of the ancillary services business decreased year-on-year.

*Note*⁴: During the Reporting Period, the gross profit margin of the property sales business decreased year-on-year due to the adjustments to costs of delivered projects of the property of the subsidiaries.

Explanation on principal business by industry, product, region and sales model

During the Reporting Period, the Group's main business was distributed in Jiangsu Province.

(2) *Analysis on production and sales volume*

Applicable N/A

(3) *Performance of material purchase contracts and material sales contracts*

Applicable N/A

(4) *Analysis of costs*

Unit: Yuan Currency: RMB

By industries	Components of costs	Amount for the Reporting Period	By industry			Changes in percentage of the amount for the Reporting Period compared with the same period of the prior year (%)	Explanation of the situation
			Percentage in total costs for the Reporting Period (%)	Amount for the same period of the prior year	Percentage in total costs for the same period of the prior year (%)		
Toll Road business	-	3,640,585,191.45	41.46	3,096,480,407.77	66.07	17.57	-
-	Depreciation and amortisation	1,822,750,601.75	20.76	1,515,831,069.72	32.34	20.25	Mainly due to the increase in the amortization of toll road operation rights as a result of the new opening of new roads and bridges projects in the Reporting Period.

REPORT OF THE BOARD

By industries	Components of costs	Amount for the Reporting Period	By industry			Changes in percentage of the amount for the Reporting Period compared with the same period of the prior year (%)	Explanation of the situation
			Percentage in total costs for the Reporting Period (%)	Amount for the same period of the prior year	Percentage in total costs for the same period of the prior year (%)		
-	Costs on maintenance	696,011,873.33	7.93	551,889,351.53	11.78	26.11	Mainly due to the year-on-year increase in road maintenance costs as a result of the maintenance of certain sections of Shanghai-Nanjing Expressway, the overhaul of Xicheng Expressway and Wuxi Huantaihu Expressway during the Reporting Period, and the delay in implementation of certain projects affected by the pandemic of the prior year during the Reporting Period.
-	Costs on system maintenance	53,532,404.70	0.61	95,132,016.72	2.03	-43.73	This was mainly due to the relative higher system maintenance costs for the same period of the prior year as a result of postponement in implementation of some system maintenance projects till the same period of the prior year the withdrawal of provincial toll stations during the corresponding period of the prior year.
-	Levy costs	218,775,453.34	2.49	187,124,608.79	3.99	16.91	Mainly due to the year-on-year increase in the levy costs as a result of the year-on-year increase in the toll income, the corresponding road network management fees and the opening of new roads and bridge projects during the Reporting Period.
-	Staff costs	849,514,858.33	9.67	746,503,361.01	15.93	13.80	-
-	Ancillary services business	1,380,090,064.44	15.72	1,178,933,604.08	25.15	17.06	-
-	Raw materials	968,776,505.63	11.03	796,741,609.02	17.00	21.59	Mainly due to the year-on-year increase in raw material procurement costs as a result of the increase in oil prices during the Reporting Period.
-	Depreciation and amortisation	57,637,695.85	0.66	52,785,198.48	1.13	9.19	-
-	Labor costs	230,091,233.11	2.62	199,971,366.79	4.27	15.06	-

REPORT OF THE BOARD

By industries	Components of costs	Amount for the Reporting Period	By industry			Changes in percentage of the amount for the Reporting Period compared with the same period of the prior year (%)	Explanation of the situation
			Percentage in total costs for the Reporting Period (%)	Amount for the same period of the prior year	Percentage in total costs for the same period of the prior year (%)		
-	Other costs	123,584,629.85	1.41	129,435,429.79	2.76	-4.52	-
Property Sales business	-	732,545,827.31	8.34	351,563,142.96	7.50	108.37	During the Reporting Period, the scale of delivery and transfer of real estate projects increased year-on-year, resulting in a year-on-year increase in the cost of property sales business.
Construction period costs	-	2,948,829,334.42	33.58	-	-	-	- During the Reporting Period, the Group implemented the Accounting Standards for Enterprises No. 14, and confirmed the construction costs for PPP project contracts that meet the corresponding conditions, and did not adjust the information for the comparable period.
Other business	-	79,609,270.13	0.91	59,912,869.12	1.28	32.88	Mainly due to the year-on-year increase in costs of other businesses as a result of the increase in management costs of Yangtze River Company and financing costs of factoring business during the Reporting Period.

REPORT OF THE BOARD

Explanation on other details of cost analysis

None.

(5) *Changes in the scope of consolidation due to changes in equity of major subsidiaries during the Reporting Period*

Applicable N/A

① Ninghu International Company included in the scope of consolidation

On 23 December 2019, the board of directors of the Company resolved to contribute USD130,000,000 to establish a wholly-owned subsidiary in the Hong Kong Special Administrative Region. In January 2020, Ninghu International Company completed the registration procedures in Hong Kong and obtained the Certificate of Incorporation and the Business Registration Certificate issued by the Hong Kong Companies Registry and the Business Registration Office of the Inland Revenue Department, respectively. In January 2021, the initial capital of USD113,000 was in place.

② Ningchang Zhenli Company is no longer included in the scope of consolidation

On 26 February 2020, upon the resolution of the board of director of the Company, it was approved that Ningchang Zhenli Company, a wholly-owned subsidiary of the Company, would be merged by absorption and merger, and submitted 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 of the Company, would be merged by absorption and merger. During the Reporting Period, the Company completed the absorption of and merger with Ningchang Zhenli Company and the cancellation of industrial and commercial registration.

③ Yangtze Commerce and Energy Company included in the scope of consolidation

On 24 December 2020, upon the resolution of the board of director of the Company, the establishment of a wholly-owned subsidiary, Yangtze Commerce and Energy Company was approved; in February 2021, the Company completed the business registration procedures and obtained the Business License. In April 2021, the Company made capital contribution of RMB100,000,000.

(6) *Significant changes or adjustments in the business, products or services of the Company during the Reporting Period*

Applicable N/A

(7) *Major Sales Customers and Major Suppliers*

A. Major Sales Customers of the Company

The sales to the top five customers amounted to RMB166,452,100, accounting for 1.21% of the total sales for the year; among which, the sales to related/connected parties among the top five customers amounted to RMB0.00, accounting for 0.00% of the total sales for the year.

REPORT OF THE BOARD

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.

During the Reporting Period, the proportion of sales to a single customer accounted for more than 50% of the total amount, and there were new customers or significant reliance on a few customers among the top five customers.

Applicable N/A

B. Major Suppliers of the Company

Purchases from the top five suppliers amounted to RMB3,469,195,300, accounting for 62.84 % of the total purchases for the year (of which the largest supplier accounted for 34.01% of the total annual purchases); among which, purchases from related/connected parties among the purchases of the top five suppliers amounted to RMB694,922,700, accounting for 12.59% of the total purchases for the year.

Jiangsu Communications Holdings, the controlling shareholder of the Company, and China Merchants Expressway, a substantial shareholder of the Company, directly or indirectly hold 24.99% and 30% equity interest in Xiandai R&B Company, one of the top five suppliers of the Company during the Reporting Period, respectively.

Save as disclosed above, during the year, none of the directors, their close associate or any shareholders of the Company (which to the knowledge of our directors owns more than 5% of the Company's issued capital) has any interest in the Group's top five suppliers.

During the Reporting Period, the proportion of purchases to a single supplier accounted for more than 50% of the total amount, and there were new suppliers or significant reliance on a few suppliers among the top five suppliers.

Applicable N/A

Other explanations

None.

REPORT OF THE BOARD

3. Expenses

Applicable N/A

(1) Administrative expenses

During the Reporting Period, administrative expenses incurred by the Group were approximately RMB220,074,000 in aggregate, representing an increase by approximately 11.58% over the same period of the prior year. The increase in administrative expenses was mainly due to the rigid increase in labor costs and the year-on-year increase in maintenance and repair fees and intermediary fees during the Reporting Period.

(2) Financial expenses

During the Reporting Period, financial expenses incurred by the Group were approximately RMB787,169,000 in aggregate, representing an increase by approximately 77.16% over the same period of the prior year. The increase in financial expenses was mainly due to the commencement of operation of Changyi Expressway, Yichang Expressway and Wufengshan Toll Bridge during the Reporting Period, the interest on borrowings began to be expensed, resulting in the corresponding increase in financial expenses.

(3) Selling expenses

During the Reporting Period, the Group's aggregate selling expenses were approximately RMB26,111,000, representing a year-on-year increase of approximately 5.72%. The year-on-year increase in selling expenses was mainly due to the year-on-year increase in sales commission of real estate projects of subsidiaries during the Reporting Period.

(4) Taxes and surcharges

During the Reporting Period, the taxes and surcharges incurred by the Group were RMB266,061,000 in aggregate, representing a year-on-year increase of approximately 111.39%. The year-on-year increase in the provision for taxes and surcharges was mainly due to the increase in toll income of the Group and the clearing of the land value increment tax of the real estate projects of subsidiaries during the Reporting Period, the provision for taxes and surcharges increased accordingly.

(5) Income tax

The statutory income tax rate for companies of the Group was 25%, 20% and 16.5%. During the Reporting Period, the income tax expense of the Group was approximately RMB1,286,873,000 in aggregate, representing a year-on-year increase of approximately 80.01%. The increase in income tax expense was mainly due to the impact of the pandemic and the toll-free policy in the same period of the prior year, resulting in a corresponding decrease in the taxable income of the Group.

4. R&D input

(1) Table of R&D input

Applicable N/A

(2) Table of R & D personnel

Applicable N/A

(3) Explanation

Applicable N/A

(4) Reasons for material changes in the composition of R & D personnel and impact on the future development of the Company

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 inflows generated from operating activities was approximately RMB5,467,266,000, representing a year-on-year increase of approximately 74.26%, mainly due to the strong recovery of toll revenue as compared with the corresponding period of the prior year, and the completion and commencement of operation of Changyi Expressway, Yichang Expressway and Wufengshan Toll Bridge, resulting in a significant year-on-year increase in net cash flows generated from operating activities. The net cash outflow generated from investment activities was approximately RMB6,388,220,000, representing a year-on-year increase of approximately 12.08%, mainly due to the year-on-year increase in investment expenses such as purchase of wealth management products and equity investments during the Reporting Period, resulting in a year-on-year increase in net cash outflow from investing activities. The net cash inflow incurred from financing activities was approximately RMB1,059,762,000, representing a year-on-year decrease of 56.99%, mainly due to the increase in the Group's external financing as affected by the epidemic and the policy of toll-free travel during the same period of the prior year; the relative decrease in the Group's external financing as a result of the recovery of toll income during the Reporting Period, and the year-on-year decrease in the capital received by subsidiaries from minority shareholders during the Reporting Period resulted in a year-on-year decrease in net cash flow from financing activities.

6. Gain on changes in fair value

During the Reporting Period, the Group recorded a gain on changes in fair value of approximately RMB489,879,000, representing a year-on-year increase of approximately 1360.26%, mainly due to the year-on-year increase in fair value of other non-current financial assets held by Ninghu Investment Company, a subsidiary of the Company, and the increase in fair value of convertible bonds of Jiangsu Leasing Company subscribed by Guangjing Xicheng Company, a subsidiary of the Company, during the Reporting Period.

REPORT OF THE BOARD

7. Investment income

During the Reporting Period, the Group's investment income was approximately RMB1,201,529,000, representing a year-on-year increase of approximately 94.28%, mainly due to the strong recovery of the toll business of associates in the road and bridge sector during the Reporting Period, resulting in a significant year-on-year increase in operating results and corresponding increase in investment income contributed; and the year-on-year increase in dividends from investments in other equity instruments and distribution of other non-current financial assets. During the Reporting Period, the associates invested by the Group contributed investment income of approximately RMB756,769,000, representing a year-on-year increase of approximately 101.73%. Operating results of some key associates are set out below:

Unit: Yuan Currency: RMB

Name of company	Principal business	Investment Cost	Equity interest attributable to the Company %	Net profit attributable to the shareholders of the associates	Contribution to investment income	Percentage Company's net profit %	Year-on-year increase/decrease %
Suzhou Expressway Company	Mainly responsible for the management and operation businesses of Sujahang Expressway and Changjia Expressway	957,700,163.00	30.01	546,964,930.92	164,138,706.12	3.97	46.06
Yangtze Bridge Company	Mainly responsible for the management and operation of Jiangyin Bridge	631,159,243.00	26.66	1,156,841,698.69	308,413,996.87	7.46	194.53
Yanjia Company	Mainly responsible for the management and operation of Yanjiang Expressway	1,466,200,000.00	25.15	664,751,453.22	183,471,401.09	4.44	150.77
Zijin Trust Company	Mainly engaged in trust investment business approved by laws and regulations or the China Banking Regulatory Commission	1,989,582,000.00	20.00	28,025,678.95	5,605,135.79	0.14	-

Note: On 6 August 2021, the second meeting of the tenth session of the board of directors of the Company considered and approved the investment in Zijin Trust Company as a strategic investor with its own funds of not more than RMB2,000,000,000. Upon completion of the capital increase, the Company shall hold 20% equity interest in Zijin Trust Company. On 23 September 2021, the Company received the Approval of the Jiangsu Regulatory Bureau of the CBIRC on the Increase of Registered Capital and Adjustment of Shareholding Structure of Zijin Trust Co., Ltd. (Su Yin Bao Jian Fu [2021] No. 404), pursuant to the relevant provisions of the Capital Increase Agreement, the Company allocated a capital increase of RMB1,990,000,000 to complete the capital increase plan.

8. Other income

During the Reporting Period, the Group recorded other income of approximately RMB30,018,000, representing a year-on-year decrease of approximately 9.64%. It was mainly due to the year-on-year decrease in government grants income during the Reporting Period.

REPORT OF THE BOARD

9. Non-operating income and expenses

During the Reporting Period, the Group achieved a non-operating income of approximately RMB12,949,000, representing a year-on-year decrease of approximately 84.38%, which was mainly due to the receipt of pit compensation and the provision made for liquidated damages receivable from Luode Fund Company for the delayed delivery of South Nanjing New City project in the corresponding period of the prior year, resulting in a year-on-year decrease in non-operating income during the Reporting Period.

During the Reporting Period, the Group incurred a non-operating expense of approximately RMB28,851,000, representing a year-on-year decrease of approximately 67.26%, which was mainly due to the provision of liquidated damages for delayed delivery of the South Nanjing New City project as affected by the COVID-19 pandemic in the corresponding period of the prior year, and the year-on-year decrease in the expenses for maintenance and repair of road assets 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
Cash and bank balances	496,127,336.06	0.73	386,712,702.84	0.63	28.29	Mainly due to the increase in capital reserve for loan repayment and payment by the Group at the end of the Reporting Period.
Long-term equity investments	9,687,126,007.80	14.32	7,130,527,090.60	11.67	35.85	Mainly due to the new investment in Zijin Trust Company and the increase in investment income contributed by associates during the Reporting Period.
Fixed assets	2,676,170,843.30	3.96	2,048,237,771.21	3.35	30.66	Mainly due to the completion and commencement of operation of Yichang Expressway and Wufengshan Toll Bridge during the Reporting Period, which was transferred from construction in progress.
Construction in progress	262,194,738.58	0.39	15,280,716,856.65	25.01	-98.28	Mainly due to the completion and commencement of operation of Yichang Expressway and Wufengshan Toll Bridge during the Reporting Period, which were carried forward to construction in progress; and the implementation of Interpretation No. 14 on Accounting Standards for Business Enterprises by the Company during the Reporting Period, which reclassifies PPP projects that meet the corresponding criteria to intangible assets.
Investment property	56,709,500.85	0.08	17,581,885.88	0.03	222.55	Mainly due to the addition of investment properties by our subsidiary, Hanwei Company, during the Reporting Period.

REPORT OF THE BOARD

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 (Note 1)	2,646,518,676.44	3.91	1,533,818,523.40	2.51	72.54	Mainly due to the increase in wealth management products held by the Group at the end of the Reporting Period as compared with the beginning of the period.
Prepayments	8,650,678.32	0.01	21,907,475.29	0.04	-60.51	Mainly due to the decrease in prepayments for construction as at the end of the Reporting Period as compared with the beginning of the period.
Other current assets	877,263,447.81	1.30	1,052,050,289.90	1.72	-16.61	Mainly due to the completion and commencement of operation of the Wufengshan Toll Bridge during the Reporting Period, which adjusted input tax to be deducted for more than one year to other non-current assets.
Investments in other equity instruments	5,805,587,078.89	8.58	5,471,025,963.66	8.95	6.12	Mainly due to the increase in book value of other equity instrument investments recognized at fair value by the Group and the increase in shareholding in Bank of Jiangsu during the Reporting Period.
Other non-current financial assets	3,004,141,868.26	4.44	2,039,192,599.15	3.34	47.32	Mainly due to the increase in investment in CDB Kai Yuan Phase II Fund and the subscription of convertible bonds of Jiangsu Leasing Company by Guangjing Xicheng Company, a subsidiary of the Company, and the increase in fair value of other non-current financial assets held during the Reporting Period as compared with the beginning of the period.
Intangible assets	37,067,726,632.81	54.78	21,298,818,056.01	34.86	74.04	Mainly due to the completion and commencement of operation of Yichang Expressway and Wufengshan Toll Bridge during the Reporting Period, which was transferred from construction in progress; and the implementation of Interpretation No. 14 on Accounting Standards for Business Enterprises by the Company during the Reporting Period, which reclassifies PPP projects that meet the corresponding criteria to intangible assets.
Other non-current assets	462,867,895.61	0.68	14,879,760.00	0.02	3,010.72	Mainly due to the completion and commencement of operation of the Wufengshan Toll Bridge during the Reporting Period, which adjusted input tax to be deducted for more than one year to other non-current assets.
Short-term borrowings	1,077,145,209.09	1.59	1,475,103,433.33	2.41	-26.98	Mainly due to the repayment of certain short-term borrowings during the Reporting Period.
Notes payable	100,300,000.00	0.15	38,400,000.00	0.06	161.20	Mainly due to the increase in bank acceptances issued by subsidiaries' construction payments at the end of the Reporting Period as compared to the beginning of the period.
Accounts payable	2,328,898,028.92	3.44	1,701,582,093.30	2.79	36.87	Mainly due to the increase in construction costs payable for Road and Bridge projects under construction during the Reporting Period as compared with the beginning of the period.
Taxes payable	413,622,832.32	0.61	260,171,624.98	0.43	58.98	Mainly due to the increase in land appreciation tax payable at the end of the Reporting Period as compared with the beginning of the period.

REPORT OF THE BOARD

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	427,561,162.30	0.63	876,391,923.12	1.43	-51.21	Mainly due to the delivery and transfer of real estate projects of subsidiaries during the Reporting Period.
Non-current liabilities due within one year	678,043,270.61	1.00	1,103,456,242.14	1.81	-38.55	Mainly due to the repayment of RMB1,000,000,000 of medium-term notes due within one year and transfer into of long-term borrowings due within one year in the Reporting Period.
Other current liabilities	7,671,965,597.07	11.34	8,327,987,272.56	13.63	-7.88	Mainly due to the redemption of ultra-short-term financing bonds during the Reporting Period, the balance decreased as compared with the beginning of the period.
Long-term borrowings	13,028,697,541.04	19.26	11,545,381,743.39	18.90	12.85	Mainly due to the increase in borrowings for Road and Bridge projects under construction during the Reporting Period as compared with the beginning of the period.
Bonds payable	5,777,418,959.86	8.54	1,984,606,358.58	3.25	191.11	Mainly due to the issuance of corporate bonds of RMB1,800,000,000 and medium-term notes of RMB2,000,000,000 in the Reporting Period.
Provisions	-	-	54,115,762.42	0.09	-100.00	Mainly due to the payment of liquidated damages for delayed delivery of the South Nanjing New City project during the Reporting Period.
Deferred tax liabilities	419,248,158.42	0.62	305,018,990.45	0.50	37.45	Mainly due to the adjustment of deferred income tax liabilities based on the changes in fair value of other equity instrument investments and other non-current financial assets held by the Group during the Reporting Period.
Other comprehensive income	931,335,600.50	1.38	806,954,969.94	1.32	15.41	Mainly due to the adjustments to other comprehensive income based on the fair value of other equity instrument investments held by the Group during the Reporting Period.
Total assets	67,662,020,722.45	100.00	61,095,560,365.16	100.00	10.75	
total gearing ratio	47.74%	-	45.91%	-	Increased by 1.83 percentage points	
Net gearing ratio	91.35%	-	84.86%	-	Increased by 6.49 percentage points	

Note 1: During the Reporting Period, the accumulated amount of wealth management products purchased by the Group from any one bank did not reach or exceed 5% of the total assets (adjusted according to the Listing Rules to reduce dividends payable) or market capitalisation.

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.

2. Overseas assets

Applicable N/A

(1) Asset Size

REPORT OF THE BOARD

Including: overseas assets of 11,125.60 (Unit: Yuan Currency: USD), accounting for 0.000016% of the total assets.

The overseas assets were mainly the cash and bank balances of Ninghu International Company as at the end of the Reporting Period.

(2) *Relevant explanation of high proportion of overseas assets*

Applicable N/A

3. 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	430,127.25	Customers' mortgage deposit
Bank deposits	885,395.80	Regulated pre-sale proceeds
Bank deposits	5,015,000.00	Margin deposits for notes issued
Intangible assets	21,138,518,326.21	Pledge of toll road concession rights of expressways
Total	21,144,848,849.26	

(1) *Explanation for restrictions on bank deposits*

As at the end of the Reporting Period, other currency funds of the Group included customer mortgage loan deposits of RMB430 thousand, regulated pre-sale proceeds of RMB885 thousand and margin deposits for notes issued of RMB5,015 thousand. Among these items, customers' mortgage deposit is a loan made by the bank to the customer for the sales of properties by Ninghu Properties Company, and the bank will freeze the Group's funds as a deposit according to the agreements, which will be released upon the delivery of the mortgage customers' title certificates to the banks for approval. 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 developers must apply for the supervised funds according to the construction progress in order to ensure the pre-sale proceeds are used for property construction as a priority. The margin deposits for notes issued are the deposits collected by Finance Company in proportion for commercial bills drawn by Longtan Bridge Company in accordance with the regulatory requirements.

(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 RMB461,000,000.

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A subsidiary of the Group, Wufengshan Toll Bridge Company, entered into loan contracts with the Jiangsu Branch of China Construction Bank, the Jiangsu Branch of China Development Bank, the Jiangsu Branch of Bank of Communications, the Nanjing Branch of Postal Savings Bank of China and the Nanjing Chengnan Branch of Industrial and Commercial Bank of China with a total amount of RMB2,000,000,000, RMB2,500,000,000, RMB1,500,000,000, RMB1,200,000,000 and RMB1,500,000,000, respectively, which were secured by the toll road part of the Wufengshan Toll Bridge and the toll road concession rights of North-South Connection. At the end of the Reporting Period, the loan balance amounted to RMB1,860,500,000, 380,000,000, RMB1,139,240,000, RMB1,200,000,000 and RMB357,500,000, respectively.

Changyi Company, a subsidiary of the Group, entered into loan contracts with the Nanjing Branch of Postal Savings Bank of China, the Wuxi Chengzhong Branch of Agricultural Bank of China and the Wuxi Branch of Industrial and Commercial Bank of China with a total amount of RMB500,000,000, RMB382,900,000 and RMB2,000,000,000, respectively, which were secured by the toll road concession rights of Changyi Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB50,000,000, RMB374,000,000 and RMB580,500,000, respectively.

Yichang Company, a subsidiary of the Group, entered into loan contracts with the Nanjing Branch of Postal Savings Bank of China, the Wuxi Branch of Industrial and Commercial Bank of China, the Jiangsu Branch of China Development Bank, and Bank of Communications with a total amount of RMB500,000,000, RMB2,400,000,000, RMB2,000,000,000 and RMB300,000,000, respectively, which were secured by the toll road concession rights of Yichang Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB400,000,000, RMB405,000,000, RMB400,000,000 and RMB97,000,000, respectively.

4. Other explanations

Applicable N/A

(1) Investment expenditure

During the Reporting Period, the Group incurred the planned investment expenditure in a sum of approximately RMB7,148,632,000, representing an increase of approximately RMB986,551,000 or approximately 16.01% from RMB6,162,081,000 in the corresponding period of the prior year, which was mainly due to the year-on-year increase in other equity instrument investments and equity investments of the Group during the Reporting Period. The investment projects and amount of the Group during the Reporting Period are as follows:

Names of Investment Projects	Amount (RMB)
Wufengshan Toll Bridge and North-South Connection	1,216,433,727.36
Yichang Expressway	1,153,713,379.14
Longtan Bridge	668,140,944.80
Establishment of Ninghu International Company	732,310.87
Establishment of Yangtze Commerce and Energy Company	100,000,000.00
Investment in CDB Kai Yuan Phase II Fund	119,463,863.45
Subscription of convertible bonds of Jiangsu Leasing Company	391,716,000.00
Participation in capital increase and share expansion of Zijin Trust Company	1,989,582,000.00
Capital Increase in Factoring Company	110,000,000.00
Increase in shareholding in Bank of Jiangsu	947,181,567.92
Alteration and addition of service areas and toll collection points	35,842,286.67
Three major systems and information construction project	52,224,735.17
Other capital expenditure of the Group	363,601,480.52
total	7,148,632,295.90

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

REPORT OF THE BOARD

(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 RMB32,302,128,000. The overall gearing ratio of the Group was approximately 47.74%, representing an increase of approximately 1.83 percentage points as compared with the beginning of the period. In view of the Group's stable and abundant operating cash flow and sound capacity of financing and capital management, the management believes that the gearing ratio remained at a safe level at the end of the Reporting Period.

(3) *Financial strategy and financing arrangement*

During the Reporting Period, the Group actively expanded its financing channels, adjusted its debt structure and 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 RMB21,840,000,000 was obtained through direct financing. As at 31 December 2021, the Group's borrowings amounted to RMB14,644,748,000, of which RMB3,787,058,000 were fixed loans. As at the end of the Reporting Period, the balance of the principal of the interest-bearing liabilities was approximately RMB28,024,748,000, representing an increase of approximately RMB3,772,638,000 as compared with the beginning of the period. The consolidated borrowing cost on interest-bearing liabilities of the Group was approximately 3.61%, representing a year-on-year decrease of approximately 0.19 percentage point, which was lower than the loan prime rate (LPR) of approximately 0.72 percentage point. Details of the main financing activities during the Reporting Period are set out in Section IX Particulars of Corporate Bond.

(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 credit impairment. In view of the above, the management considers that the Group's credit risk is relatively low.

(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 2021, the outstanding guarantees amounted to approximately RMB367,604,000.

The Company has provided a wholly-owned subsidiary, Factoring Company, with guarantees for their application for comprehensive credit, with a maximum guarantee balance of RMB670,000,000. The guarantee is joint and several guarantees in nature, with a guarantee period of three years; as of 31 December 2021, the guarantee balance was approximately RMB376,000,000.

(6) *Foreign exchange risks*

The Group currently operates its businesses principally in the PRC. There are no material foreign exchange risks as the Group's operating revenue and major capital expenditures are all settled in Renminbi except for dividend payments for H Shares and the Group has no investment in foreign currency. In 1998, the Group obtained a loan from the Spanish government of US\$9,800,000 at an interest rate of 2% per annum with interest payable annually and due on 18 July 2027. As at 31 December 2021, the balance of the loan was equivalent to approximately RMB11,058,000, 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.

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(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 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	-	-	-	-	-	2,464,213,676.74	2,464,213,676.74
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 Reserve	-	-	-	-	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
As at 1 January 2021	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
Profit for the year	-	-	-	-	-	4,178,794,496.71	4,178,794,496.71
Other capital reserve	-	91,651.96	-	-	-	-	91,651.96
Total amount of comprehensive income	-	-	158,800,353.78	-	-	-	158,800,353.78
Profit distributed	-	-	-	181,956,822.99	-	(181,956,822.99)	-
Appropriation to general risk provision	-	-	-	-	3,017,379.17	(3,017,379.17)	-
Dividends distributed	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
Others	-	-	(34,419,723.22)	-	-	34,419,723.22	-
As at 31 December 2021	5,037,747,500	10,502,925,603.25	931,335,600.50	3,832,362,128.54	6,505,092.88	9,919,407,826.11	30,230,283,751.28

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 2021, the reserves available for distribution to shareholders calculated in accordance with the PRC Accounting Standards amounted to RMB9,919,407,826.11 (as at 31 December 2020: RMB8,208,531,658.34).

(IV) Analysis of operating information

Applicable N/A

REPORT OF THE BOARD

(V) Analysis of investment

Overall analysis of external equity investment

Applicable N/A

During the Reporting Period, the Group's total equity investment was approximately RMB3,267,000,000, representing an increase of approximately 168.67% over 2020. The major items are as follows:

1. Material equity investments

Applicable N/A

① Establishment of Yangtze Commerce and Energy Company

In December 2020, as considered and approved at the twenty-sixth meeting of the ninth session of the board of directors of the Company, it was agreed that the Company contributed RMB100,000,000 to establish a wholly-owned subsidiary, Yangtze Commerce and Energy Company; in February 2021, the Company completed the business registration of Yangtze Commerce and Energy Company and obtained the Business License from the market supervision and administration department.

② Capital Increase in Factoring Company

In December 2021, as considered and approved at the sixth meeting of the tenth session of the board of directors of the Company, Ninghu Investment Company, a wholly-owned subsidiary of the Company, agreed to increase the capital of Factoring Company, a wholly-owned subsidiary of Ninghu Investment Company, with its own funds of RMB210,000,000.

As at the end of the Reporting Period, Ninghu Investment Company has completed the first capital increase of RMB110,000,000 in Factoring Company and the change of business information.

③ Increase in shareholding in Bank of Jiangsu

In July 2021, the CBIRC Jiangsu Regulatory Bureau approved the qualification of the shareholders of the Company and agreed that the Company would increase its shareholding in the outstanding shares of Bank of Jiangsu through the secondary market by no more than 160,000,000 shares within six months from the date of approval.

As of November 2021, the Company increased its shareholding in Bank of Jiangsu by 160,000,000 shares in aggregate with its own funds of RMB947,000,000 in the secondary market, accounting for 0.95% of the total share capital of Bank of Jiangsu. Upon completion of the increase in shareholding, the Company and Ninghu Investment Company, a wholly-owned subsidiary of the Company, held a total of 596,000,000 shares of Bank of Jiangsu, representing 4.03% of the total share capital of Bank of Jiangsu.

④ Investment in Zijin Trust Company

In August 2021, as considered and approved at the second meeting of the tenth session of the board of directors of the Company, the Company, as a strategic investor, was approved to invest no more than RMB2,000,000,000 in Zijin Trust Company with its own funds. Upon completion of the capital increase, the Company held 20% equity interest in Zijin Trust Company.

In September 2021, the Company received the Approval of the Jiangsu Regulatory Bureau of the CBIRC on the Increase of Registered Capital and Adjustment of Shareholding Structure of Zijin Trust Co., Ltd. (Su Yin Bao Jian Fu [2021] No. 404), pursuant to the relevant provisions of the Capital Increase Agreement, the Company allocated a capital increase of RMB1,990,000,000 to complete the capital increase plan.

As at the end of the Reporting Period, the Company has become a shareholder of Zijin Trust Company and completed the change of business information.

REPORT OF THE BOARD

⑤ CDB Kai Yuan Phase II Fund

Upon approval by the board of directors of the Company, Ninghu Investment Company has subscribed for a total of RMB1,200,000,000 units in CDB Kai Yuan Phase II Fund. During the Reporting Period, Ninghu Investment Company made a capital contribution of approximately RMB119,000,000; as at the end of the Reporting Period, Ninghu Investment Company has made a capital contribution of RMB1,073,000,000 in aggregate, with an accumulated paid-in capital contribution progress of 89.38%. The main investment directions include financial, medical, logistics and other industrial projects.

2. *Material non-equity investments*

Applicable N/A

① Subscription of convertible bonds of Jiangsu Leasing Company

In October 2021, as considered and approved at the fourth meeting of the tenth session of the board of directors of the Company, it was agreed that Guangjing Xicheng Company, a subsidiary of the Company, will participate in the subscription of the A share convertible bonds of Jiangsu Leasing Company in cash in proportion to its shareholding in Jiangsu Leasing Company with a subscription amount of not more than RMB400,000,000.

As at the end of the Reporting Period, Guangjing Xicheng Company has subscribed for A share convertible bonds of Jiangsu Leasing Company in an aggregate amount of RMB392,000,000.

② Investment in the construction of road and bridge project

During the Reporting Period, the Group continued to efficiently advance the construction of road and bridge projects under construction in an orderly fashion. The investment in the construction of Yichang Project was RMB1,154,000,000, and the total investment of the project was RMB3,979,000,000. The project was completed and put into operation on 20 January 2021. The construction of the Wufengshan Toll Bridge and North-South Connection Project completed an investment of RMB1,216,000,000 (excluding the housing construction upgrading project), with a total investment of RMB12,095,000,000. The project was completed and put into operation on 30 June 2021. RMB668,000,000 was invested in the construction of Longtan Bridge Project; the total investment of the project amounted to RMB2,006,000,000, accounting for 32.08% of the total investment of the project. The project is expected to be completed in 2024.

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 investment — Fuanda Advantageous Growth	9,999,400.00	Internal funds	-	-	6,074,635.50
Wealth management products	-	Internal funds	2,610,193,360.00	23,845,990.01	-
Gold investment	2,909,012.43	Internal funds	-2,909,012.43	1,196,462.18	-1,417,525.71
Other non-current financial assets (CDB Kai Yuan Phase II)	984,555,554.91	Internal funds	88,011,370.69	48,704,755.55	442,065,173.00
Other non-current financial assets (Luode Dening)	-	Internal funds	-	-	-31,952.81
Other non-current financial assets (Zhongbei Zhiyuan)	300,000,000.00	Internal funds	-	27,225,000.00	-25,390,839.01
Other non-current financial assets (Luode Huizhi)	500,000,000.00	Internal funds	-	30,161,519.77	-362,498.76
Other non-current financial assets (Jiangsu Leasing Company Convertible Bonds)	391,716,000.00	Internal funds	-	-	68,942,016.00
Fuanda Asset Management Scheme	2,000,000,000.00	Internal funds	(796,107,040.72)	106,000,000.00	98,744,321.95
Other equity Instruments (Bank of Jiangsu)	2,408,801,804.71	Internal funds	947,181,567.92	137,618,000.00	146,752,266.08
Other equity Instruments (Jiangsu Leasing Company)	270,898,456.89	Internal funds	-	70,200,000.00	(62,010,000.00)
New shares subscription	-	Internal funds	1,496.00	1,038,925.32	-

REPORT OF THE BOARD

During the Reporting Period, Ninghu Investment Company, a subsidiary of the Company, held Fuanda Advantageous Growth Fund purchased in 2011, being approximately 10,000,000 units in total with a net value of approximately RMB30,249,000 at the beginning of the Reporting Period. Investment cost amounted to approximately RMB9,999,000. There was an increase in fair value of approximately RMB6,075,000 during the Reporting Period with an increase in cumulative fair value of approximately RMB26,324,000.

During the Reporting Period, Ninghu Investment Company engaged in gold bullion investment purchased in 2014, with a net value of approximately RMB4,326,000 at the beginning of the Reporting Period and an investment cost of approximately RMB2,909,000. During the Reporting Period, it sold approximately RMB2,909,000 of the gold bullion with an investment income of approximately RMB1,196,000. During the Reporting Period, the fair value decreased by approximately RMB1,417,000. At the end of the Reporting Period, the net value was RMB0.

During the Reporting Period, Ninghu Investment Company held the CDB Kai Yuan Phase II Fund subscribed in 2016, with a net value of approximately RMB1,223,030,000 at the beginning of the Reporting Period and an investment cost of RMB984,555,000. During the Reporting Period, Ninghu Investment Company increased investment principal of RMB88,011,000 with an investment income of RMB48,704,000. At the end of the Reporting Period, its net value was approximately RMB1,753,107,000. There was an increase in fair value of approximately RMB442,065,000 during the Reporting Period with an increase in cumulative fair value of approximately RMB680,540,000.

During the Reporting Period, the net value of Luode Dening subscribed by Ninghu Investment Company in 2016 was approximately RMB32,000 at the beginning of the Reporting Period, and the fair value of the project was reduced by RMB32,000 as a result of the liquidation of the project during the Reporting Period. At the end of the Reporting Period, its net value was RMB0. Zhongbei Zhiyuan subscribed by Ninghu Investment Company in 2019, the net value at the beginning of the Reporting Period was approximately RMB317,318,000, the investment cost was approximately RMB300,000,000 with an investment income of approximately RMB27,225,000 during the Reporting Period, the net value at the end of the Reporting Period was approximately RMB291,927,000, the decrease in fair value during the Reporting Period was approximately RMB25,391,000, and the accumulated decrease in fair value was approximately RMB8,073,000. Luode Huizhi subscribed by Ninghu Investment Company in 2020, the net value at the beginning of the Reporting Period was approximately RMB498,812,000, the investment cost was RMB500,000,000, the investment income was approximately RMB30,161,000 during the Reporting Period, and the net value at the end of the Reporting Period was approximately RMB498,450,000. The decrease in fair value during the Reporting Period was approximately RMB362,000 with a decrease in cumulative fair value of approximately RMB1,550,000.

4. Progress of material asset restructuring and integration during the Reporting Period

Applicable N/A

(VI) Material disposal of assets and equity interest

Applicable N/A

REPORT OF THE BOARD

(VII) Analysis of major subsidiaries and investee companies

Applicable N/A

1. Operations of major subsidiaries

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	14,662,593,626.75	7,749,542,516.39	557,801,821.85	13.50	19.74
Zhendan Company	Expressway construction, management, maintenance and toll collection	423,910,000	70	1,716,921,277.82	449,140,055.74	-41,428,524.65	-	-19.54
Wufengshan Toll Bridge Company	Expressway construction, management, maintenance and toll collection	3,112,980,000	64.5	12,716,377,953.25	4,701,955,619.40	-127,062,290.87	-	-
Ninghu Investment Company	Investments in various types of infrastructure, industries and assets	1,919,434,377.98	100	3,536,440,599.68	2,902,365,493.16	416,892,113.84	10.09	247.09
Ninghu Properties Company	Real estate development, operation and consultancy	500,000,000	100	2,647,277,195.89	1,233,560,747.58	37,821,606.52	0.92	-49.67
Hanwei Company	Real estate development and operation	374,499,800	100	1,570,824,115.41	228,698,849.17	38,005,845.70	0.92	2673.58
Yangtze River Management Company	Expressway construction, management and maintenance	50,000,000	100	55,367,236.43	50,832,923.51	564,883.11	0.01	120.55
Longtan Bridge Company	Expressway construction, management, maintenance and toll collection	1,005,090,000.00	53.6	2,269,539,044.37	2,166,029,121.84	323,607.86	0.01	-
Ninghu International Company	Overseas infrastructure investment	732,310.87	100	73,401.35	-1,550.65	-733,861.52	-	-
Yangtze Commerce and Energy Company	Operation and management of expressway service zone and other ancillary facilities	100,000,000.00	100	99,591,289.71	99,591,289.71	-408,710.29	-	-

* During the Reporting Period, the toll business of Guangjing Xicheng Company and Zhendan Company, subsidiaries of the Group in the road and bridge sector, recovered strongly, the toll fees increased significantly, and the operating results increased significantly year-on-year.

* During the Reporting Period, the fair value of other non-current financial assets held by Ninghu Investment Company increased significantly year-on-year, resulting in a year-on-year increase of approximately 247.09% in its net profit.

* For details of changes in the operation and results of Ninghu Properties Company and Hanwei Company, please refer to the section headed "Property Business" in this report.

* The loss of Ninghu International Company during the Reporting Period was due to the intermediary expenses incurred for the acquisition of the project in Turkey.

* As at the end of the Reporting Period, Yangtze Commerce and Energy Company had no liabilities and net assets such as total assets.

(VIII) Structured entities controlled by the Company

Applicable N/A

REPORT OF THE BOARD

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

(I) Industry landscape and development trends

Applicable N/A

Transportation industry has always been the basic industry of the national economy. As the key and the foundation of the country, transportation has always occupied the fundamental, guiding and strategic position in the national economy. As China's economy enters a stage of high-quality development, it will take advantage of the momentum to accelerate the construction of a strong transportation country and build a modern comprehensive transportation system, which will provide solid support for the construction of a modern socialist country. As the most basic, most extensive, flexible and indispensable means of transportation in the comprehensive transportation system, highway provides the most direct, most important and convenient services for economic development, social progress and public travel. The construction of a safer, more convenient, efficient, green and economical modern highway system is the actual requirement and the only way for China to implement high-quality development.

The pace of intelligent development of expressways accelerated. From 00:00 on January 1, 2020, all 487 expressway toll stations at provincial borders in 29 provinces connected to the Internet were cancelled, marking a new stage of expressway operation and management in the whole country into a national network. Under this new normal, there is a more urgent need for digital transformation in terms of charging verification, management scheduling and travel services. In January 2022, the State Council issued the Development Plan for the Modern Integrated Transportation System of "14th Five-Year Plan", which clearly stated that "adhering to innovation-driven development, promoting the deep integration of new technologies such as the Internet, big data, artificial intelligence and blockchain with the transportation industry, promoting the application of advanced technology and equipment, building a smart transportation system with pan-interconnection, flexible coordination and global competitiveness, strengthening the self-reliance of science and technology, consolidating the foundation of innovation and development, and enhancing the new momentum of comprehensive transportation development", which will bring new opportunities for the development of smart expressways. At present, the integration and application of new technologies such as 5G+, autonomous driving and vehicle-road collaboration with industries have brought new possibilities for the digital transformation of China's transportation industry, and also injected new vitality into the smart development of expressways.

Expressway reconstruction or expansion may usher in a peak period. China's highways ushered in a peak period in the late 1990s. Currently, the total mileage has exceeded 160,000 kilometers. Some sections opened to traffic in the early stage have reached saturation, which requires expansion and transformation to better meet the public's travel needs. The State has issued several development plans and guidance opinions, and explicitly required "to promote the expansion and transformation of national expressways with earlier construction and busy traffic". In addition, according to the current provisions of the Highway Law and the Regulations on the Administration of Toll Roads, the current toll period of operating expressways is 25 or 30 years, and many expressway enterprises will usher in the expiration of toll collection in the next 5 to 10 years. According to the Regulations on the Administration of Toll Roads (Draft for Comments), expressway enterprises can extend the toll collection period for a certain number of years through reconstruction and expansion, and as compared with the newly built road assets, reconstruction and expansion do not need to go through the cultivation period, which can ensure the investment return of reconstruction and expansion projects and help expressway enterprises usher in secondary development opportunities.

(II) Development strategies of the Company

Applicable N/A

"Stability" is the top priority and seeks progress while maintaining stability. Facing the complex and ever-changing international and domestic situation, the Company insisted on seeking stability amid changes and making progress while maintaining stability. The Company will fully utilize the resource advantages of the road network of southern Jiangsu to improve the operating efficiency of assets. The Company will accelerate the construction of the transportation ecosystem, and stabilize the fundamentals of development by optimizing the structural adjustment to hedge against the uncertain external environment.

"Innovation" action and service upgrade. The Company will make breakthroughs in development bottlenecks with innovation in management to improve the quality of road management and maintenance, improve road operation efficiency with technological innovation, and expand the industrial space of road extension with innovation in business model. We will keep abreast of new policies and solve new problems, and adjust our response strategies according to the current situation.

"Improvement" is the propeller to boost development. The Company will actively grasp the industry trends and regulatory directions, deepen reform to improve governance, form a governance mechanism with coordinated operation and effective checks and balances, adhere to the governance system benchmarking world-class ones, improve market recognition, and ensure the high-quality development of the Company.

(III) Operational Plan

Applicable N/A

- 2022 is a crucial year for building on past successes for further development of “14th Five-Year Plan”. On the premise of firmly focusing on the development of its principal business, the Group will diversify industrial risks and maintain high profit returns. The major tasks involve:

The Company will continue to consolidate its foundation and realize mutual promotion of various business segments. **Firstly**, we will give full play to the basic advantages of the industry and deepen the main business. Focusing on the main business of roads and bridges, focusing on the overall situation of “strengthening the province with transportation”, the Company will focus on the cultivation period of newly opened roads and bridges, and refine the operation and management. We will actively seize investment opportunities in high-quality road and bridge projects to build a solid foundation for development. **Secondly**, the Company will leverage its brand advantages to expand the profits of auxiliary business, promote the transformation and upgrading of service zones and seek new breakthroughs in the development of “transportation + service zones”. The Group will continue to expand market space by leveraging its core business and capabilities, build the ecosystem of its main business, enhance the liquidity of traffic flow, and open up new business and profit growth points. **Thirdly**, the Company will leverage its resource advantages to optimize external investment. We will prudently seek stable-income investment opportunities in finance, new energy and transportation infrastructure, expand sources of profit, continue to strengthen risk prevention and control, and improve the monitoring and early warning of investment risks.

Focus on intelligent empowerment and improve quality and efficiency to release vitality. **The first** is the quality of roads and bridges. The Company firmly established the concept of full life cycle, and achieved steady growth despite the natural deterioration of road and bridge performance indicators. The road and bridge conditions have always been at the leading level in the industry, and the professional brand of “Jiangsu Expressway-style maintenance” has been refined. **The second** is to make smooth roads as the driving force. Summarize and improve the experience of the “quasi-free flow” toll collection mode to improve traffic efficiency. The Company will explore new methods for intensive maintenance to reduce the time and frequency of road operation and maximize the “road is for people”. The feasibility study on the reconstruction and expansion of the pilot section of Shanghai-Nanjing Expressway was carried out in a timely manner to promote a new leap in large-flow and smooth traffic. **The third** is to view digital transformation as the direction. The Company will continue to explore the digitalization of highway assets, visualization of maintenance work and intelligent maintenance decision-making, maintain the leading position in the digital infrastructure in China, and create a leading position in the national intelligent transportation industry.

We will always comply with regulations and promote compliance management in depth. **Firstly**, the Company continued to promote the construction of compliance system, internalized the requirements of internal control and compliance into operation management, maintained the consistency between rules and regulations and business development, and effectively improved management efficiency. **Secondly**, the Company will accelerate the professional construction of talents, build a “pyramid” talent structure based on the Company’s high-quality development needs, implement the professional training of various types of talents in a hierarchical and classified manner, and accurately and efficiently cultivate talents. **Thirdly**, the Company will strengthen early warning and supervision. Through regular and continuous business inspection, the Company will give early warning, resolve and deal with risks in advance, promote the improvement of management capabilities, and ensure the long-term development of the Company.

REPORT OF THE BOARD

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

The Group expects that the total investment expenditure for 2022 will be approximately RMB2,157,550,000, representing a decrease of RMB4,991,082,000 as compared with the actual expenditure of RMB7,148,632,000 in 2021. Investment expenditure for the year of 2022 mainly includes:

Investment expenditure items	Amount (RMB)
Investment in the construction of Yichang Expressway	200,000,000.00
Investment in the construction of Changyi Expressway	80,000,000.00
Investment in the construction of Longtan Bridge	1,300,000,000.00
Investment in CDB Kai Yuan Phase II Fund	104,220,000.00
Capital increase of Factoring Company	100,000,000.00
Other capital plans of the Group	373,329,500.00
Total	2,157,549,500.00

On the basis of fully leveraging its own capital, the Group timely adjusted its financing strategy based on the financing condition of the capital market, while further optimizing its debt structure and reducing capital risks so as to satisfy its own funding needs for operation and development. Meanwhile, the Group is actively exploring various types of financing channels such as convertible bonds and overseas bonds, which will not only provide the Group with efficient funds support 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 RMB5.520 billion, the available unutilized bank loan facilities with a time limit over one year were not less than RMB10.0 billion; 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: The Group is primarily engaged in the investment, construction, operation and management of toll roads and bridges, and toll fees are the major source of revenue for the Group at present. The adjustment and change of industry policies, national macro-control policies and tax policies will directly or indirectly affect the Group's business revenue and thus the Group is exposed to the operational risks brought by industry policies.

Counter-measures: To address policy risks, the Group will pay close attention to the developments of relevant policies, and get a clear understanding of such policies. It will establish a dynamic policy risk tracking and assessment mechanism and enhance the contact and communication with the relevant government authorities, especially transportation, financial, taxation and pricing departments so that it can adjust its business decisions accordingly in a timely manner and develop new profit growth points to reduce downward pressure on toll fees. Meanwhile, the Group will diversify its business operations by commencing various activities relating to its principal business so as to reduce the risks arising from relatively simple business portfolio.

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 on-going expansion of railway network in Jiangsu Province, the existing market share of the Group will be squeezed, 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 and enhance contingency capabilities.

3. Risks associated with project investment

Risk analysis: The Group's road and bridge projects under construction and new road and bridge projects are subject to economic, political and related factors, and there is a risk that the future returns may fall short of expectations. In addition, investment in financial and quasi-financial products may involve risks of losses and gains due to market fluctuations and systematic risks.

Counter-measures: The Group will improve the mechanism for recruitment and cultivation of professional talents and boost 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.

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

Risk analysis: Due to its long industry chain and cycle, the real estate sector is more susceptible to the changes in market environment and policies. Economic operation environment, changes in fiscal and monetary policies and the policies for taming the property market may affect the sales cycle and sales performance of the Group's real estate business, leading to an extension of the real estate sales cycle and affecting the progress of destocking.

Counter-measures: The Group will establish a risk management system and normalized risk appraisal mechanism, stay up-to-date with policies concerning the industry and the developments of the macro-economy and the industry and integrate risk management into real estate projects. Besides, it will reinforce specialized management of projects, build up its capability to gain insights into government policy and market development trends, adopt effective prevention measures and step up efforts to accelerate destocking so as to minimize risks.

(V) Others

Applicable N/A

VII. 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

REPORT OF THE BOARD

VIII. Donations

During the Reporting Period, the Company donated a total of RMB970,000 for “rural construction”, “targeted poverty alleviation” and other projects.

IX. Directors of the Company during the Reporting Period

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

X. The Company’s Environmental Policy and Performance

For the details of the Company’s environmental policy and performance during the Reporting Period, please refer to Section V – Environmental and Social Responsibility of this report.

XI. Legal Compliance

For the details of the Company’s legal compliance during the Reporting Period, please refer to Section VI – Significant Matters – XV. Compliance with laws of this report.

XII. Description of the Company’s significant relationships with its employees

For the details of the Company’s significant relationships with its employees during the Reporting Period, please refer to Section IV Corporate Governance – X. Details of staff of the parent company and its major subsidiaries at the end of the Reporting Period of this report.

XIII. Proposed Dividends

For the details of the Company’s proposed dividends during the Reporting Period, please refer to Important Notice – V. Profit distribution plan or plan for the capitalization of capital reserve during the Reporting Period resolved by the board of directors of this report.

XIV. Permitted Indemnity Provision of Directors and Supervisors and Interests of Directors and Supervisors in Contracts

For the details of the permitted indemnity provision of directors and supervisors and interests of directors and supervisors in contracts during the Reporting Period, please refer to Section IV Corporate Governance – X. Details of staff of the parent company and its major subsidiaries at the end of the Reporting Period – (V) Others of this report.

XV. 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.

XVI. Interests of directors and supervisors

At no time during the Reporting Period and as at the end of the Reporting Period was the Company or any of its subsidiaries, holding companies or fellow subsidiaries a party to any arrangements to enable any director or supervisor to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporates.

XVII. Events after the Reporting Period

There were no significant events subsequent to the Reporting Period.

Cheng Xiaoguang
Chairman
25 March 2022

CORPORATE GOVERNANCE

I. Details of Corporate Governance of the Company

Applicable N/A

The Group adheres to the 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, focuses on the establishment of a standardized information disclosure mechanism, a smooth investor communication mechanism and a sound investor return mechanism in order to actively fulfill their responsibilities to stakeholders such as shareholders, customers, employees, and society, and make every effort to build a leading enterprise in the expressway industry.

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, the Securities 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 “Best Board of Directors” of the “12th China Listed Company Investor Relations Tianma Award” by Securities Times, the “Golden Quality and ESG Award” of the “Golden Quality Award” by Shanghai Securities News, and the “Best Corporate Governance (G) Responsibility Award” of the “China Corporate ESG Golden Responsibility Award” by Sina Finance, which fully embodied the Group’s efforts in corporate governance and other aspects.

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

Applicable N/A

II. Specific measures taken by the controlling shareholder and the de facto controller of the Company to ensure the independence of the Company’s assets, personnel, finance, organization and business, and solutions, work progress and follow-up work plans adopted when the independence of the Company is affected

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.

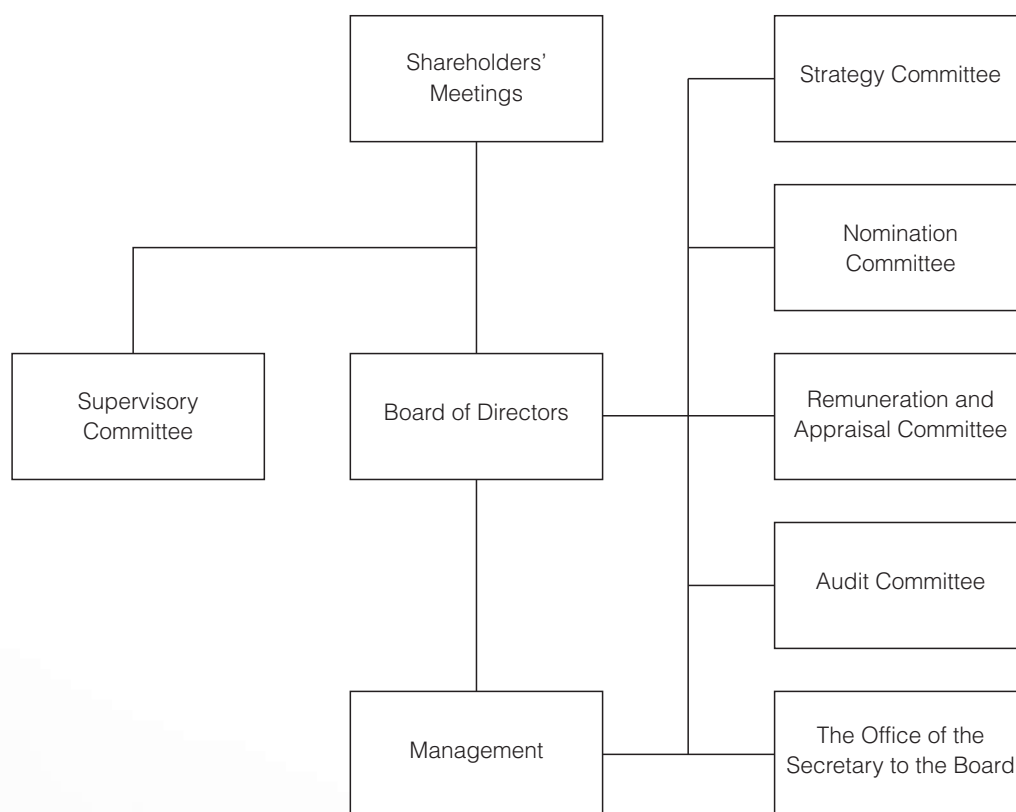
Impact on the Company, solutions adopted, progress of the solution and subsequent solution plan in the event that the controlling shareholder, de facto controller and other entities controlled by them are engaged in the same or similar business as the Company

Applicable N/A

CORPORATE GOVERNANCE

III. GENERAL MEETINGS

(I) Corporate governance structure and rules



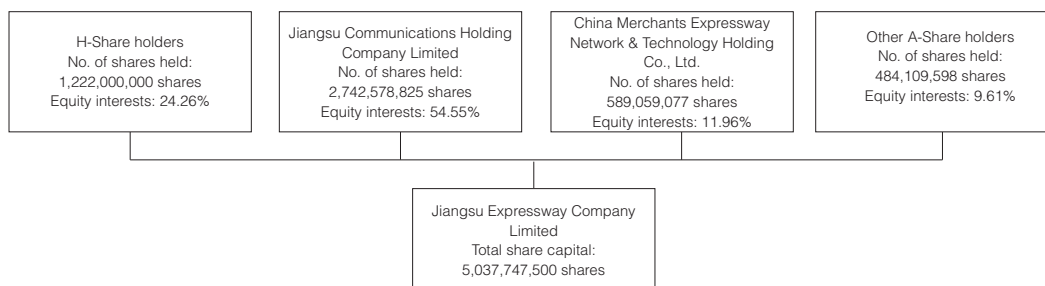
The Company is listed on both the SSE and the Stock Exchange. In addition to the compliance with applicable laws and regulations, the Company is also required to comply with the following requirements in respect of corporate governance practice: the Corporate Governance Code for Listed Companies stipulated by the CSRC, the Corporate Governance Code under Appendix 14 to the Hong Kong Listing Rules and the requirements as imposed by SSE and the Hong Kong Listing Rules. Meanwhile, the Company has formulated various governance systems, including the "Rules of Procedures for General Meetings", the "Rules of 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.

No amendments were made to the Articles of Association of the Company during the financial year.

(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



Jiangsu 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.

CORPORATE GOVERNANCE

(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
Fax: 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.

(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.

CORPORATE GOVERNANCE

Overview of general meetings

Session	Date	Designated website for publishing resolutions	Date of disclosure and publishing of resolutions	Resolutions of the Meeting
2020 Annual General Meeting	17 June 2021	www.sse.com.cn; www.hkexnews.hk; www.jsexpressway.com	18 June 2021	For details, please refer to the announcement of the Company published on the website of the SSE at www.sse.com.cn on 18 June 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 17 June 2021.

The general meeting was 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 meeting 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 meeting and communicated with shareholders on matters concerned.

Preference shareholders with voting rights restored requesting to convene an extraordinary general meeting

Applicable N/A

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 meeting. 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.

IV. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

(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 (RMB0' 000)	Remuneration received from the related parties of the Company
Current											
Cheng Xiaoguang	Chairman of the board of directors, Executive director Executive director, deputy general manager, secretary to the board of directors, company secretary in Hong Kong	M	44	2021-10	2024-06	-	-	-	Nil	95.23	No
Yao Yong Jia	Kong	M	58	2017-06	2024-06	-	-	-	Nil	96.52	No
Chen Yanli	Non-executive director	M	59	2018-06	2024-06	-	-	-	Nil	-	Yes
Wang Yinqian	Non-executive director	M	52	2021-06	2024-06	-	-	500	Nil	-	Yes

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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
Wu Xinhua	Non-executive director	M	55	2016-01	2024-06	-	-	-	Nil	-	Yes
Ma Chung Lai, Lawrence	Non-executive director	M	68	2015-06	2024-06	-	-	-	Nil	32.46(note 2)	No
Li Xiaoyan	Non-executive director	F	45	2021-06	2024-06	-	-	-	Nil	-	Yes
Lin Hui	Independent Non-executive director	M	50	2015-06	2024-06	-	-	-	Nil	10.79	No
Zhou Shudong	Independent Non-executive director	M	61	2018-06	2024-06	-	-	-	Nil	10.79	No
Liu Xiaoxing	Independent Non-executive director	M	52	2018-01	2024-06	-	-	-	Nil	10.79	No
Xu Guanghua	Independent Non-executive director	M	59	2015-06	2024-06	-	-	-	Nil	5.39	No
Yu Mingyuan	Chairman of the supervisory committee	M	60	2021-06	2024-06	-	-	-	Nil	5.39	No
Yang Shiwei	Supervisor	M	51	2018-06	2024-06	-	-	-	Nil	-	Yes
Ding Guozhen	Supervisor	M	60	2018-06	2024-06	-	-	-	Nil	-	Yes
Pan Ye	Supervisor	M	34	2016-02	2024-06	-	-	-	Nil	-	Yes
Lu Zhengfeng	Supervisor	M	49	2019-05	2024-06	-	-	-	Nil	69.21	No
Kong Yuanyi	Supervisor	F	46	2020-07	2024-06	-	-	-	Nil	59.68	No
Wang Feng	General manager	M	46	2021-10	2024-06	-	-	-	Nil	63.52	No
Dai Qian	Financial Controller	M	44	2020-06	2023-06	-	-	-	Nil	70.06	No
Yan Yun	Deputy general manager	F	48	2019-04	2022-06	-	-	-	Nil	82.93	No
Yang Dengsong	Deputy general manager	M	50	2021-03	2024-03	-	-	-	Nil	50.91	No
Resigned											
Sun Xibin	Chairman, Executive director	M	52	2018-08	2021-10	-	-	-	Nil	68.38	No
Cheng Xiao Guang	General manager	M	44	2020-03	2021-10	-	-	-	Nil	-	No
Chen Yongbing	Non-executive director	M	48	2018-06	2021-05	-	-	-	Nil	-	Yes
Zhang Zhuting	Independent Non-executive director	M	59	2015-06	2021-06	-	-	-	Nil	5.39	No
Chen Liang	Independent Non-executive director	M	57	2015-06	2021-06	-	-	-	Nil	5.39	No
Yu Lanying	Chairman of the supervisory committee	F	51	2018-06	2021-05	-	-	-	Nil	0.62	Yes
Total	/	/	/	/	/			500	/	743.45	/

Note 1: 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.

Note 2: 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.

CORPORATE GOVERNANCE

Name	Brief biography
<p>Director</p> <p>Cheng Xiaoguang</p> <p>Yao Yongjia</p> <p>Chen Yanli</p> <p>Wang Yingjian</p>	<p>Born in 1978, Cheng Xiaoguang is a secretary of the Communist Party Committee, Chairman of the board of directors, executive director and convener of the Strategy 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.</p> <p>Born in 1964, 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.</p> <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 from the Party School of the Central Committee of C.P.C. Mr. Chen is currently serving as a senior specialist and deputy director under Party Building Engineering Expert Committee of Jiangsu Communications Holding, and a full-time director and supervisor of the controlled (invested) enterprises. 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, deputy chief economist, chief economist and head of the organization department under Party Committee of Jiangsu Communications Holding Company Limited and the chairman of Jiangsu Communications Holding Human Resources Development Company Limited from 2016 to 2021. Mr. Chen has long been engaged in transportation management and is a senior expert with extensive experience in transport management.</p> <p>Born in January 1970, Mr. Wang is a non-executive director and a member of the Strategy Committee. He is a postgraduate of Party School of C.P.C Jiangsu Committee and a senior engineer at the postgraduate level. He currently serves as the director of the Science and Technology Information Department and director of the Digital Economic Development Office of Jiangsu Communications Holding. Mr. Wang served as the director of the Technology Information Office of the Jiangsu Expressway Operation and Management Center, director of the Nanjing Management Office and secretary to the general Party branch of Jiangsu Nanjing-Huai'an Expressway, deputy director and a member of the Party committee of Jiangsu Expressway Operation and Management Center, general manager and deputy secretary to the Party committee of Jiangsu Sutong Bridge Company Limited (江蘇蘇通大橋有限責任公司), and director of the Information Center of Jiangsu Communications Holding Company Limited. Mr. Wang has long been engaged in transportation management work with extensive experience.</p>

CORPORATE GOVERNANCE

Name	Brief biography
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. 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 and managing director of Sichuan Expressway Co., Ltd., Anhui Expressway Co., Ltd., 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), Yangtze Bridge Company, and Guangjing Xicheng Company, and 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). Mr. Wu has been serving as the director of the Company since 2016.</p>
Ma Chung Lai Lawrence	<p>Born in 1954, Ma Chung Lai, Lawrence is a non-executive director and a member of the Strategy Committee. Mr. Ma obtained a bachelor degree in biochemical engineering from the University of London, the United Kingdom. He is currently the general manager of Taching Petroleum Co., Ltd. (大慶石油有限公司), vice president of Wing Hing Enterprise Company (永興企業公司) and standing committee member of the twelfth session of the Jiangsu Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. He also served as an independent director of Nanjing Panda Electronic Company Limited, a committee member and standing committee member of the Jiangsu Committee of the Chinese People's Political Consultative Conference of the People's Republic of China, a committee member, an executive member and standing committee member of AllChina Federation of Industry & Commerce (中華全國工商業聯合會), the standing committee chairman and honorary chairman of the Chinese General Chamber of Commerce (香港中華總商會), the chairman of Jiangsu Residents (HK) Association (江蘇旅港同鄉聯合會) and a director of China Overseas Friendship Association (中華海外聯誼會). Mr. Ma has been a director of the Company since 23 June 2015.</p>
Li Xiaoyan	<p>Born in 1977, Li Xiaoyan is a non-executive director, a member of the Audit Committee and the Remuneration and Appraisal Committee. She is a graduate with a master degree and also a senior accountant, Chinese Certified Public Accountant (CPA), Association of Chartered Certified Accountant (ACCA), Chartered Global Management Accountant (CGMA) and a state high-caliber talent in accounting. She currently serves as a deputy financial controller of China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網路科技控股股份有限公司). Ms. Li once served as a member of the discipline inspection committee and the general manager of the financial department of Sinotrans Limited (中國外運股份有限公司). Ms. Li has long been focusing on financial management of listed companies, and has accumulated rich experience in financial management, corporate management and investment and financing management.</p>
Lin Hui	<p>Born in 1972, Lin Hui is an independent non-executive director, a convener of the Remuneration and Appraisal Committee and member of the Nomination 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. 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 non-executive director of the Company since 2 June 2016.</p>

CORPORATE GOVERNANCE

Name	Brief biography
Zhou Shudong	<p>Born in March 1961, Zhou Shudong is an independent non-executive director, a convener of the Nomination Committee and member of the Audit 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>
Xu Guanghua	<p>Born in 1963, Mr. Xu is an independent non-executive director, a convener of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration and Appraisal Committee. He holds a doctorate degree in management. He is currently the dean, a professor and a doctoral tutor of the Department of Accounting in Nanjing University of Science & Technology, the chairman of the Jiusan Society (九三學社), the president of the Senior Engineering Colleges Branch of Accounting Society of China (中國會計學會高等工科院校分會), the director of the Finance and Accounting Research Center of Nanjing University of Science & Technology, and the deputy director of the Jiangsu Management Accounting Research Center (江蘇管理會計研究中心); and concurrently a peer review expert of the National Natural Science Foundation of China, National Social Science Fund of China, Fok Ying Tung Education Foundation, China Postdoctoral Foundation (中國博士後基金) and National MBA Top 100 Cases (全國MBA百優案例) and others. Mr. Xu has long been engaged in teaching and scientific research in the fields of finance, accounting and strategic performance evaluation, and is the pioneer of the performance evaluation theory of corporate symbiosis strategy and the theory of symbiosis financial performance.</p>
Yu Mingyuan	<p>Born in 1962, Yu Mingyuan is an independent non-executive director and a member of the Strategy Committee. He graduated from Tongji University majoring in transportation management. He is currently the director and researcher of the Research Center for Highway and Comprehensive Transportation Development (公路與綜合交通發展研究中心) under Research Institute of Highway Ministry of Transport, and is an expert entitled to the special allowances from the State Council. Mr. Yu has long been engaged in transportation policy and strategy research, and has made outstanding achievements in research fields such as toll road policy and system innovation, highway management system and investment and financing, toll road operation and management, laws and regulations related to highway and transportation, etc. He has successively directed more than 40 national and provincial scientific research projects, and has taken in charge of a number of major special projects under the Ministry of Transport as well as the formulation and revision of policies and regulations. He is an expert in the expert bank of the National Prize for Progress in Science and Technology, a high-caliber talent of the China Association for Science and Technology, an expert in the expert bank of the Ministry of Transport and an expert in the PPP expert bank of the Ministry of Finance.</p>

CORPORATE GOVERNANCE

Name	Brief biography
<p>Supervisor</p> <p>Yang Shiwei</p> <p>Ding Guozhen</p> <p>Pan Ye</p> <p>Lu Zhengfeng</p> <p>Kong Yuanyi</p>	<p>Born in August 1975, Mr. Yang is the chairman of the Supervisory Committee, a university graduate with a master degree and a senior engineer. He is currently serving as the director of the Corporate Management and Legal Affairs Department of Jiangsu Communications Holding, director of the Office of the Board and director of the Examination and Approval Office. Mr. Yang worked at Lianyungang City Transportation Bureau (連雲港市交通局) from 1999 to 2017 and served in the following posts: the deputy director of the Traffic Readiness Office, director of the Comprehensive Planning Division, director of the Administrative Service Division, chief engineer and member of the Party Committee; from 2017 to 2018, Mr. Yang served as the deputy director of the Audit and Legal Department of Jiangsu Port Group Company Limited (江蘇省港口集團有限公司); from 2018 to 2021, he successively served as the deputy minister of Department of Corporate Management and Legal Affairs, deputy minister of Department of Tendering and Procurement Management, deputy minister of Department of Audit and Risk Control (person-in-charge), and deputy director of Department of Audit Center (person-in-charge), minister of Department of Audit and Risk Control and director of Audit Centre of Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司). Mr. Yang has long been engaged in transportation management and has extensive experience in corporate management, internal audit and risk control.</p> <p>Born in 1962, Ding Guozhen is a supervisor and a senior economist with university education. He is currently serving as the senior specialist and deputy director of Operation and Development Expert Committee of Jiangsu Communications Holding, and full-time director and supervisor of controlled (invested) enterprise. 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, head of the Corporate Management and Legal Affairs Department, head of the Tender and Procurement Management Department, General Counsel, Secretary to the Board, director of the Board Office and director of the Examination and Approval Office. Mr. Ding has long been engaged in corporate management and is a senior expert with extensive experience in corporate management.</p> <p>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 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.</p> <p>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. He is currently the deputy chief economic manager and manager of the Investment Development Department of the Company. 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. 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.</p> <p>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. She is currently the director in of the Investigation Office of the Company. Ms. Kong has successively served as the head of the office, assistant to the director, the deputy director (in charge of work) of the Party and Mass Work Department of the Company.</p>

CORPORATE GOVERNANCE

Name	Brief biography
Senior management	
Wang Feng	Born in 1976, Wang Feng is the general manager and deputy secretary of the Party Committee. 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; and the deputy general manager and party committee member of the Company. Mr. Wang has long been engaged in the management of roads and bridges, and has accumulated rich experience in expressway management.
Dai Qian	Born in 1978, Dai Qian is the financial controller and party committee member. 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.
Yan Yun	Born in 1974, Yan Yun is a deputy general manager and party committee member. 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. Ms. Yan has been engaging in the field of management of expressway enterprises and she is well-experienced in corporate management.
Yang Dongsong	Born in 1972, Yang Dongsong is a deputy general manager and party committee member. He is a university graduate with a master's degree and a senior engineer majoring in intelligent traffic engineering. Mr. Yang served as the head and Party secretary of the Wuxi Management Office of Jiangsu Expressway Company Limited and the executive deputy director of the Operation Management Centre of Jiangsu Expressway Company Limited. Mr. Yang has been engaged in expressway management for a long time and has extensive experience in corporate management.

Other explanations

Applicable N/A

- During the Reporting Period, save as otherwise disclosed in this report, 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 include housing provident fund, non-monetary benefits, medical insurance premium, work injury insurance premium and maternity insurance premium borne by the Company.
- 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.

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(II) Details of Current and Resigned Directors, Supervisors and Members of Senior Management of the Company during the Reporting Period

1. Details of service in shareholders' entities

Applicable N/A

Name of employee	Name of shareholders' entities	Position held in shareholders' entity	Date of commencement of appointment	Date of termination of appointment
Sun Xibin	Jiangsu Communications Holding Company Limited	Deputy general manager	October 2021	
Chen Yanli	Jiangsu Communications Holding Company Limited	Senior Specialist, Deputy Director of under Party Building Engineering Expert Party Committee, Full-time Director and Supervisor of the Controlled (Invested) Enterprises	November 2021	
Chen Yongbing	Jiangsu Communications Holding Company Limited	Director of Development and Reform Department	January 2018	September 2021
Wang Yingjian	Jiangsu Communications Holding Company Limited	Director of Science and Technology Information Department, Director of Digital Economy Development Office	November 2020	
Yu Lanying	Jiangsu Communications Holding Company Limited	Director of Finance Management Department	November 2019	
Yang Shiwei	Jiangsu Communications Holding Company Limited	Director of the Corporate Management and Legal Affairs Department, Director of the Office of the Board and Director of the Examination and Approval Office	November 2021	
Ding Guozhen	Jiangsu Communications Holding Company Limited	Senior Specialist, Deputy Director of Operation and Development Expert Committee and Full-time Director and Supervisor of Controlled (Invested) Enterprise	November 2021	
Wu Xinhua	China Merchants Expressway Network & Technology Holding Co., Ltd.	Deputy general manager, secretary to the board of directors	August 2019	
Li Xiaoyan	China Merchants Expressway Network & Technology Holding Co., Ltd.	Deputy Chief Finance Officer	April 2020	
Pan Ye	China Merchants Expressway Network & Technology Holding Co., Ltd.	Senior manager of Capital Operation Department	January 2020	-

Explanation of service in shareholders' entities Nil.

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2. 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	September 2018	September 2021
Cheng Xiaoguang	Jiangsu Expressway International (Hong Kong) Company Limited	SPV Director	March 2020	
	Jiangsu Suxichang South Expressway Co., Ltd Jiangsu Expressway Network Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)	Chairman Director	October 2021 June 2021	
Wang Feng	Jiangsu Kuailu Motor Transport Co., Ltd.	Chairman of the supervisory committee	September 2020	
	Jiangsu Expressway International (Hong Kong) Company Limited	Director	February 2022	
	Jiangsu Longtan Bridge Co., Ltd. Jiangsu Wufengshan Toll Bridge Co., Ltd.	Chairman Chairman of the supervisory committee	December 2021 September 2020	
Yao Yongjia	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)	Chairman	June 2021	
	Jiangsu Luode Equity Investment Fund Management Co., Ltd.	Chairman	October 2016	
	Jiangsu Expressway International (Hong Kong) Company Limited	Director	January 2020	
Chen Yanli	Nanjing Lukou International Airport	Supervisor	March 2017	January 2022
	Jiangsu Jinghu Expressway Co., Ltd.	Director	May 2018	
Chen Yongbing	Jiangsu Financial Leasing Co., Ltd.	Chairman of the supervisory committee	April 2018	January 2022
	Jiangsu Railway Group Co., Ltd. (江蘇省鐵路集團有限公司)	Director	May 2018	January 2022
	Jiangsu Port Group Co., Ltd. (江蘇省港口集團有限公司)	Director	July 2018	January 2022
	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	January 2022 January 2022
Wu Xinhua	Huaqi Investment Co., Ltd.	Chairman	October 2020	
	China Merchants State Grid Green Energy Technology Company Limited. (招商國網綠色能源科技有限責任公司)	Chairman	November 2020	
Li Xiaoyan	Shenzhen Expressway Corporation Limited	Director	January 2021	
Pan Ye	Jiangsu Guangjing Xicheng Expressway Co., Ltd.	Supervisor	May 2019	
	Heilongjiang Transport Development Co., Ltd.	Supervisor	February 2020	February 2023
	Jiangsu Ningjingyan Expressway Co., Ltd.	Supervisor	June 2020	
Ma Chung Lai, Lawrence	Taching Petroleum Co., Ltd	General manager	January 1978	
	Wing Hing Enterprise Company	Vice president	January 1986	
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. (江蘇常熟汽飾集團股份有限公司)	Independent director	August 2017	August 2023
	COFCO Engineering Technology Co., Ltd. Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (江蘇通行寶智慧交通科技有限公司)	Independent director Independent director	March 2020 December 2019	March 2023 December 2022

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Name of employee	Name of other entity	Position held in other entities	Date of commencement of appointment	Date of termination of appointment
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 Maysta Chemical Co., Ltd.	Independent director	May 2021	May 2024
	Jiangsu HopeRun Software Co., Ltd.	Independent director	February 2020	March 2022
	Focus Technology Co., Ltd.	Independent director	March 2020	March 2023
	Mutual Benefits Asset Management Co., Ltd.	Independent director	June 2020	June 2023
Xu Guanghua	Jiangsu Huaxicun Co., Ltd. (江蘇華西村股份有限公司)	Independent director	July 2020	July 2023
	Changzhou Qianhong Bio-pharma Co., Ltd. (常州千紅生化製藥股份有限公司)	Independent director	January 2021	January 2024
	Nantong Haixing Electronics Co., Ltd. (南通海星電子股份有限公司)	Independent director	November 2020	November 2023
	Jiangsu Canopus Wisdom Medical Technology Co., Ltd. (江蘇東星智慧醫療科技股份有限公司)	Independent director	August 2020	August 2023
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公司)	Chairman of the supervisory committee	December 2018	
	Jiangsu Jinsu Securities Investment Development Co., Ltd. (江蘇金蘇證券投資發展有限公司)	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	
Lu Zhengfeng	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限公司)	Director	June 2021	
	Nanjing Hanwei Property Development Company Limited (南京瀚威房地產開發有限公司)	Supervisor	December 2021	
	Jiangsu Wufengshan Toll Bridge Co., Ltd.	Director	February 2017	
	Jiangsu Longtan Bridge Co., Ltd.	Chairman of the supervisory committee	June 2019	
Dai Qian	Jiangsu Communications Holding Group Finance Co., Ltd.	Director	December 2020	
	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限公司)	Chairman of the supervisory committee	June 2021	
	Ning-Hu Commercial Factoring (Guangzhou) Co., Ltd. (寧滬商業保理(廣州)有限公司)	Chairman	May 2020	
Yan Yun	Jiangsu Xiexin Ninghu Gas Co., Ltd.	Director	September 2018	
	Jiangsu Wufengshan Toll Bridge Co., Ltd.	Chairman	April 2019	
	Jiangsu Yangtze Commerce and Energy Co., Ltd. (江蘇長江商業能源有限公司)	Chairman	January 2021	
Yang Dengsong	Jiangsu Yangtze Bridge Co., Ltd.	Supervisor	April 2020	
	Jiangsu Guangjing Xicheng Expressway Company Limited (江蘇廣靖錫澄高速公路有限公司)	Supervisor	April 2019	
	Jiangsu Suixichang South Expressway Co., Ltd.	Director	September 2018	
	Jiangsu Sundian Road & Bridge Co., Ltd. (江蘇現代路橋有限公司)	Director	December 2021	

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	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 2021, remuneration paid to 1 non-executive director in Hong Kong amounted to RMB324,600 (before tax); in 2021, remuneration paid to each of 5 independent directors engaged in the PRC was RMB107,900 (before tax), of which, remuneration paid to each of 4 directors whose time in office was half a year due to re-election of directors was RMB53,900 (before tax); 2. 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. 3 executive directors and 2 staff representative supervisors taking up 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 five social insurances (namely, pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance) and housing fund and other benefits.
Total remuneration actually received by all directors, supervisors and members of senior management at the end of the Reporting Period.	RMB8.3933 million

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(IV) Changes of Directors, Supervisors, and Senior Management of the Company

Applicable N/A

Name	Position held	Change	Reasons for change
Chen Yongbing	Director	Resignation	Change in work arrangements
Zhang Zhuting	Director	Resignation	Selection of a new session of Board of Directors
Chen Liang	Director	Resignation	Selection of a new session of Board of Directors
Sun Xibin	Chairman, Executive Director	Resignation	Change in work arrangements
Wang Yingjian	Director	Election	Selection of a new session of Board of Directors
Yu Mingyuan	Director	Election	Selection of a new session of Board of Directors
Xu Guanghua	Director	Election	Selection of a new session of Board of Directors
Li Xiaoyan	Director	Election	Selection of a new session of Board of Directors
Yu Lanying	Chairlady of the Supervisory Committee	Resignation	Change in work arrangements
Yang Shiwei	Chairman of the Supervisory Committee	Election	Selection of a new session of Supervisory Committee
Yang Dengsong	Deputy General Manager	Appointment	Appointment by the Board
Cheng Xiaoguang	General Manager	Resignation	Change in work arrangements
Wang Feng	General Manager	Appointment	Appointment by the Board

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

Applicable N/A

(VI) Others

Applicable N/A

V. Details of Meetings of Board of Directors Held in the Reporting Period

Session no. of meeting	Date	Resolution
Twenty-seventh meeting of the ninth session	12 January 2021	The Company increased its shareholding in Bank of Jiangsu and submitted a board letter of commitment and other relevant documents to the China Banking and Insurance Regulatory Commission, Jiangsu Branch.
Twenty-eighth meeting of the ninth session	26 March 2021	For details, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 29 March 2021 and on the website of the Stock Exchange (www.hkexnews.hk) on 26 March 2021, respectively.
Twenty-ninth meeting of the ninth session	28 April 2021	For details, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 29 April 2021 and on the website of the Stock Exchange (www.hkexnews.hk) on 28 April 2021, respectively.
First meeting of the tenth session	17 June 2021	For details, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 18 June 2021 and on the website of the Stock Exchange (www.hkexnews.hk) on 17 June 2021, respectively.
Second meeting of the tenth session	6 August 2021	For details, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 9 August 2021 and on the website of the Stock Exchange (www.hkexnews.hk) on 6 August 2021, respectively.
Third meeting of the tenth session	27 August 2021	For details, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 28 August 2021 and on the website of the Stock Exchange (www.hkexnews.hk) on 27 August 2021, respectively.
Fourth meeting of the tenth session	8 October 2021	For details, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 9 October 2021 and on the website of the Stock Exchange (www.hkexnews.hk) on 8 October 2021, respectively.
Fifth meeting of the tenth session	29 October 2021	For details, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 30 October 2021 and on the website of the Stock Exchange (www.hkexnews.hk) on 29 October 2021, respectively.
Sixth meeting of the tenth session	22 December 2021	For details, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 23 December 2021 and on the website of the Stock Exchange (www.hkexnews.hk) on 22 December 2021, respectively.

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VI. 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 telecommunications	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
Cheng Xiaoguang	NO	9	5	1	3	0	NO	0
Yao Yongjia	NO	9	8	1	0	0	NO	1
Chen Yanli	NO	9	8	1	0	0	NO	1
Wang Yingjian	NO	6	5	1	0	0	NO	0
Wu Xinhua	NO	9	8	1	0	0	NO	0
Ma Chung Lai, Lawrence	NO	9	8	1	0	0	NO	0
Li Xiaoyan	NO	6	5	1	0	0	NO	0
Lin Hui	YES	9	8	1	0	0	NO	1
Zhou Shudong	YES	9	8	1	0	0	NO	1
Liu Xiaoxing	YES	9	5	1	2	0	NO	0
Xu Guanghua	YES	6	5	1	0	0	NO	0
Yu Mingyuan	YES	6	5	1	0	0	NO	0
Sun Xibin	NO	6	5	1	0	0	NO	1
Chen Yongbing	NO	3	2	1	0	0	NO	1
Zhang Zhuting	YES	3	2	1	0	0	NO	0
Chen Liang	YES	3	2	1	0	0	NO	1

Note: The 2020 Annual General Meeting of the Company was convened on 17 June 2021, at which Wang Yingjian, Li Xiaoyan, Xu Guanghua, Yu Mingyuan were selected.

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

Applicable N/A

Number of board of director meetings convened during the year	9
Of which: Number of face-to-face meetings	0
Number of meetings convened by way of telecommunication	1
Number of meetings convened by combination of face-to-face meetings and via telecommunication	8

During the Reporting Period, the board of directors held a total of 8 meetings by a combination of physical attendance and telecommunications. 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, related party/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

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.

(III) Others

Applicable N/A

VII. Details of Special Committees under the Board of Directors

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 convenor in each of these committees.

(1) Details of members of special committees under the board of directors

Type of special committee	Names of members
Audit Committee	Xu Guanghua, Zhou Shudong, Liu Xiaoxing, Li Xiaoyan
Nomination Committee	Zhou Shudong, Chen Yanli, Wu Xinhua, Lin Hui, Xu Guanghua
Remuneration and Appraisal Committee	Lin Hui, Chen Yanli, Li Xiaoyan, Yu Mingyuan, Xu Guanghua
Strategy Committee	Cheng Xiaoguang, Yao Yongjia, Wang Yingjian, Ma Chung Lai, Lawrence, Yu Mingyuan

(2) During the Reporting Period, the Audit Committee held 6 meetings

The Audit Committee was established in 2001. Its current members comprise 4 directors. The convenor is Mr. Xu Guanghua, an independent non-executive director. Members include Mr. Zhou Shudong, Mr. Liu Xiaoxing and Ms. Li Xiaoyan. There are 1 non-executive director and 3 independent non-executive directors.

* Note 1: Mr. Xu Guanghua, 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: At the first meeting of the tenth session of the board of directors of the Company on 17 June 2021, Mr. Xu Guanghua, Mr. Zhou Shudong, Mr. Liu Xiaoxing and Ms. Li Xiaoyan were elected as members of the Audit Committee of the tenth board of directors of the Company, of which Mr. Xu Guanghua served as the convenor of the committee. Mr. Chen Liang did not participate in the election of the board of directors of the Company for member of the Audit Committee at the first meeting of the tenth session on 17 June 2021 and left office on the same day.

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 6 meetings, including 4 periodic report meetings and a separate communication meeting with external audit institutions. It reviews the Company's periodic reports; reviews related party/connected transactions, supervises and evaluates the external audit work, selects external auditors; reviews the internal control system, supervises and guides internal audits, promotes internal and external audit findings and rectification; strengthens internal control supervision and evaluation; reviews and monitors the Company's financial reporting quality and procedures; and provides support for the board of directors' decision-making on the above matters, and puts forward important opinions and suggestions. Please refer to the table below for matters discussed at each separate meeting.

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.

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Name of director	Whether he/she is an independent non-executive director	Number of Audit Committee meetings required to attend during the Reporting Period	Number of attendance
Xu Guanghua	Yes	4	4
Zhou Shudong	Yes	6	6
Liu Xiaoxing	Yes	6	6
Li Xiaoyan	No	4	4
Chen Liang (Resigned)	Yes	2	2

Date	Content of meeting	Important views and proposals	Other details of performance of duties
25 March 2021	the first meeting of the Audit Committee for 2021	<ol style="list-style-type: none"> the financial statements and audit report of the Company for 2020; the final financial report of the Company for 2020; the financial budget report of the Company for 2021 the resolution regarding the appointment of the Company's auditors of the annual financial report and internal control for 2021; explanation on the resolutions regarding the Self-evaluation Report on Internal Control of the Company for 2020 and the Internal Control Audit Report of the Company for 2020; the report of audit committee on the performance of duties for 2020. the report on internal audit of the Company for 2020. the plan for internal audit of the Company for 2021. the report on assessment of risk management of the Company for 2020. the Resolution regarding the Guarantee Plan of the Company for 2021. the Resolution regarding Provision of Loans to Subsidiaries. the Resolution regarding Ordinary Related Party/Continuing Connected Transactions. 	<ol style="list-style-type: none"> Considered and approved the financial statements and audit report of the Company for 2020, and believed that the audit report of the Company was comprehensive and true and that the information set out in the Company's audit report disclosed externally was objective and true, and approved the submission of the resolution to the board of directors for consideration. Considered and approved the final financial report of the Company for 2020, and approved the submission of the resolution to the board of directors for consideration. Considered and approved the appointment of KPMG Huazhen LLP as the Company's auditors of the annual financial report and internal control for the year 2021 at a remuneration of RMB3 million per year, of which fees for financial report audit and internal control audit are RMB2.3 million and RMB0.7 million respectively, and approved the submission of the resolution to the board of directors for consideration. The Self-evaluation Report on Internal Control of the Company for 2020 and the Internal Control Audit Report of the Company for 2020 comprehensively, objectively and truly reflected the current status of the Company's internal control system, the design and operation of the Company's internal control was sound and effective, and approved the submission of the resolution to the board of directors for consideration. Considered and approved the report of audit committee on the performance of duties for 2020, and approved the submission of the report to the board of directors for consideration. Considered and approved the annual plan for internal audit of the Company, and approved the submission of the report to the board of directors for consideration. Considered and approved the annual report on internal audit of the Company, and approved the submission of the report to the board of directors for consideration. Considered and approved the report on assessment of risk management of the Company for 2020, and approved the submission of the report to the board of directors for consideration. Considered and approved the Resolution regarding the Guarantee Plan of the Company for 2021. The Company agreed to provide a wholly-owned subsidiary, Ninghu Factoring with guarantees for its application for comprehensive credit, with a maximum guarantee balance of RMB670,000,000. The guarantee method was joint liability guarantee, with a guarantee period of three years. The guarantee was within the scope of controllable risk and was in the interests of the Company as a whole, and was not detrimental to the interests of the listed company and all shareholders and would not adversely affect the normal operation and business development of the Company, and approved the submission of the resolution to the board of directors for consideration. Considered and approved the Resolution regarding Provision of Loans to Subsidiaries. The Company provided loans to its subsidiaries, Guangjing Xicheng Company and Wufengshan Toll Bridge Company, on the premise of not affecting its own normal operation, which was conducive to reducing the cost of capital of the subsidiaries and safeguarding the Company's future investment income. The related party transaction was conducted in accordance with the principles of fairness, justness, voluntariness and integrity, and the interest was calculated at the current interest rate of the financing products issued by the Company, and the pricing was fair, just and reasonable; the procedures for consideration of and voting on the related party/connected transaction were in compliance with the relevant laws and regulations and the Articles of Association, etc., and there were no circumstances which were prejudicial to the interests of the minority shareholders and the Company, and the submission of the resolution to the board of directors for consideration was approved. The Resolution regarding Ordinary Related Party/Continuing Connected Transactions was considered and approved. The 24 ordinary related party/continuing connected transactions of the Company were approved, and such 24 transactions were carried out by the Company and its subsidiaries in the ordinary course of business, at fair and reasonable prices, with no adverse impact on the Company, without prejudice to the interests of the Company and its non-related shareholders, in particular the interests of the minority shareholders, and in the interests of the Company and its shareholders as a whole, and the submission of the resolution to the board of directors for consideration was approved.

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Date	Content of meeting	Important views and proposals	Other details of performance of duties
27 April 2021	the second meeting of the Audit Committee for 2021	<ol style="list-style-type: none"> the resolution regarding the 2021 first quarterly report. the Resolution regarding the Related Party/Connected Transaction in relation to Procurement of Pavement Maintenance Materials from a Related Party. 	<ol style="list-style-type: none"> Considered and approved the financial statements and report of the Company for the first quarter of 2021, and believed that the financial statements of the Company were comprehensive and true and that the information set out in the Company's report disclosed externally was objective and accurate, and approved the submission of the resolution to the 29th meeting of the ninth session of the board of directors for consideration. Considered and approved the Resolution regarding the Related Party/Connected Transaction in relation to Procurement of Pavement Maintenance Materials from a Related Party. The entering into of bituminous mixture procurement contracts by the Company and Jiangsu Guangjing Xicheng Expressway Company Limited, a subsidiary held by the Company, with Jiangsu Sundian Engineering Co., Ltd. was approved, to procure bituminous mixture for pavement maintenance, at a contract value of not more than RMB190 million and RMB86 million, respectively, and with a contract term both from 10 May 2021 to 30 July 2021; the submission of the resolution to the 29th meeting of the ninth session of the board of directors for consideration was approved. The transaction can achieve synergy among related/connected companies within the Group and further reduce the management costs of the Company and its subsidiaries. There was no dependence of the revenue and profit of the Company and its subsidiaries on such transaction, nor was there any circumstance that affected the independence of the listed company, or had any negative impact on the Company.
6 August 2021	the third meeting of the Audit Committee for 2021	the Resolution regarding the Ordinary Related Party/Continuing Connected Transaction regarding Cooperation in Conducting Recruitment and Consultation Service with Communications Holding Human Resources Company.	Considered and approved the Resolution regarding the Ordinary Related Party/Continuing Connected Transaction regarding Cooperation in Conducting Recruitment and Consultation Service with Communications Holding Human Resources Company. The entering into of the Framework Cooperation Agreement on Consulting Services between the Company and Communications Holding Human Resources Company was approved, pursuant to which, Communications Holding Human Resources Company would provide services in respect of corporate management consulting and talent recruitment and selection of the Company and its wholly-owned subsidiaries; the submission of the resolution to the 2nd meeting of the tenth session of the board of directors for consideration was approved. The transaction can achieve synergy among related/connected companies within the Group and further reduce the management costs of the Company and its subsidiaries. There was no dependence of the profit of the Company and its subsidiaries on such transaction, nor was there any circumstance that affected the independence of the listed company, or had any negative impact on the Company.

CORPORATE GOVERNANCE

Date	Content of meeting	Important views and proposals	Other details of performance of duties
27 August 2021	the fourth meeting of the Audit Committee for 2021	<ol style="list-style-type: none"> the 2021 Interim Report of the Company. the Resolution regarding the Related Party/Connected Transaction in relation to the Transfer of Certain Shares Held in Kuailu Company to Jiangsu Communications Holding by the Company by way of Agreement. explanation on the Resolution regarding the Related Party/Connected Transaction in relation to the Entering into of the Project of Emergency Repairs of Bridges by the Company with Huatong Engineering Company. the Resolution regarding the Related Party/Connected Transaction in relation to the Entering into of the Standardized Improvement Project of Building Construction in Maintenance Work Areas by the Company with Xiandai R&B Company. the Resolution regarding the Related Party/Continuing Connected Transaction in relation to Addition of Procurement Plan by the Company for the Project of Traffic Safety Improvement of Jiangsu Section of Shanghai-Nanjing Expressway. 	<ol style="list-style-type: none"> Considered and approved the 2021 Interim Financial Statements and Reports of the Company, and believed that the financial statements of the Company were comprehensive and true and that the information set out in the Company's report disclosed externally was objective and accurate, and approved the submission of the resolution to the 3rd meeting of the tenth session of the board of directors for consideration. Considered and approved the Resolution regarding the Related Party/Connected Transaction in relation to the Transfer of Certain Shares Held in Kuailu Company to Jiangsu Communications Holding by the Company by way of Agreement. The transfer of 18 million shares of Kuailu Company by Ninghu Company to Jiangsu Communications Holding by way of agreement based on the valuation results filed with the state-owned assets supervision and administration authority was approved, and the submission of the resolution to the 3rd meeting of the tenth session of the board of directors for consideration was approved. Considered and approved the Resolution regarding the Related Party/Connected Transaction in relation to the Entering into of the Project of Emergency Repairs of Bridges by the Company with Huatong Engineering Company. The entering into of the contract of an amount of RMB17 million in relation to the project of emergency repairs of bridges with Huatong Engineering Company, and the engagement of Huatong Engineering Company to carry out emergency repairs for the approach bridge of Weiting Bridge of Shanghai-Nanjing Expressway were approved, and the submission of the resolution to the 3rd meeting of the tenth session of the board of directors for consideration was approved. Considered and approved the Resolution regarding the Related Party/Connected Transaction in relation to the Entering into of the Standardized Improvement Project of Building Construction in Maintenance Work Areas by the Company with Xiandai R&B Company. The entering into of the contract in relation to the standardized improvement project of building construction in maintenance work areas by the Company with Xiandai R&B Company, and the engagement of Xiandai R&B Company to improve and renovate the building construction in certain maintenance work areas at a contract amount of RMB4 million were approved, and the submission of the resolution to the 3rd meeting of the tenth session of the board of directors for consideration was approved. Considered and approved the Resolution regarding the Related Party/Connected Transaction in relation to Addition of Procurement Plan by the Company for the Project of Traffic Safety Improvement of Jiangsu Section of Shanghai-Nanjing Expressway. The addition of the procurement plan for the project of traffic safety improvement of Jiangsu section of Shanghai-Nanjing Expressway at an amount of not more than RMB28 million and the use of the limit of the ordinary related party/continuing connected transactions for the year as set out in the framework agreement with Xiandai R&B Company were approved. The submission of the resolution to the 3rd meeting of the tenth session of the board of directors for consideration was approved. <p>The related party transactions No.2 to 5 mentioned above can achieve synergy among related/connected companies within the Group and further reduce the management costs of the Company and its subsidiaries and followed the principles of objectiveness, fairness and justness. The procedures for consideration of and voting on the related party transaction were in compliance with the relevant laws and regulations and the Articles of Association, etc, without prejudice to the interests of the Company and its non-related/non-connected shareholders. There was no dependence of the revenue and profit of the Company and its subsidiaries on such transactions, nor was there any circumstance that affected the independence of the listed company, or had any negative impact on the Company.</p>

CORPORATE GOVERNANCE

Date	Content of meeting	Important views and proposals	Other details of performance of duties
28 October 2021	the fifth meeting of the Audit Committee for 2021	<ol style="list-style-type: none"> 2021 third quarterly report of the Company. the Resolution in relation to the Related Party/Connected Transaction in respect of the Railway Section Upgrading Project by the Company and Guangjing Xicheng Company, a Subsidiary of the Company. the Resolution in relation to the Related Party/Connected Transaction in respect of the Annual Advanced Worker Rehabilitation Programme between the Company and Cuijingshan Hotel. the Resolution in relation to the Ordinary Related Party/Continuing Connected Transactions in respect of the Entering into of the Maintenance Project Construction Contracts by Guangjing Xicheng Company, a Subsidiary of the Company, Changyi Company, Yichang Company with Xiandai R&B Company. the Resolution in relation to the Ordinary Related Party/Continuing Connected Transaction in respect of the Entering into of the Technical Services Agreements by Guangjing Xicheng Company, a Subsidiary of the Company, as well as Yichang Company with Maintenance Technology Company. the Resolution in relation to the Ordinary Related Party/Continuing Connected Transaction in respect of the Signing of the Expressway Network Technical Services Agreements by Guangjing Xicheng Company, a Subsidiary of the Company, Changyi Company as well as Yichang Company with Tongxingbao Company. the Resolution in relation to the Ordinary Related Party/Continuing Connected Transaction in respect of the Renewal of the Entrusted Management Agreement with Changyi Company, a Subsidiary of the Company. 	<ol style="list-style-type: none"> Considered and approved the 2021 third quarterly report of the Company, believed that the financial statements of the Company were comprehensive and true and that the information set out in the Company's report disclosed externally was objective and accurate, and approved the submission of the resolution to the fifth meeting of the tenth session of the board of directors for consideration. Considered and approved the Resolution in relation to the Related Party/Connected Transaction in respect of the Railway Section Upgrading Project by the Company and Guangjing Xicheng Company, a Subsidiary of the Company. The entering into of the tripartite construction entrustment agreement for the project of simultaneous construction of the intersection section of G4221 Shanghai-Wuhai Expressway between the Company and Jiangsu South Riverside Intercity Railway Co., Ltd.* (江蘇南沿江城際鐵路有限公司) ("South Riverside Railway Company") and Nanjing Railway Terminal Project Construction Headquarters of China Railway Shanghai Group Co., Ltd.* (中國鐵路上海局集團有限公司南京鐵路樞紐工程建設指揮部) was approved, and the submission of the resolution to the fifth meeting of the tenth session of the board of directors for consideration was approved. The entering into of the tripartite construction entrustment agreement for the project of simultaneous construction of the intersection section of G2 Beijing-Shanghai Expressway between Guangjing Xicheng Company, a subsidiary of the Company and South Riverside Railway Company and Nanjing Railway Terminal Project Construction Headquarters of China Railway Shanghai Group Co., Ltd.* (中國鐵路上海局集團有限公司南京鐵路樞紐工程建設指揮部) was approved, and the submission of the resolution to the fifth meeting of the tenth session of the board of directors for consideration was approved. Considered and approved the Resolution in relation to the Related Party/Connected Transaction in respect of the Annual Advanced Worker Rehabilitation Programme between the Company and Cuijingshan Hotel. The entrustment of Cuijingshan Hotel to carry out the 2021 annual advanced worker rehabilitation programme of the Company was approved, and an entrustment contract was entered into, and the submission of the resolution to the fifth meeting of the tenth session of the board of directors for consideration was approved. Considered and approved the Resolution in relation to the Ordinary Related Party/Continuing Connected Transactions in respect of the Entering into of the Maintenance Project Construction Contracts by Guangjing Xicheng Company, a Subsidiary of the Company, Changyi Company, Yichang Company with Xiandai R&B Company. The entering into of ordinary maintenance project construction contract by Guangjing Xicheng Company, a subsidiary of the Company, as well as Changyi Company and Yichang Company, both being subsidiaries of Guangjing Xicheng Company with Xiandai R&B Company, respectively was approved, and the submission of the resolution to the fifth meeting of the tenth session of the board of directors for consideration was approved. Considered and approved the Resolution in relation to the Ordinary Related Party/Continuing Connected Transaction in respect of the Entering into of the Technical Services Agreements by Guangjing Xicheng Company, a Subsidiary of the Company, as well as Yichang Company with Maintenance Technology Company. The entering into of the maintenance technical services agreements by Guangjing Xicheng Company, a subsidiary of the Company, as well as Yichang Company, a subsidiary of Guangjing Xicheng Company, with Maintenance Technology Company was approved, and the submission of the resolution to the fifth meeting of the tenth session of the board of directors for consideration was approved. Considered and approved the Resolution in relation to the Ordinary Related Party/Continuing Connected Transaction in respect of the Signing of the Expressway Network Technical Services Agreements by Guangjing Xicheng Company, a Subsidiary of the Company, Changyi Company as well as Yichang Company with Tongxingbao Company. The signing of expressway network technical service agreements by Guangjing Xicheng Company, a subsidiary of the Company, as well as Changyi Company and Yichang Company, both being subsidiaries of Guangjing Xicheng Company, with Tongxingbao Company, respectively was approved, and the submission of the resolution to the fifth meeting of the tenth session of the board of directors for consideration was approved. Considered and approved the Resolution in relation to the Ordinary Related Party/Continuing Connected Transaction in respect of the Renewal of the Entrusted Management Agreement with Changyi Company, a Subsidiary of the Company. The continued entrustment of the Company to manage the operation of the northern section of the Changyi Expressway Phase I Project and the entering into of the entrusted management agreement were approved, and the submission of the resolution to the fifth meeting of the tenth session of the board of directors for consideration was approved. <p>The transactions No.2 to 7 mentioned above can achieve synergy among related/connected companies within the Group and further reduce the management costs of the Company and its subsidiaries and followed the principles of objectiveness, fairness and justness. The procedures for consideration of and voting on the related party/connected transaction were in compliance with the relevant laws and regulations and the Articles of Association, etc, without prejudice to the interests of the Company and its non-related/non-connected shareholders. There was no dependence of the revenue and profit of the Company and its subsidiaries on such transactions, nor was there any circumstance that affected the independence of the listed company, or had any negative impact on the Company.</p>

CORPORATE GOVERNANCE

Date	Content of meeting	Important views and proposals	Other details of performance of duties
21 December 2021	the sixth meeting of the Audit Committee for 2021	<ol style="list-style-type: none"> the Resolution in relation to the Related Party/Continuing Connected Transaction regarding Cooperation in Outsourcing of Toll Collection Services with Communications Holding Human Resources Company. the Resolution in relation to the Related Party/Continuing Connected Transaction regarding the Cooperation in Outsourcing of Commuter Bus Services with Kuailu Company (快鹿公司). the Resolution in relation to the Related Party/Continuing Connected Transaction regarding the Advertising Operation Cooperation Agreement with Communications Media Company. 	<ol style="list-style-type: none"> Considered and approved the Resolution in relation to the Related Party/Continuing Connected Transaction regarding Cooperation in Outsourcing of Toll Collection Services with Human Resources Company. The cooperation between Wufengshan Company, a subsidiary of the Company and Human Resources Company in the provision of toll fee collection services outsourcing and sign a toll collection service outsourcing agreement to entrust Human Resources Company to undertake the provision of toll collection services for certain toll stations of Wufengshan Company for a term of three years from the date of signing of the contract upon approval by the Board to 30 November 2024 was approved. The total outsourcing service fee is expected not to exceed RMB11 million, of which not exceeding RMB100,000 for 2021, not exceeding RMB3.6 million for 2022, not exceeding RMB3.7 million for 2023 and not exceeding RMB3.6 million for 2024; and the submission of the resolution to the sixth meeting of the tenth session of the board of directors for consideration was approved. Considered and approved the Resolution in relation to the Related Party/Continuing Connected Transaction regarding the Cooperation in Outsourcing of Commuter Bus Services with Kuailu Company (快鹿公司). The cooperation between the Company, Yangtze Commerce and Energy Company, a wholly-owned subsidiary, Wufengshan Company and Zhendan Company, both being subsidiaries of the Company and Kuailu Company, for Kuailu Company's provision of outsourcing commuter bus services and the entering into of commuter bus services outsourcing agreements for a term from 1 January to 30 April 2022 were approved, among which the amount of the agreement between the Company and Kuailu Company shall not exceed RMB5,160,000, the amount of the agreement between Yangtze Commerce and Energy Company and Kuailu Company shall not exceed RMB568,000, the amount of the agreement between Wufengshan Company and Kuailu Company shall not exceed RMB1,205,000 and the amount of the agreement between Zhendan Company and Kuailu Company shall not exceed RMB546,000; and the submission of the resolution to the sixth meeting of the tenth session of the board of directors for consideration was approved. Considered and approved the Resolution in relation to the Related Party/Continuing Connected Transaction regarding the Advertising Operation Cooperation Agreement with Communications Media Company. The entering into of an advertising operation and publication cooperation agreement by Ninghu Investment Company (寧滬投資公司), a wholly-owned subsidiary of the Company with Communications Media Company for a term from 1 January to 30 April 2022 was approved. Among which, Communications Media Company shall pay the corresponding advertisement publication fee to Ninghu Investment Company of not exceeding RMB12.06 million; and the entrusted management fees (including advertising facilities maintenance and repair) payable by Ninghu Investment Company to Communications Media Company shall not exceed RMB1.91 million; and the submission of the resolution to the sixth meeting of the tenth session of the board of directors for consideration was approved. <p>The three transactions mentioned above can achieve synergy among related/connected companies within the Group and further reduce the management costs of the Company and its subsidiaries and followed the principles of objectiveness, fairness and justness. The procedures for consideration of and voting on the related party/connected transaction were in compliance with the relevant laws and regulations and the Articles of Association, etc, without prejudice to the interests of the Company and its non-related/non-connected shareholders. There was no dependence of the revenue and profit of the Company and its subsidiaries on such transactions, nor was there any circumstance that affected the independence of the listed company, or had any negative impact on the Company.</p>

(3) During the Reporting Period, the Nomination Committee held 4 meetings.

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 convenor is Mr. Zhou Shudong, an independent non-executive director. Members include Mr. Chen Yanli, Mr. Wu Xinhua, Mr. Lin Hui and Mr. Xu Guanghua*. There are 2 non-executive directors and 3 independent non-executive directors.

* At the first meeting of the tenth session of the board of directors of the Company on 17 June 2021, Mr. Zhou Shudong, Mr. Chen Yanli, Mr. Wu Xinhua, Mr. Lin Hui and Mr. Xu Guanghua were elected as members of the Nomination Committee of the tenth board of directors of the Company, of which Mr. Zhou Shudong served as the convenor of the committee. Mr. Chen Liang did not participate in the election of the board of directors of the Company for member of the Nomination Committee at the first meeting of the tenth session on 17 June 2021 and left office on the same day.

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 4 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 tenth session of the board of directors of the Company, including two executive directors and ten 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, including one female director, 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. For information on the gender ratio of all employees (including senior management) of the Company, please see the disclosure under "(I) Staff profile" of "X. Details of staff of the parent company and its major subsidiaries at the end of the Reporting Period".

The board of directors of the Company has adopted a set of board diversity policy, which sets out the approach to achieving board diversity. In considering the diversity of board members, the Company will take into account a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and tenure of service. All board appointments consider candidates on the basis of merit and contribution and objective conditions, and carefully consider the benefits of board diversity. The Nomination Committee regularly reviews the policy to discuss whether any amendments are necessary and to recommend to the board of directors any such amendments for consideration and approval.

After reviewing the board diversity policy and the composition of the board of directors, the Nomination Committee is satisfied that all the requirements set out in the diversification policy have been met.

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 nomination Committee meeting required to attend during the Reporting Period	Number of attendance
Zhou Shudong	Yes	4	4
Chen Yanli	No	4	4
Wu Xinhua	No	4	4
Lin Hui	Yes	4	4
Xu Guanghua*	Yes	1	1
Chen Liang*	Yes	3	3

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Dates	Content of meetings	Important comments and suggestions	Other performance of duties
25 March 2021	The first meeting of the Nomination Committee for 2021	<ol style="list-style-type: none"> The Performance Report of Nomination Committee for 2020 The resolution in relation to the appointment of senior executive of the Company. 	<ol style="list-style-type: none"> To approve the Performance Report of Nomination Committee for 2020 and submit the resolution to the board for consideration. To approve the appointment of Mr. Yang Dengsong as the deputy general manager of the Company and submit the resolution to the board for consideration.
27 April 2021	The second meeting of the Nomination Committee for 2021	<ol style="list-style-type: none"> The Resolution in relation to nomination of candidates for directors of the tenth session of the Board. The resolution in relation to nomination of candidates for independent directors of the tenth session of the Board. 	<ol style="list-style-type: none"> To approve the Resolution in Relation to Nomination of Candidates for Directors of the Tenth Session of the Board and submit the resolution to the Board for consideration. (1) To nominate Sun Xibin, Cheng Xiaoguang and Yao Yongjia as executive directors of the tenth session of the board of the Company; (2) To nominate Chen Yanli, Wang Yingjian, Wu Xinhua, Li Xiaoyan, Ma Chung Lai, Lawrence as non-executive directors of the tenth session of the board of the Company; To approve the Resolution in Relation to Nomination of Candidates for Independent Directors of the Tenth Session of the Board and submit the resolution to the board for consideration. (1) To nominate Lin Hui, Zhou Shudong, Liu Xiaoxing, Xu Guanghua, Yu Mingyuan as independent non-executive directors of the tenth session of the board of the Company; Upon review, the candidates for directors of the tenth session of the board are qualified to serve as directors of listed companies, and in compliance with the qualifications required by the Company Law, the Appointment and Conduct Guidelines for Directors of Listed Companies of Shanghai Stock Exchange and the Articles of Association. There is no other situations under which he/she is banned from market entry by the CSRC and such order has not yet been lifted; The candidates for independent directors also meet the relevant requirements of the Guidance on Establishment of the Independent Director System in Listed Companies, the Guidance for the Filing and Training of Independent Directors of Listed Companies on the Shanghai Stock Exchange and the Hong Kong Listing Rules.
17 June 2021	The third meeting of the Nomination Committee for 2021	<ol style="list-style-type: none"> The resolution in relation to the election of the chairman of tenth session of the board of directors. The resolution in relation to the election of the member of the special committees of tenth session of the board of directors of the Company. 	<ol style="list-style-type: none"> To consider and nominate Mr. Sun Xibin, a director, as the chairman of the tenth session of the Board of the company and submit the resolution to the Board for consideration. To consider and nominate Mr. Sun Xibin, Mr. Wang Yingjian, Mr. Cheng Xiaoguang, Mr. Yao Yongjia, Mr. Ma Chung Lai, Lawrence and Mr. Yu Mingyuan, all being directors, as members of the Strategy Committee of the tenth session of the Board of the Company, and elect Mr. Sun Xibin as the convener of the Strategy Committee and submit the resolution to the Board for consideration. To consider and nominate Mr. Xu Guanghua, Mr. Zhou Shudong, Mr. Liu Xiaoxing and Ms. Li Xiaoyan, all being directors, as members of the Audit Committee of the tenth session of the Board of the Company, and elect Mr. Xu Guanghua as the convener of the Audit Committee and submit the resolution to the Board for consideration. To consider and nominate Mr. Zhou Shudong, Mr. Chen Yanli, Mr. Wu Xinhua, Mr. Lin Hui and Mr. Xu Guanghua, all being directors, as members of the Nomination Committee of the tenth session of the Board of the Company, and elect Mr. Zhou Shudong as the convener of the Nomination Committee and submit the resolution to the Board for consideration. To consider and nominate Mr. Lin Hui, Mr. Chen Yanli, Ms. Li Xiaoyan, Mr. Yu Mingyuan and Mr. Xu Guanghua, all being directors, as members of the Remuneration and Appraisal Committee of the tenth session of the Board of the Company, and elect Mr. Lin Hui as the convener of the Remuneration and Appraisal Committee, and submit the resolution to the Board for consideration.
8 October 2021	The fourth meeting of the Nomination Committee for 2021	<ol style="list-style-type: none"> Explanation on the resolution in relation to the election of the chairman of tenth session of the board of directors of the Company. The resolution in relation to the nomination of the chairman of the Strategy Committee in the tenth session of the Board of Directors of the Company. The resolution in relation to the appointment of general manager of the Company. The resolution in relation to the nomination of an executive director of the tenth session of the Board of Directors of the Company. 	<ol style="list-style-type: none"> To consider and nominate Mr. Cheng Xiaoguang, a director, as the chairman of the tenth session of the Board of the Company and submit the resolution to the Board for consideration. To consider and elect Mr. Cheng Xiaoguang, a director, as the chairman of the Strategy Committee in the tenth session of the Board of the Company and submit the resolution to the Board for consideration. To consider and propose Mr. Wang Feng as the general manager of the Company and submit the resolution to the Board for consideration. To consider and propose Mr. Wang Feng as an executive director of the tenth session of the Board of the Company and submit the resolution to the Board for consideration.

(4) During the Reporting Period, the Remuneration and Appraisal Committee held 1 meeting

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

* At the first meeting of the tenth session of the board of directors of the Company on 17 June 2021, Mr. Lin Hui, Mr. Chen Yanli, Ms. Li Xiaoyan, Mr. Yu Mingyuan and Mr. Xu Guanghua were elected as members of the Remuneration and Appraisal Committee of the tenth board of directors of the Company, of which Mr. Lin Hui served as the convener of the committee. Mr. Zhang Zhuting and Mr. Chen Liang did not participate in the election of the board of directors of the Company for member of the Remuneration and Appraisal Committee at the first meeting of the tenth session on 17 June 2021 and left office on the same day.

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 2021. 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 2021. 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 2021. 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
Li Xiaoyan	No	0	0
Yu Mingyuan	Yes	0	0
Xu Guanghua	Yes	0	0
Zhang Zhuting (Resigned)*	Yes	1	1
Chen Liang (Resigned)*	Yes	1	1

Date	Content of meeting	Important comments and suggestions	Other performance of duties
25 March 2021	The first meeting of the Remuneration and Appraisal Committee for 2021	<ol style="list-style-type: none"> The Performance Report of Remuneration and Appraisal Committee of board of directors for 2020. The total remuneration budget proposal of the Company for 2021. The remuneration of directors, supervisors and senior management of the Company for 2021. 	<ol style="list-style-type: none"> To approve the Performance Report of the Remuneration and Appraisal Committee for 2020 and submit the resolution to the Board for consideration. To approve the total remuneration of RMB568,100,000 of the Company for 2021 and submit the resolution to the Board for consideration. To approve the remuneration of directors, supervisors and senior management of the Company for 2021.

CORPORATE GOVERNANCE

(5) During the Reporting Period, the Strategy Committee held 4 meetings.

The Strategy Committee was established in 2001. Its current members comprise 5 directors. The convener is Mr. Cheng Xiaoguang*, an executive director. The members include Mr. Wang Yingjian, Mr. Yao Yongjia, Mr. Ma Chung Lai, Lawrence and Mr. Yu Mingyuan. There are 2 executive directors, 2 non-executive directors and 1 independent non-executive director.

* At the first meeting of the tenth session of the board of directors of the Company on 17 June 2021, Mr. Sun Xibin, Mr. Wang Yingjian, Mr. Cheng Xiaoguang, Mr. Yao Yongjia, Mr. Ma Chung Lai, Lawrence and Mr. Yu Mingyuan were elected as members of the Strategy Committee of the tenth board of directors of the Company. On 8 October 2021, Mr. Sun Xibin tendered his resignation of the convener of the Strategy Committee of the board of directors due to change in work arrangement, and Mr. Cheng Xiaoguang, an executive director, was elected as the convener of the Strategy Committee of the board of directors of the Company at the fourth meeting of the tenth session of the board of directors on 8 October 2021.

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

During the Reporting Period, the Strategy Committee held a total of 4 meetings to consider, among others, the risk management assessment report, matters in relation to capital increase and share expansion of Zijin Trust Company and subscription of A share convertible corporate bonds of Jiangsu Leasing Company, and put forward opinions or suggestions to continue to optimize the asset structure, improve asset returns and capital returns, strengthen the Company's compliance awareness, enhance risk management and anti-fraud work, and enhance the ability to serve the real economy.

Name of director	Whether he/she is an independent non-executive director	Number of Strategy Committee meetings required to attend during the year	Number of attendance
Cheng Xiaoguang	No	4	4
Wang Yingjian	No	3	3
Yao Yongjia	No	4	4
Ma Chung Lai, Lawrence	No	4	4
Yu Mingyuan	Yes	3	3
Sun Xibin (Resigned) *	No	3	3
Chen Yongbing (Resigned) **	No	1	1
Zhang Zhuting (Resigned) ***	Yes	3	3

** On 11 May 2021, Mr. Chen Yongbing tendered his resignation of a member of the Strategy Committee of the board of directors due to change in work arrangement.

*** Mr. Zhang Zhuting did not participate in the election of the board of directors of the Company for member of the Strategy Committee at the first meeting of the tenth session on 17 June 2021 and left office on the same day.

CORPORATE GOVERNANCE

Dates	Content of meetings	Important comments and suggestions	Other performance of duties
25 March 2021	The first meeting of the Strategy Committee for 2021	<ol style="list-style-type: none"> The Performance Report of Strategy Committee for 2020. The Risk Management Assessment Report of the Company for 2020. Resolution on the consolidated capital budget and financing plan for 2021. The resolution in relation to the registration and issuance of medium-term notes and ultra-short-term notes by the Company. 	<ol style="list-style-type: none"> To approve the performance report of Strategy Committee for 2020 and submit the resolution to the Board for consideration. To approve the Risk Management Assessment for 2020 of the Company and submit the resolution to the Board for consideration. To approve the Resolution on the Consolidated Capital Budget and Financing Plan for 2021 and to approve that, subject to the conditions precedent under the listing rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange, the management will raise debt funds based on the operating conditions of the Company in 2021, and control the total asset-liability ratio of the Company below 55%, and submit the resolution to the Board for consideration. To approve the Resolution in Relation to the Registration and Issuance of Medium-term Notes by the Company and to approve the registration and issuance of medium-term notes of no more than RMB9 billion and submit the Resolution to the Board for consideration. To approve the Resolution in Relation to the Registration and Issuance of Ultra-short-term Bonds by the Company and to approve the registration and issuance of super & short-term commercial papers of no more than RMB8 billion by the Company and submit the resolution to the Board for consideration.
5 August 2021	The second meeting of the Strategy Committee for 2021	The resolution on the Company's participation in the capital increase of Zijin Trust Company.	To consider and approve the Resolution on the Company's Participation in the Capital Increase of Zijin Trust Company, and to approve the Company's participation in the capital increase and share expansion investment of Zijin Trust Company, which will be conducive to improving its own profitability as well as quality and efficiency of development, promoting the integration of industry and finance and in line with the Company's future development needs. The investment volume shall not exceed RMB2 billion and shall obtain 20% equity interests in Zijin Trust Company, and submit the resolution to the Board for consideration.
8 October 2021	The third meeting of the Strategy Committee for 2021	Explanation on the resolution in relation to the participation by Guangjing Xicheng Company, a subsidiary of the Company, in the subscription of A share convertible corporate bonds of Jiangsu Leasing Company.	To consider and approve the Resolution in relation to the Participation by Guangjing Xicheng Company, a subsidiary of the Company, in the Subscription of A Share Convertible Corporate Bonds of Jiangsu Leasing Company and to approve the participation by Guangjing Xicheng Company, a subsidiary of the Company, in the subscription of A share convertible corporate bonds of Jiangsu Leasing Company by way of cash in proportion to its equity interest held in Jiangsu Leasing Company, with the subscription amount not exceeding RMB400 million, and submit the resolution to the Board for consideration.
28 October 2021	The fourth meeting of the Strategy Committee for 2021	<ol style="list-style-type: none"> The resolution in relation to the development and strategic planning report of the Company for the "14th Five-Year Plan". The resolution in relation to the amendments to relevant mechanisms including the rules of procedures for the Strategy Committee. 	<ol style="list-style-type: none"> To consider and approve explanation on the Resolution in relation to the Development and Strategic Planning Report of the Company for the "14th Five-Year Plan". To approve the resolution in relation to the development strategic planning report of the Company for the "14th Five-Year Plan", and submit the Resolution to the Board for consideration. To consider and approve the Resolution in relation to the Amendments to relevant mechanisms including the Rules of Procedures for the Strategy Committee and to approve the amendments of the Terms of Reference of the Strategy Committee in accordance with the new requirements of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange, and submit the Resolution to the Board for consideration.

Supervisors and Supervisory Committee

During the Reporting Period, Ms. Yu Lanying, the chairlady of the Supervisory Committee, resigned from the position of the chairlady of the Supervisory Committee and the supervisor of the Company on 11 May 2021 due to job changes. The term of office of the ninth session of the Supervisory Committee of the Company expired on the convening date of the 2020 annual general meeting of shareholders. In accordance with the Company Law, the Articles of Association and other relevant provisions, Mr. Lu Zhengfeng and Ms. Kong Yuanyi were elected as the employee representative supervisors of the tenth session of the Supervisory Committee at the sixth meeting of the fifth trade union committee of the Company. 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 are in compliance with the requirements under the relevant laws and regulations. As at the date of the report, the supervisors of the Company are Yang Shiwei, Ding Guozhen, Pan Ye, Lu Zhengfeng and Kong Yuanyi.

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.

CORPORATE GOVERNANCE

During the Reporting Period, the Supervisory Committee held seven 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.

(6) Details of the Dissenting Matters

Applicable N/A

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

Applicable N/A

The Supervisory Committee raised no objection to the monitoring issues during the Reporting Period.

IX. 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

CORPORATE GOVERNANCE

X. Details of staff of the parent company and its major subsidiaries at the end of the Reporting Period

(I) Staff profile

Number of current staff in the parent company	3,862
Number of current staff in the major subsidiaries	960
Total number of current staff	4,822
Number of resigned and retired staff whose expenses shall be borne by the parent company and its major subsidiaries	26

Composition of professional team

Category of professional team	Headcount of professionals
Production staff	4,057
Sales staff	13
Technicians	30
Financial staff	77
Administrative staff	645
Total	4,822

Education level

Category of education level	Headcount (Persons)
University or above	1,408
Tertiary	1,735
Vocational or below	1,679
Total	4,822

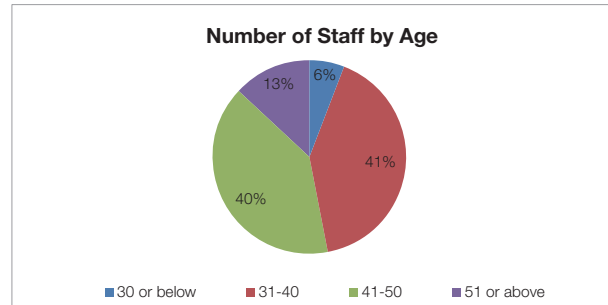
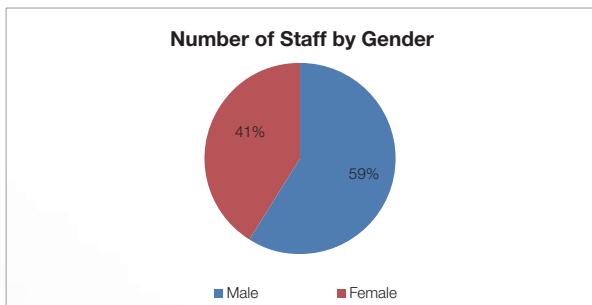
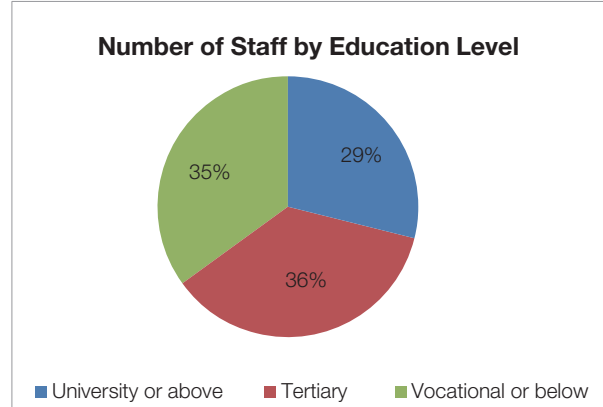
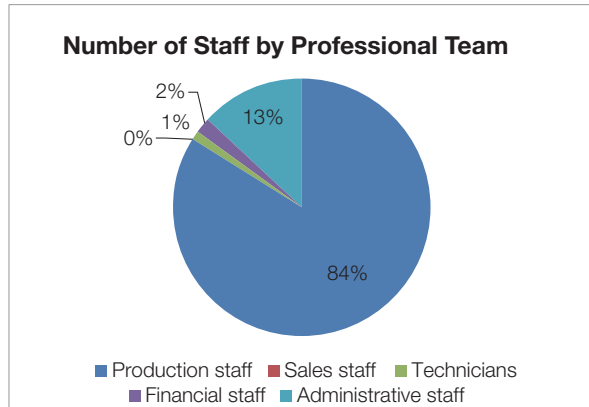
Gender

Male	2,845
Female	1,977
Total	4,822

Age

30 or below	289
31-40	1,977
41-50	1,929
51 or above	627
Total	4,822

CORPORATE GOVERNANCE



(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. The Group always aims at the target positioning of the "Window of Jiangsu Expressway", and continues to innovate the cadre management mechanism to improve the performance appraisal system based on the strategic objectives and work highlights for the year, so as to stimulate the working enthusiasm of our employees through the matching of salaries, incentive-oriented assessment and improvement of welfare. During the Reporting Period, the Group actively implemented the tenure system and contractual management of members from management, and formulated and improved the total salary and remuneration management measures, the remuneration management and operating performance assessment measures of management members. The total salary of employees amounted to approximately RMB772,015,000. Meanwhile, the Group nurtured multi-dimensional skillful business professionals and improved all staff members' performance by ways of the station brand-building, as well as research and development of QC groups, certification of the qualifications and skill level identification of production positions 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 159 outstanding staff members, production veterans and management stars and 24 outstanding teams and guided by benchmarking learning, creating a positive and enterprising working atmosphere and environment.

(III) Training programs

Applicable N/A

Staffs are the primary productive force of business development. By closely combining with the development goals, talent needs and the status of the staffs, and adhering to the principle of teaching according to needs and seeking effectiveness, the Group has made proposal of comprehensive quality and competency training for senior management, middle and senior management, newly-promoted management, and junior youth backbone employees featuring with multiple dimensions and levels, respectively: firstly, the Group organized the management to participate in professional manager training, implemented the new development concept, built a new development pattern, dealt with the relationship between reform, development and stability, and promoted the high-quality development of state-owned enterprises; secondly, the Group organized the Company's middle and key management personnel to participate in competency training in batches, to learn the innovative ideas and management concepts of benchmark companies; thirdly, the Group organized business training for attendants, toll collectors, team leader competency, junior management personnel, maintenance management personnel, etc., to comprehensively improve the business quality and professional ability of the staff; fourthly, the Group organized training for safety management personnel and special operators to ensure a 100% certification holding rate; fifthly, taking into account the new situations, new problems and new conflicts encountered after the transformation of the national expressway toll collection model, special training was conducted on toll inspection, anti-toll dodging, and electromechanical maintenance, to study and judge the "special situations" under the new toll collection model and study the corresponding handling methods, so as to maintain the seriousness of the toll collection policy and the stable operation of the electromechanical system during the transformation period. During the Reporting Period, approximately RMB12.8 million was spent on training, and the staff attendance at the trainings amounted to nearly 16,000, covering all levels from the junior production line workers to senior management, enhancing staff awareness and improving their capabilities through systematic trainings, further improving the talent team empowerment construction of the Group, reserving power sources, thus to provide 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	49,556,700

CORPORATE GOVERNANCE

(V) 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 2020 annual general meeting (or the appointment date) until the date of convening the 2023 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

The Company has 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.

After the Company has made enquiries with all of the directors and supervisors, saved as disclosed below, 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.

Pursuant to paragraph B.8 of the Model Code, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board of directors for the specific purpose and receiving a dated written acknowledgement. Mr. Wang Yingjian, a non-executive director, purchased 500 A-Shares of the Company at RMB9.75 per share on 1 July 2021 and sold 500 A-Shares of the Company at RMB9.77 per share on 8 July 2021, respectively. Mr. Wang dealt in the Company's securities without notifying the chairman in writing and receiving a dated confirmation in advance. After notifying the Company of the relevant transactions, the Company immediately notified Mr. Wang of the violation of the code provision and confirmed his failure to comply with the relevant code provisions. Mr. Wang promised to read the relevant provisions of the Model Code, participate in training courses and abide by the code provisions contained in the Model Code in the future. Save as disclosed above, Mr. Wang has no record of breaching the Model Code since he became a director of the Company.

CORPORATE GOVERNANCE

The Company has put in place the following measures to ensure compliance with the Model Code by the Directors:

- (1) the Company has prepared an internal guideline on share dealings by the directors (which include the relevant requirements and prohibitions under the Model Code) and such guideline has been circulated to each of the directors upon joining the Board;
- (2) upon joining the board of directors, each of the directors will be provided with a set of comprehensive training materials in relation to the Listing Rules, which cover, among others, the requirements and prohibitions on the directors' shares dealing activities under the Model Code. In particular, such training materials contain, among others, a separate section on dealing in securities of the Company by the directors.

The board of directors considers that the preparation and provision of the internal guideline and training materials, which set out in Chinese the relevant provisions and requirements under the Model Code, would enable the Directors to obtain an understanding of the procedures that they need to follow before dealing in the securities of the Company. The board of directors therefore considered that the implementation of the above measures would minimise the chance of breach of the Model Code by the directors.

However, the Company confirms that it is essential for the directors to seek approval from the Company on their own initiative so that the Company can properly track the transactions of the directors. In order to avoid similar incidents in the future, the Company has re-circulated the Model Code to all directors, supervisors and relevant employees of the Company, and reminded all directors, supervisors and relevant employees of the importance of complying with the Model Code and submitting notices when trading shares of the Company in relevant internal communications.

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

Save as disclosed above, 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.

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.

CORPORATE GOVERNANCE

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			The Group's Operations (Hours) Total
	(Hours)	Laws, regulations and listing rules (Hours)	(Hours)	
Executive directors				
Cheng Xiaoguang (current)	4	5	4	13
Yao Yongjia (current)	7	7	4	18
Non-executive directors				
Chen Yanli (current)	5	4	3	12
Wang Yingjian (current)	6	4	3	13
Wu Xinhua (current)	4	5	3	12
Li Xiaoyan (current)	5	6	2	13
Ma Chung Lai, Lawrence (current)	5	4	3	12
Independent non-executive directors				
Lin Hui (current)	3	6	3	12
Zhou Shudong (current)	5	4	2	11
Liu Xiaoxing (current)	4	5	4	13
Yu Mingyuan (current)	5	4	2	11
Xu Guanghua (current)	5	4	3	12
Retried directors				
Sun Xibin	3	3	3	9
Chen Yongbin	2	3	2	7
Zhang Zhuting	3	4	2	9
Chen Liang	3	3	2	8

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).

XI. PROFIT DISTRIBUTION PLAN OR CONVERT SURPLUS RESERVES INTO SHARE CAPITAL

(I) Formulation, implementation and adjustment of cash dividend distribution policies

Applicable N/A

During the Reporting Period, the Company strictly complied with the cash dividend distribution policy as stipulated in the Articles of Association, which fully protected the legitimate rights and interests of minority shareholders. Independent directors also expressed their independent opinions on the profit distribution plan. The profit distribution plan of the Company for the year of 2020, as considered and approved at the 2020 annual general meeting of the Company held on 17 June 2021, was as follows: based on the total share capital of 5,037,747,500 shares as at the end of 2020, a cash dividend of RMB0.46 (tax inclusive) per share will be distributed, totaling RMB2,317,363,850 (tax inclusive).

(II) Special Explanation of the Policy of Distribution of Cash Dividend

Applicable N/A

Whether it complies with the provisions of the Articles of Association or requirements of resolutions in shareholders' general meetings	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the standards and ratio of dividends are clear and definite	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the relevant decision-making procedures and mechanisms are complete	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the independent directors have tried their best to perform their duties and duly fulfilled their roles	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Whether the minority shareholders have sufficient opportunity to express their views and appeal, whether their legitimate rights and interests are fully protected	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

(III) 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

XII. 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

CORPORATE GOVERNANCE

Information on employee stock ownership plan

Applicable N/A

Other incentive measures

Applicable N/A

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

Applicable N/A

(IV) 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, 3 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. At the end of the year, the board of directors evaluates the performance of management based on the achievement of various goals.

XIII. Building of internal control systems and its implementation during the Reporting Period

Applicable N/A

During the Reporting Period, the Company, in strict accordance with the relevant requirements of the laws and regulations of the place where it was listed (Hong Kong and Shanghai) and the Articles of Association of the Company while taking into account the characteristics of the industry and the actual operation of the Company, deepened the building of system and governance capacity, with the goal of "standardizing the operation of the board of directors and continuously improving management", to promote all aspects of the system to be more mature and perfect. It has formulated and revised the rules and regulations including the Management Measures of Authorization of the Board of Directors, the Management Measures of Rules and Regulations, the Rules for the Implementation of Contract Management, the Rules for the Management of Legal Affairs, the Reporting System for Major Business Risks, the Rules for the Investigation of Responsibility for Illegal Operation and Investment, the Rules for the Management of Fixed Assets, the Rules for the Management of Invested Enterprises and the Management Opinions of Middle-level Personnel in Subsidiaries to continuously improve and refine the internal control system. Taking "good formulation" and "good implementation" as the main focus, by taking various measures concurrently, the Company strengthened the awareness of the systems, improved the mechanism of system implementation, enhanced the capacity of system implementation, and made the systems efficient and effective. It is manifested in the middle management and junior employees that they have possessed a clear picture of the control requirements and objectives of the Company in all aspects. Under the guidance of risk prevention, we built a large risk control system with the coordinated operation of legal affairs, compliance, internal control and risk management, constantly enhanced the authority and executive power of the system, and ensured the legal compliance and asset safety of the Company's operation and management, and promoted the steady implementation of the Company's strategy.

The internal control system structure of the Company is reasonable, and the internal control system framework has satisfied the requirements of the Ministry of Finance, CSRC and other management departments for the integrity, rationality and effectiveness of the internal control system, and the needs of the Company's management and development. The Company has continuously improved its internal control system, and the internal control operation mechanism is effective that it has achieved the expected objectives of internal control and protected the interests of the Company and all shareholders.

The Internal Control Assessment Report of the Company for 2021 was considered and approved at the eighth meeting of the tenth session of the Board of the Company. For details, please refer to the announcements published by the Company on the website of the SSE (www.sse.com.cn) on 28 March 2022 and on the website of the Stock Exchange (www.hkexnews.hk) on 25 March 2022, respectively.

Explanation of significant internal control errors during the Reporting Period

Applicable N/A

XIV. Management and control of subsidiaries during the Reporting Period

Applicable N/A

During the Reporting Period, based on the risk prevention-oriented approach as a guidance and the improvement of management effectiveness as a purpose, the Company adhered to deepening the construction of the internal control and compliance system by striving to improve the implementation of the system and the compliance rate of daily business, as well as to standardizing the construction and operation of the board of directors of subsidiaries, straightening out the relationship among management, the boards of directors and shareholders' meetings, and standardizing decision-making authority and decision-making process. Based on the characteristics of the industry and the actual operation of the Company, the Company revised and improved the management systems such as the Rules for the Management of Subsidiaries and the Rules for the Management of Investee Enterprises and the Management Opinions of Middle-level Personnel of Subsidiaries based on the principles of combining management by delegation, full authorization and target orientation, and the Company strengthened the management and control of subsidiaries at all levels in terms of internal control system, finance, investment and assessment. The Company conducted trial operation of the post-cast information monitoring system to comprehensively monitor the operation of invested projects and subsidiaries, and established a systematic internal control system and a long-term internal control supervision mechanism from the management level to the business level. Meanwhile, the Company focused on comprehensive budget management, improved the risk management system, and further consolidated the foundation of the Company's development, to achieve a development mode with higher quality, better benefit and more excellent structure.

XV. Information on internal control audit report

Applicable N/A

KPMG Huazhen LLP has issued an internal control audit report of the Company for 2021 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 2021. The full text of the 2021 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

XVI. Rectification of self-inspection problems of special actions for corporate governance of listed companies

The Company adopted remote video conference to overcome the impact of the pandemic, ensure that the directors perform their duties with diligence and play their due role in corporate governance.

CORPORATE GOVERNANCE

XVII. Others

Applicable N/A

(I) Corporate governance report

As at the date of this report, the board of directors 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 nonexecutive 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. 10 directors were appointed externally. This ensures adequate independence of the board of directors and safeguards the decisions of the board of directors from being prejudiced by the opinions of executive directors.
A4.2 Directors appointed to fill casual vacancies should be subject to election by shareholders at the first general meeting after appointment. Every director should be subject to retirement by rotation at least once every three years	No	All directors were elected or replaced at general meetings. The Company has introduced the cumulative voting system for the election of directors. According to the Company Law and the Articles of Association, each session of the board of directors is for a term of three years, with each director appointed for a term of three years, and all directors should retire upon the expiry of the three-year term, instead of retirement by rotation. Any re-appointment is subject to re-election at a general meeting.
A6.7 Independent non-executive directors and other non-executive directors should regularly attend board meetings, meetings of committees and shareholders' general meetings, and develop a balanced understanding of the views of the shareholders	No	All independent non-executive directors and other non-executive directors have attended board meetings and meetings of various committees regularly and contributed their skills and expertise to the Company's decision-making process. During the year, except for Mr. Cheng Xiaoguang, an executive director, Mr. Wu Xinhua, Ma Chung Lai, Lawrence, non-executive directors, and Mr. Zhang Zhuting, Liu Xiaoxing, independent non-executive directors, who were unable to attend the annual general meeting for 2020 due to their business engagements, all the independent non-executive directors and the other non-executive directors have attended the general meetings of the Company held during the year.

* The relevant amendments to the Corporate Governance Code came into effect on 1 January 2022, and the original provisions A4.2 and A6.7 are now reflected in provisions B2.2 and C1.6 respectively.

(II) 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 management is a bridge between listed companies and the capital markets and the investors, and a window for listed companies to the capital 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. On the premise of standardized governance, the Company interacts with investors sincerely, continuously and transparently through standardized and refined high-quality information disclosure. At the same time, on the original diversified communication channels, the Company innovatively uses new media platforms to enhance communication with investors and convey the Company's investment value.

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.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

I. Information on environment protection

(I) Explanations on the environment protection by the Company and its key subsidiaries listed as key pollutant discharging companies published by the environmental protection authority

Applicable N/A

(II) Information on environmental protection of enterprises other than major pollutant discharge units

Applicable N/A

1. Administrative penalties resulting from environmental issues

Applicable N/A

2. Disclose other environmental information with reference to key pollutant discharge units

Applicable N/A

(1) Pollution information

According to the List of Key Pollution Discharge Entities in Nanjing in 2021, all entities of the Group are not classified as key pollutant discharge entities in Nanjing. During the Reporting Period, all units strictly complied with national and local laws and regulations in the course of operation, and strictly implemented project environmental assessment in accordance with the national environmental protection law and relevant regulations on energy conservation and emission reduction, and implemented a three-level management and environmental protection system at company level, secondary units and grassroots units to build a long-term management system for environmental protection.

(2) Construction and operation of pollution prevention and control facilities

The main pollution sources and pollutants of the Group's subsidiaries are waste gas, waste water, solid waste and noise. Each unit has built a number of pollution prevention and control facilities for waste gas, waste water, solid waste and noise in accordance with the requirements of relevant laws and regulations, to strive to control pollution at the source.

Exhaust gas prevention and control facilities include: the application of exhaust gas degradation technology of toll stations effectively degrades the nitrogen oxide content in automobile exhaust gas to cope with the prominent problem of motor vehicle exhaust pollution on expressways; strengthen the greening and daily maintenance management of the foundation slope and side ditch of the proposed highway, and mitigate the impact of exhaust emissions of transportation vehicles on the air quality of the environment along the highway; improve the overall service level of roads, shorten the idle speed of transportation vehicles, and reduce the total amount of vehicle exhaust emission. During the reporting period, the Company installed oil vapor recovery monitoring systems along all expressways under its management. Huanglishu and Yangcheng Lake service areas were connected to the provincial supervisory platform to support the prevention and treatment of atmospheric pollution.

Facilities for wastewater prevention and control include: strictly abiding by the requirements of the environmental management system and discharging effluent into municipal sewer networks; using eco-friendly snow melting agents to reduce the impact on water bodies, soils and green plants along the expressways; cleaning up the sewage system on a quarterly basis to completely remove oil contamination in underground effluent. By the end of the Reporting Period, the Company had installed buried integrated sewage treatment facilities, oil separators, and septic tanks at 12 service areas. 18 other service areas were equipped with buried integrated sewage treatment facilities alone, and 11 with oil separators and septic tanks alone.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

The facilities for solid waste prevention and control include: optimizing waste sorting and establishing a waste sorting station; entering into agreements with local environmental management authorities to outsource general waste management in service areas to qualified agencies; setting up designate areas or locations for storing different categories of waste with clear signs; setting up a storage area for liquid waste and providing bins for hazardous waste in the area for storing hazardous solid waste; and disposing the waste in a compliant, hazard-free, and recycling manner.

Noise pollution facilities include: prioritizing local residents' demands for noise reduction and reducing noise from the source by laying low-noise pavements; based on the construction progress and environmental features, adopting measures like green belts to reduce noise from transmission routes; using sound barriers and sound-proof windows to minimize the impact of highway noise on surroundings. During the Reporting Period, 1,260 m of sound barriers were newly built to improve the life quality of residents along the expressways.

(3) *Emergency plan for environmental emergencies*

The Group strictly complies with the requirements of regulations and actively standardizes the management of emergency plans for environmental emergencies. Firstly, according to the actual needs, our subordinate units draw up Special Emergency Plan for Accidents Occurred during the Transport of Hazardous Chemicals, Special Emergency Plan for Gas Accidents, Special Emergency Plan for Fire Accidents, General Emergency Plan, and other environmental emergencies' plans. Secondly, we regularly organize and conduct various emergency drills such as dangerous chemicals transport vehicle accidents, fire accidents and other emergency drills and trainings, and continuously improve emergency response capacity for such accidents. Thirdly, we have formulated the Emergency Plan for Severe Weather and Road Icing for climate risk management, continued to reinforce research cooperation with the transportation and meteorological departments, and formulated four-level contingency plans accordingly. Fourthly, the Company regularly evaluates and improves the emergency system, and constantly improve the environmental emergency plan system.

(4) *Environmental protection self-monitoring plan*

In order to further improve in environmental management and monitoring, the Group takes the initiative to formulate an environmental self-monitoring scheme, taking into account the environmental requirements of the highway industry at the national and industry levels. We monitor effluent discharge regularly and supervise areas sensitive to noise complaints from time to time, continue to set up noise-reduction facilities along the expressways, optimize tail gas degradation equipment, and properly operate and maintain sewage treatment facilities as well as tracking, sampling and examining the quality of effluent and constantly strengthen the capacity building of environmental protection and management.

3. Reasons for non-disclosure of other environmental information

Applicable N/A

(III) Information on benefits for ecological protection, pollution prevention and control as well as environmental responsibility implementation

Applicable N/A

During the Reporting Period, the Group strictly complied with national and local laws and regulations such as the Environmental Protection Law, the Law on the Prevention and Control of Atmospheric Pollution, the Law on the Prevention and Control of Water Pollution, the Law on the Prevention and Control of Environmental Pollution by Solid Waste, the Law on the Prevention and Control of Soil Pollution, and the Measures for the Administration of Kitchen Waste in Jiangsu Province. It also established an environmental management system in accordance with ISO 14001, formulated environmental management systems such as the Measures for the Administration of Identification, Evaluation and Control of Environmental Factors, the Rules for the Administration of Environmental Impact Control of Related Parties, and the Regulations on Solid Waste Treatment and Disposal. In terms of management, a three-level environmental management system covering the company-level, subsidiary-level and grassroots-level has been implemented. The Company has also entrusted specialized agencies with the task of helping improve the environmental management and better control the potential impacts of our operation on the environment and external stakeholders. During the Reporting Period, the Group has been safeguarding the bottom line of ecological protection, and continued to implement the Environmental Management and Protection Measures to fulfill our responsibilities in environmental protection as a corporate entity and further refined the management requirements. The Company invested RMB9.4407 million in environmental protection and conducted standardized training on the environmental management system to enhance our capacity of environmental protection management.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

Environmental protection is practised throughout the construction cycle. Firstly, environmental impact assessments are conducted before the start of major projects. An independent environmental supervision department, which reports to the construction units and local environmental authorities, is set up for supervising the implementation of environmental projects and educates construction personnel. Secondly, environmental monitoring is carried out throughout the construction period and it prioritises reviewing the implementation of ecological protection measures, noise reduction and dust control measures. Contractors are also required to have dedicated environmental staff in charge of supervising and managing the implementation of environmental protection measures. Thirdly, after construction is completed, an overall inspection will be conducted to check the implementation of environmental protection measures and environmental restoration of the construction site. Local ecosystem will be restored through refilling borrow pits, greening and relocation, and especially avoid causing pollution to the surrounding environment during construction.

Continuously improving the ecology along the roads. The Group closely focuses on the road management and maintenance objectives of “smoothness, safety, comfort and beauty”, by orderly combining with various maintenance equipment such as green trimming vehicles and guardrail cleaning vehicles, and carries out guardrail cleaning, greening trimming and maintenance, and line adjustment of the road area along the expressways; reasonably plans the greening around the walkways and plants trees, shrubs, water-based herbs and other plants. A complete drainage system has been set up along the roads, and by setting up roadbed side ditches and drainage ditches, road surface soil shoulder and bridge and culvert structures, an independent, complete and smooth road drainage system has been developed; the Group strengthens the daily maintenance of the road drainage system, regular dredging and desilting to ensure smooth drainage, committed to achieving the perfect combination of road construction and operation and ecological environment coexistence.

Enhancing employees’ awareness of environmental protection. Firstly, the low-carbon concept is encouraged – the Company has launched the Low-Carbon Life Initiative and the commitment of “promoting low-carbon life, creating green future”. Secondly, we have promoted green and low-carbon travel by introducing the “135” green travel initiative and various low-carbon travel models and encouraging employees to share rides and maintain vehicles regularly to reduce exhaust gas emissions. Thirdly, we have created a green workplace where energy-saving lamps are used, unattended use of air conditioners is avoided, and green light source and natural ventilation are preferred. Equipment in the office is turned off when leaving, working through the Internet is encouraged and excess consumption of paper, ink, and electricity and pollution is eliminated, buckets are used to collect water that can be reused. These practices can all contribute to the green and low-carbon growth.

(IV) Measures adopted to reduce carbon emission during the Reporting Period and the effects thereof

Applicable N/A

The Group actively responds to the call for long-term plans for environmental protection, such as “carbon peaking and carbon neutrality”, and implements multiple measures to save energy and reduce emissions. Non-stick wheel emulsified asphalt is widely applied and high-power vacuum sweepers are put in place, the green and high-efficiency materials and energy like recovered geothermal energy, electric maintenance vehicle and in-situ thermal regeneration technology are also utilised to curb carbon emissions.

During the Reporting Period, the Group’s recycling rate of waste asphalt residue and other waste materials reached 100%; the usage rate of seam tape, potting adhesive, and other low-carbon maintenance materials reached 100%. Further, aiming to deliver more accountable and stable, durable and efficient maintenance, the Group has conducted a number of research projects including Low-carbon Operation of Expressways and Technologies Contributing to Carbon Neutrality to proactively make new breakthroughs in green maintenance of roads and bridges and contribute to the safeguards for green hills and clear waters.

ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

II. Performance of social responsibilities

Applicable N/A

The Group has always been based on “achieving a better life”, implementing the social responsibility concept of “guarding safety and marching towards the future”, by continuously upgrading service quality, working with partners to achieve a win-win situation, caring for employees with enthusiasm about public welfare activities.

Quality serving for customers. The Group continuously optimizes the service level of toll stations, regularly inspects and assesses the service level of toll stations, and conducts various emergency drills to improve the level of emergency response. We have built a warm toll station to create a circulation environment for drivers and passengers by providing drivers and passengers with nursing rooms, wheelchairs and books. We have also established a 24/7 hardware and software maintenance team for the toll collection system, and separated toll lanes for passenger cars and trucks to enhance passing efficiency and create first-class traveling experience for drivers and passengers. The Company has created different themed service areas with different styles perfectly integrating “transportation + tourism”, to create high quality service areas that integrate service, dining, shopping and tourism. During the Reporting Period, toll fees of RMB286,317,100 were waived in major holidays, and the handling rate of customer complaints was 100%.

Win-win cooperation with partners: The Group actively carried out cooperation and exchanges with suppliers, industry associations, industry partners and other parties to share fruitful results, strengthen demonstration and guidance, and promote high-quality development of the industry. We conduct special researches to push for in-depth integration of high and new technologies with the transportation industry, and set a demonstration model. Leveraging intelligent analysis, we have upgraded technology and service, and innovated the modes to ensure smooth traffic which have been awarded the National Transportation Industry Innovation Achievement Award. During the Reporting Period, the Group’s complete 3-5 level outline of occupational skill assessment for hindrance clearance and toll operator successfully passed the provincial review, marking a solid step in filling the gap in the industry.

Caring for employees. The Group is committed to creating a diversified corporate atmosphere, providing equal employment rights for employees of different genders, ages, races and educational backgrounds, improving the management system that caters to the modern corporate human resources management and fits the reality of the Company, protecting the rights and interests of employees such as being paid for work, promotion and leave, and constructing teams consisting of technical talents, and enhancing professional management, internships and practices, and talent pool building to revitalize internal human resources, actively building a knowledge-based, skilled and innovative talent team; paying attention to the physical and mental health of employees, launching the “Happy Jiangsu Expressway” warmth project, carrying out various cultural and sports activities such as artwork exhibitions, singing competitions and marathon races, and continuously enhancing the sense of happiness, achievement and satisfaction of employees. During the Reporting Period, the coverage rate of training for employees of the Group reached 100%, a total of 263 employees of the Group successfully participated in the 5-level career skills identification of hindrance clearance, and distributed more than RMB400, 000 of condolence assistance and RMB1,200,000 worth of heatstroke prevention supplies.

Enthusiastic public welfare activities: The Group integrates love into the construction of a better community, transmits positive corporate energy and gives back to the society with practical actions. The Group encourages its staff to participate in voluntary service activities by forming an internal team of youth volunteers. The Group carried out innovative, rich and thematic public welfare volunteer activities such as the “Charity Donation Day” activity, the “Clothes’ Warmth” old clothes donation public welfare activity, the “Walking into the Mountains and Spreading Love” public welfare activity and the “Chongyang Festival” visit to the elderly living alone, promoting the harmonious development of enterprises and society. During the Reporting Period, 2,500 employees of the Group participated in volunteer activities, among which, “Yangguang Sumo” volunteer project wins the “Nomination for the Top Ten Young Volunteer Service Projects in Jiangsu Province for the year 2020”.

III. Details of efforts made to consolidate and expand the achievements in poverty alleviation and to promote rural revitalization

Applicable N/A

The Group attaches great importance to poverty alleviation, actively gives full play to its main business, implements targeted measures, contributing to revitalization of rural areas and providing talent and financial assistance for infrastructure construction, comprehensive agricultural development and investment in emerging industries in poverty-stricken areas.

In 2021, the Company carried out the village-enterprise assistance activity, and set up sales counters in service areas to expand the sales channels of agricultural and sideline products. We granted RMB570,000 to three aided-construction projects in rural areas, opening a new chapter in the village-enterprise partnership. We launched the online fund-raising activity for the “college dream” student aid project and more than 1,500 of our employees volunteered to donate, lighting the hope for many young students in distress. An aggregate of RMB400,000 has been contributed in the targeted poverty alleviation projects in Guannan County, and well-being and living standards of the villagers have thereby improved with practical assistance, which effectively brought happiness to the villagers and contributed to the “Jiangsu Express power” to expand the achievements of the building new socialist countryside.

SIGNIFICANT MATTERS

I. Performance of Undertakings

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

Applicable N/A

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

Applicable Not achieved N/A |

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

Applicable N/A

II. Any appropriation of fund by the controlling shareholder and other related parties/connected parties for non-operating purpose during the Reporting Period

Applicable N/A

III. Non-compliance guarantee

Applicable N/A

IV. Explanation from the Company's Board 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

In 2021, the Group implemented the following amendments to the Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance in recent years and the Q&A and case regarding the implementation of Accounting Standards for Business Enterprises issued by the Ministry of Finance in 2021, which mainly includes:

- Interpretation No. 14 on Accounting Standards for Business Enterprises (Cai Kuai [2021] No.1) ("Interpretation No. 14")
- Circular on Adjustment to the Applicability of the Requirements on Accounting Treatment of COVID-19-Related Rent Concessions (Cai Kuai [2021] No.9)

(a) Interpretation No.14

Interpretation No.14 became effective from 26 January 2021 (Implementation Date).

SIGNIFICANT MATTERS

(i) Public-private partnership (“PPP”) projects

Interpretation No.14 and Implementation Q&A and Application Examples on Accounting for Social Capital Parties in PPP Project Contracts clarifies the characteristics and conditions of PPP project contracts, and stipulates the specific accounting treatment and disclosure requirements of social capital parties for PPP project contracts. The Content of “5. Accounting treatment for an enterprise’s engagement in public infrastructure construction business by adopting the Build-Operate-Transfer (BOT)” of the Interpretation No. 2 on Accounting Standards for Business Enterprises (Cai Kuai [2008] No. 11) was abolished at the same time.

The Group has retroactively adjusted its PPP project contracts that became effective before 31 December 2020 but not yet completed up to the Implementation Date and those that took effect between 1 January 2021 and the Implementation Date, and adjusted the opening balance of retained earnings and other related items in the financial statements of 2021 to reflect the cumulative effect, without adjusting the figures of comparative period.

The effect of the above change in accounting policy on each item of the consolidated balance sheet as of 1 January 2021 is summarized as follows :

The Group

	Carrying amount before adjustment	Adjustment to amount	Carrying amount after adjustment
Assets:			
Construction in progress	15,280,716,856.65	(14,488,419,278.57)	792,297,578.08
Intangible assets	21,298,818,056.01	14,488,419,278.57	35,787,237,334.58

(ii) Interest rate benchmark reform

Interpretation No. 14 sets out the relevant accounting and disclosure requirements for modifications to financial instruments and lease liabilities resulting from reform of interest rate benchmarks. The Group has made retrospective adjustments to the business transactions related to the interest rate benchmark reform that occurred before 31 December 2020 and during the period from 1 January 2021 to the Implementation Date, and adjusted the opening balance of retained earnings or other comprehensive income of 2021 to reflect the cumulative effect, without adjusting the figures of comparative period.

The application of the above requirements does not have any material impact on the financial position and operating results of the Group and the Company.

(b) Cai Kuai [2021] No. 9

The Requirements on Accounting Treatment of COVID-19-Related Rent Concessions (Cai Kuai [2020] No. 10) provides a simplified method for rental concessions meeting certain conditions and occurring as a direct consequence of the COVID-19 pandemic. Under the requirements of Cai Kuai [2021] No. 9, the rent concessions under this simplified method apply to lease payments due before 30 June 2022. The Group has adjusted the opening balance of retained earnings and other related items in the financial statements for 2021 to reflect the cumulative effect of Cai Kuai [2021] No. 9, without adjusting the figures of comparative period.

The application of the above requirements does not have any material impact on the financial position and operating results of the Group and the Company.

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

Applicable

N/A

SIGNIFICANT MATTERS

(III) Communication with the previous accounting firm

Applicable N/A

The Company has communicated with Deloitte regarding the change of accounting firm, and Deloitte has been clearly informed of such matter and confirmed that there is no objection. Deloitte has confirmed in writing that there are no matters in relation to its retirement that need to be brought to the attention of the shareholders of the Company.

(IV) Other analysis

Applicable N/A

VI. Appointment and Removal of Auditor

Unit: Yuan Currency: RMB

	Original engagement	Current engagement
Name of the domestic accounting firm	Deloitte Touche Tohmatsu Certified Public Accountants LLP	KPMG Huazhen LLP
Remuneration for the domestic accounting firm	2,400,000	2,300,000
Years of audit services of the domestic accounting firm	17	1

	Name	Remuneration
Auditor for internal control audit	KPMG Huazhen LLP	700,000

Information on appointment and removal of auditor

Applicable N/A

According to the relevant requirements of the Trial Measures for Provincial Enterprises to Select Accounting Firms for Audit Quality Management issued by SASAC Jiangsu Branch, the term of Deloitte Touche Tohmatsu Certified Public Accountants LLP, the former auditors originally engaged by the Company, has exceeded its term. The Company has to change its accounting firm since 2021.

The reappointment of KPMG as the domestic auditor of the Company for the year of 2021 was approved at the Company's 2020 Annual General Meeting. The audit fee amounted to RMB2,300,000 for the year. KPMG, 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 2021 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 KPMG 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, KPMG was also appointed as the internal control auditor of the Company for the year of 2021 at the general meeting of the Company. The audit fee was RMB700,000.

On 25 March 2022, the eighth meeting of the tenth session of the board of directors of the Company approved the reappointment of KPMG as the Company's 2022 annual financial report auditor and internal control auditor and this proposal will be submitted to the 2021 annual general meeting for approval.

Explanations on replacement of auditors during the audit period

Applicable N/A

SIGNIFICANT MATTERS

VII. Risk of Delisting

(I) Causes of Delisting

Applicable N/A

(II) Measures to be taken by the Company

Applicable N/A

(III) Situation and Causes for Termination of Listing

Applicable N/A

VIII. Matters Relating to Insolvency or Restructuring

Applicable N/A

IX. 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.

X. Suspected Violations of Laws and Regulations, Punishments and Rectifications Involved by the Listed Company and Its Directors, Supervisors, Senior Management Members, Controlling Shareholder and De Facto Controller

Applicable N/A

XI. Explanation on Credibility of the Company and Its Controlling Shareholders and De Facto Controller during the Reporting Period

Applicable N/A

XII. Major Related Party/Connected Transactions

(1) Related party/continuing connected transactions relating to daily operations

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

Applicable N/A

Summary of the event

On 26 October 2018, each of Ninghu Investment Company, Guangjing Xicheng Company and Ningchang Zhenli Company, being subsidiaries of the Company, entered into the Cooperation Agreement on Operation of Existing Advertising Facilities and Development and Operation of New Advertising Resources Along the Roads and Bridges with Media Company (being an associate of the controlling shareholder of the Company), for a term commencing from 1 January 2019 and ending on 31 December 2021. The estimated contractual amount for 2021 would not exceed RMB60 million, RMB14 million and RMB6 million, respectively.

Document for inspection

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 27 October 2018 and on the website of the Stock Exchange at www.hkexnews.hk on 26 October 2018, respectively.

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 22 March 2019, the Company, Guangjing Xicheng Company, Ningchang Zhenli Company and Zhendan Company respectively entered into the Technical Service Contract on Coordination, Command and Dispatch of the Cloud Platform with Tongxingbao Company (being an associate of the controlling shareholder of the Company) with a term from 22 March 2019 to 31 December 2021. It is estimated that the total annual cloud platform usage fee in 2021 would not exceed RMB2 million, RMB0.90 million, RMB0.70 million and RMB0.21 million, respectively.</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 and the website of the Stock Exchange at www.hkexnews.hk on 25 March 2019.</p>
<p>On 22 March 2019, Ningchang Zhenli Company entered into the Service Area Petrol Station Leasing Contract with Expressway Petroleum Company (being an associate of the controlling shareholder of the Company) with a term commencing on 1 April 2019 and ending on 31 December 2021. The total contractual amount for 2021 would not exceed RMB6.79 million. On 26 March 2021, due to the lifted pricing standard of rental fee and increase in petroleum sales volume, the Company* entered into supplementary agreement on the petrol stations leasing in service areas with Expressway Petroleum Company. The term of the agreement shall be valid till 31 December 2021 and the estimated amount shall not exceed RMB18.21 million. The amount of the agreement in 2021 will be adjusted to not more than RMB25 million.</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 and the website of the Stock Exchange at www.hkexnews.hk on 25 March 2019. 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 and the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p><i>Note:</i> 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 July 2021, the Company received a notice of approval for deregistration.</p>	
<p>On 23 August 2019, Zhendan Company and Media Company (being 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 estimated contractual amount in 2021 shall not exceed RMB0.20 million</p>	<p>For details, please refer to the announcement on the ordinary related party/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 30 October 2020, Yangtze River Management Company, a wholly-owned subsidiary of the Company, entered into the Management Entrustment Agreement with Xitai Company (being an associate of the controlling shareholder of the Company). The management entrustment will be for a term of 36 months in total commencing on 1 January 2021 and expiring on 31 December 2023; the estimated cap for the costs of the management entrustment will be RMB1.26 million (not exceeding RMB0.41 million in 2021).</p>	<p>For details, please refer to the announcement of the resolutions of the Board 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, respectively.</p>

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Summary of the event	Document for inspection
<p>On 30 October 2020, the Company was entrusted to manage the operation of the north section of Phase I project of Changyi Expressway and entered into an operation management entrustment agreement with Changyi Company (a subsidiary of a connected subsidiary of the Company), for a term commencing on the date of the opening of the northern section of phase I project of Changyi Expressway and expiring on 31 December 2021. The fees for the entrustment to manage the operation are expected not to exceed RMB9 million in total and RMB8.165 million in 2021.</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 31 October 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 1 November 2020, respectively.</p>
<p>On 29 October 2021, the Company renewed the entrusted management of the operation and management of the northern section of the Changyi Phase I Project, and entered an entrusted management agreement with Changyi Company (a subsidiary of the connected subsidiary of the Company), the estimated amount not exceeding RMB2.5 million. The term of agreement shall commence on 1 January 2022 and end on 30 April 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 30 October 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 29 October 2021.</p>
<p>On 30 October 2020, the Company and Huatong Engineering Company (being an associate of the 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). The term of the contract is from 30 October 2020 to 31 March 2021. The contractual amount is expected not to exceed RMB6 million for the transaction (not exceeding RMB3.60 million from 1 January 2021 to 31 March 2021).</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 31 October 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 1 November 2020, respectively.</p>
<p>On 27 November 2020, the Company and Wufengshan Toll Bridge Company (a connected subsidiary of the Company) entered into the Agreement Regarding the Lease and Operation of the Gas Station in Wufengshan Toll Bridge Service Area, pursuant to which Wufengshan Toll Bridge Company will lease its gas stations in the Wufengshan Toll Bridge Service Area to the Company for operation and management for a term of 3 years commencing from the official business commencement date of the gas stations in Wufengshan Toll Bridge Service Area. The estimated total amount of the lease for 3 years will be no more than RMB16 million, among which, it will be no more than RMB2.25 million from the official business commencement date in the mid-2021 to 31 December 2021.</p>	<p>For details, please refer to the announcements of the resolutions of the Board 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>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 24 December 2020, Guangjing Xicheng Company, a non-wholly owned subsidiary of the Company, entered into a supplemental agreement regarding SD-WAN technical charge backup network services with Tongxingbao Company (being an associate of controlling shareholder of the Company) with the term of the agreement remaining unchanged, to adjust the accumulative total estimated amount and the amount for each year for the agreement from the original caps of not exceeding RMB3.90 million and not exceeding RMB1.30 million, respectively, to not exceeding RMB4.71 million and not exceeding RMB1.57 million, respectively, from 1 April 2020 to 31 December 2022.</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 December 2020 and on the website of the Stock Exchange at www.hkexnews.hk on 24 December 2020, respectively.</p>
<p>On 24 December 2020, Yichang Company, a non-wholly owned subsidiary of the Company, entered into the SD-WAN Technical Charge Backup Network Services Agreement with Tongxingbao Company (being an associate of the controlling shareholder of the Company), for a term commencing from 1 January 2021 and ending on 31 December 2022, with an agreement amount not exceeding RMB0.135 million for each year.</p>	<p>For details, please refer to the announcements of the resolutions of the Board 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 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. From 1 January 2021 to 31 March 2021, the estimated amounts would not exceed RMB10.50 million and RMB1.50 million, respectively.</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 and the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020.</p>
<p>On 31 March 2020, the Company, Guangjing Xicheng Company and Zhendan Company entered into the Expressway Network Management Services Agreement with Network Operation Company (being an associate of controlling shareholder of the Company), respectively, with the term of three years from 1 January 2020 to 31 December 2022. The estimated amounts in 2021 would not exceed RMB32 million, RMB7 million and RMB0.80 million, respectively.</p>	<p>For details, please refer to the announcement on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020.</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 (being an associate of controlling shareholder of the Company), respectively, with the term of three years from 1 January 2020 to 31 December 2022. The estimated amount in 2021 would not exceed RMB25 million, RMB5 million and RMB0.50 million, respectively.</p>	<p>For details, please refer to the announcement on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020.</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 SD-WAN Toll Standby Network Services Contract with Tongxingbao Company (being an associate of controlling shareholder of the Company), respectively, with a term from 1 April 2020 to 31 December 2022. The estimated amounts in 2021 would not exceed RMB3.50 million, RMB1.30 million and RMB0.30 million, respectively.</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 and the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020.</p>
<p>On 31 March 2020, the Company, Guangjing Xicheng Company, Zhendan Company, Yangtze River Management Company, being non-wholly owned subsidiaries of the Company, entered into contracts involving panoramic HD camera installation, SD-WAN 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 contracts was from 1 April 2020 to 31 March 2021, and the estimated contractual amounts would not exceed RMB2 million, RMB0.40 million, RMB0.40 million and RMB0.10 million from 1 January 2021 to 31 March 2021, respectively.</p>	<p>For details, please refer to the announcement on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020.</p>
<p>On 31 March 2020, the Company and Guangjing Xicheng Company (a non-wholly owned subsidiary of the Company) entered into the Expressway Maintenance Services Contracts with Xiandai R&B Company (being an associate of controlling shareholder of the Company), respectively. The term of relevant contracts is from 1 April 2020 to 31 March 2021. The estimated amount of this project from 1 January 2021 to 31 March 2021 would not exceed RMB35 million and RMB30 million, respectively.</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 and the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020.</p>
<p>On 31 March 2020, the Company and Guangjing Xicheng Company (a non-wholly owned subsidiary of the 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 2020 to 31 March 2021. The estimated maximum amount of the two contracts from 1 January 2021 to 31 March 2021 would not exceed RMB0.20 million and RMB0.05 million, respectively.</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 and the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020.</p>

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 (being an associate of controlling shareholder of the Company) and its non-wholly owned subsidiary Hutong Bridge Company, and Guangjing Xicheng Company (a connected subsidiary of the Company) and its non-wholly owned subsidiaries Changyi Company and Yichang Company, respectively, from 1 April 2020 to 31 March 2021, the entrustment management fee shall be capped at RMB45 million, and the estimated entrustment management fees would not exceed RMB2.47 million, RMB0.28 million, RMB2.86 million, RMB0 and RMB0 from 1 January 2021 to 31 March 2021, respectively.</p>	<p>For details, please refer to the announcement on the ordinary related party/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020.</p>
<p>On 31 March 2020, the Company entered into the contract for renewal of the property lease with Xiandai R&B Company (being an associate of controlling shareholder of the Company) in respect of an office building. The term of lease was from 1 January 2020 to 31 December 2022 and the annual rent for 2021 was RMB1.69 million.</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 and the website of the Stock Exchange at www.hkexnews.hk on 1 April 2020.</p>
<p>On 28 August 2020, the Company, Guangjing Xicheng Company (a non-wholly owned subsidiary of the Company) and Yangtze River Management Company (a wholly-owned subsidiary) entered into the training service agreement with Communications Holding Human Resources Company (being an associate of controlling shareholder of the Company) for a term commencing from 1 September 2020 until 31 December 2022. The contractual amount would be no more than RMB27.75 million in total, and the estimated total amount would not exceed RMB9.60 million for 2021.</p>	<p>For details, please refer to the announcements of the resolutions of the Board 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 6 August 2021, the Company and Communications Holding Human Resources Company (an associate of controlling shareholder of the Company) entered into the Framework Cooperation Agreement on Consulting Services, for a term from 1 September 2021 to 31 December 2022, with the contract amount no more than RMB1.44 million. The estimated amount would not exceed RMB0.7 million and RMB0.74 million for 2021 and 2022, respectively.</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 9 August 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 6 August 2021.</p>
<p>On 22 December 2021, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) cooperated with Communications Holding Human Resources Company (an associate of controlling shareholder of the Company) to conduct the toll service outsourcing project, and signed a toll service outsourcing agreement, for a term from 22 December 2021 to 30 November 2024. The total outsourcing service fee is estimated not to exceed RMB11 million. The estimated outsourcing service fee in 2021 would not exceed RMB100,000.</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 23 December 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 22 December 2021.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<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 a connected subsidiary of the Company, pursuant to 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 RMB5.32 million.</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.</p>
<p>On 28 August 2020, Wufengshan Toll Bridge Company, a non-wholly owned subsidiary of the Company, and Huatong Engineering Company (being an associate of the controlling shareholder of the Company) entered into the Wufengshan River Crossing Passage (Railway Section) Composite Girder Block Intelligent Monitoring Project Construction Contract with a contract term from 28 August 2020 to 31 December 2022, and the contract value of the project will not exceed RMB2.50 million (not exceeding RMB2.20 million for the year of 2020 and not exceeding RMB0.30 million for the year of 2022).</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.</p>
<p>On 25 September 2020, Factoring Company, a wholly-owned subsidiary of the Company, entered into a domestic commercial factoring service contract with Jiangsu Eastern Expressway Management Co., Ltd. (being an associate of the controlling shareholder of the Company), for a term commencing from 25 September 2020 to 24 June 2021. The factoring limit involved in the contract is RMB4.67 million.</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.</p>
<p>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 Company (being an associate of controlling shareholder of the Company). Communications Holding Commercial Operation Company leased part of floors of Building A2 of its Zijin Financial Center to Ninghu Investment Company and Factoring Company as office premises from October 2020 to December 2022. The estimated lease rental of Ninghu Investment Company for 2021 would be not exceeding RMB2,298,500 and the lease rental of Factoring Company for 2021 would be not exceeding RMB1,250,700.</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.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 26 March 2021, the Company entered into the annual framework agreement with Xiandai R&B Company (being an associate of the controlling shareholder of the Company) in respect to the large and medium repair and maintenance project on road surface, bridge repair and reinforcement, marker adding and other daily repair and maintenance projects on road surface and basic construction of gantry and other projects of the Company and its wholly owned subsidiary for a term commencing from 1 April 2021 to 31 March 2022, with the agreement amount of not exceeding RMB196.56 million and the estimated amount of not more than RMB180.66 million from 1 April 2021 to 31 December 2021.</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 on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the framework agreement with Tongxingbao Company (being an associate of the controlling shareholder of the Company) in respect to the SDWAN phase II service project, ETC service charge and other projects of the Company and its wholly-owned subsidiaries for a term commencing from 1 April 2021 to 31 December 2023, with the agreement amount not more than RMB8.67 million (amount not more than RMB5.02 million from 1 April 2021 to 31 December 2021); Wufengshan Toll Bridge Company, a non-wholly owned subsidiary of the Company, entered into the framework agreement with Tongxingbao Company in respect to Cloud dispatch and SDWAN service and other projects for a term commencing from 1 April 2021 to 31 December 2023 with the agreement amount not more than RMB9.80 million, and the estimated amount would not exceed RMB3.70 million from 1 April 2021 to 31 December 2021; Guangjing Xicheng Company and its non-wholly owned subsidiaries, Changyi Company and Yichang Company, entered into the relevant framework agreements with Tongxingbao Company, respectively, with respect to the expressway network technical services and other projects for a term commencing from 1 January 2021 to 31 December 2022 with the agreement amount not more than RMB9.40 million. The estimated amount incurred in 2021 shall not exceed RMB4.20 million (the amount payable by Guangjing Xicheng Company not more than RMB0.20 million, the amount payable by Changyi Company not more than RMB2 million, and the amount payable by Yichang Company not more than RMB2 million).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 26 March 2021, the Company entered into an annual framework agreement with Cuipingshan Hotel (being an associate of the controlling shareholder of the Company) with respect to the welfare procurement and other projects of the Company and its wholly-owned subsidiary for a term commencing from 1 April 2021 to 31 December 2023, with the agreement amount not more than RMB4.48 million, and the amount would not exceed RMB3.33 million from 1 April 2021 to 31 December 2021; Wufengshan Toll Bridge Company, a non-wholly owned subsidiary of the Company, entered into the framework agreement with Cuipingshan Hotel Management Co., Ltd. with respect to the daily office work, employee benefits and other matters for a term commencing from 1 April 2021 to 31 December 2021, with the estimated amount not more than RMB0.18 million; Guangjing Xicheng Company and its non-wholly owned subsidiaries, Changyi Company and Yichang Company, entered into the relevant framework agreements with Cuipingshan Hotel, respectively, with respect to the launch of material procurement and other businesses for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount not more than RMB4.70 million. The estimated amount in 2021 would not exceed RMB1.50 million (the amount payable by Guangjing Xicheng Company not more than RMB1 million, the amount payable by Changyi Company not more than RMB0.20 million, and the amount payable by Yichang Company not more than RMB0.30 million).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>On 29 October 2021, the Company entrusted Cuipingshan Hotel to carry out the 2021 annual advanced worker rehabilitation program and signed the entrustment contract for a term from 1 November 2021 to 31 December 2021 with a contract amount of not exceeding RMB372,000.</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 30 October 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 29 October 2021.</p>
<p>On 26 March 2021, the Company entered into an annual framework agreement with Media Company (being an associate of the controlling shareholder of the Company) in respect to the cultural display boards and picture album production, advertising publication, activity planning and other promoting projects of the Company and its wholly-owned subsidiary for a term commencing from 1 April 2021 to 31 December 2021. The estimated gross amount payable to Media Company shall not exceed RMB12.97 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the framework agreement with Communications Holding Commercial Operation Company (being an associate of the controlling shareholder of the Company) with respect to the property service, lease and management and other matters of the Company and its wholly-owned subsidiary for a term from 1 April 2021 to 31 December 2023, with the estimated agreement amount not more than RMB2,147,025.83, and the estimated amount would not exceed RMB991,261 in 2021.</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 on 29 March 2021.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 26 March 2021, the Company entered into the framework agreement with Information Company (being an associate of the controlling shareholder of the Company) with respect to the construction and maintenance project of electromechanical system, smart service zone development and application management project of the Company and its wholly-owned subsidiary for a term commencing from 1 April 2021 to 31 March 2022, with the agreement amount of not more than RMB46.50 million, and the estimated amount would not exceed RMB36.50 million from 1 April 2021 to 31 December 2021; Guangjing Xicheng Company and its non-wholly owned subsidiaries, Changyi Company and Yichang Company, entered into the relevant framework agreements with Information Company, respectively, with respect to the supervision, maintenance of communication system and purchase of parts and components and other matters for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount of not more than RMB33 million, and the estimated agreement amount in 2021 shall not exceed RMB10 million (the agreement amount payable by Guangjing Xicheng Company not more than RMB8 million, the agreement amount payable by Changyi Company not more than RMB1 million, the agreement amount payable by Yichang Company not more than RMB1 million).</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into a framework agreement with Micro Video Company (being an associate of the controlling shareholder of the Company), in respect to the file digitization of maintenance management, services of the Company and its wholly-owned subsidiary for Cloud check-in system and website establishment and other projects for a term commencing from 1 April 2021 to 31 March 2022, with the agreement amount of not more than RMB15.87 million, and the estimated amount would not exceed RMB13.87 million from 1 April 2021 to 31 December 2021.</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 on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the annual framework agreement with Jiangsu Communications Holding with respect to the cloud platform technological service project of the Company and its wholly-owned subsidiary for a term commencing from 1 January 2021 to 31 December 2023, with the agreement amount not more than RMB4.93 million, and the estimated amount would not exceed RMB2.73 million in 2021.</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 on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the annual framework agreements with Media Company (being an associate of the controlling shareholder of the Company) in respect to the electric charge incurred from the building of billboards on Shanghai-Nanjing Expressway by Media Company for a term of one year, the estimated amount for the year of 2021 not more than RMB1 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 26 March 2021, the Company entered into an annual framework agreement with Maintenance Technology Company (being an associate of the controlling shareholder of the Company) in respect to the testing and assessment of road surface, plan design of maintenance project, quality assessment and other comprehensive technological service projects for a term commencing from 1 June 2021 to 31 December 2021. It is estimated that the annual maintenance technology research and services fee payable by the Company to Maintenance Technology Company shall not exceed RMB20 million; Zhendan Company and Wufengshan Toll Bridge Company, the non-wholly owned subsidiaries of the Company, entered into the ordinary related party transaction framework agreements with Maintenance Technology Company, respectively, in respect to the maintenance of road surface and quality inspection on the completed road surface of Wufengshan pathway crossing rivers and other projects for a term commencing from 1 June 2021 to 31 December 2021. It is estimated that the annual maintenance technology research and services fee payable by Zhendan Company and Wufengshan Toll Bridge Company to Maintenance Technology Company is as follows: estimated amount payable by Zhendan Company and Wufengshan Toll Bridge Company shall not exceed RMB0.60 million and RMB1 million, respectively; Guangjing Xicheng Company and its non-wholly owned subsidiaries, Changyi Company and Yichang Company entered into the framework agreements with Maintenance Technology Company, respectively, in respect to the maintenance and comprehensive technical services and other projects for a term commencing from 1 April 2021 to 31 December 2021. It is estimated that the annual maintenance technology research and services fee payable by Guangjing Xicheng Company and its non-wholly owned subsidiaries to Maintenance Technology Company shall not exceed RMB8 million. Of which, the agreement amount payable by Guangjing Xicheng Company shall not exceed RMB6 million, the agreement amount payable by Changyi Company shall not exceed RMB0.50 million, the agreement amount payable by Yichang Company shall not exceed RMB1.50 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>On 29 October 2021, Guangjing Xicheng Company (a subsidiary of the Company) and Yichang Company (a subsidiary of Guangjing Xicheng Company) signed a maintenance technical services agreements with Maintenance Technology Company (an associate of controlling shareholder of the Company), for a term from 1 January 2022 to 30 April 2022, with estimated amount of not exceeding RMB3.7 million, of which: not exceeding RMB2.5 million and RMB1.2 million for Guangjing Xicheng Company and Yichang Company, 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 30 October 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 29 October 2021.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 26 March 2021, the Company entered into an agreement with China Merchants Chongqing Communications Technology Research & Design Institute Co., Ltd., a wholly-owned subsidiary of China Merchants Expressway (the second largest shareholder of the Company), in respect to the construction and consultant project of Maoshan tunnel management platform for a term from 1 April 2021 to 31 December 2021, with an estimated amount of not exceeding RMB2 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the annual framework agreement with Huatong Engineering Company (being an associate of the controlling shareholder of the Company) in respect to the regular inspection on bridges and culverts as well as tunnels, special inspection on steel bridges and bridges in special structure, improvement of bridge guardrails and other daily repair and maintenance projects on bridges, and operation and maintenance and data analysis on weigh-in-motion system and other projects for a term commencing from 1 April 2021 to 31 December 2021, with the estimated amount of not more than RMB22.35 million; Guangjing Xicheng Company entered into the framework agreements with Huatong Engineering Company, in respect to the regular inspection and construction on roads and bridges and other projects for a term commencing from 1 January 2021 to 31 December 2021, with the estimated amount of not more than RMB11 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>On 27 August 2021, the Company and Huatong Engineering Company (an associate of controlling shareholder of the Company) entered into a contract for the emergency repair works for Weiting Bridge on Shanghai-Nanjing Expressway, for a term from 1 September to 31 December in 2021, at contract amount of RMB17 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 28 August 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 27 August 2021.</p>

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Summary of the event	Document for inspection
<p>On 26 March 2021, the Company entered into the framework agreement with Sundian Testing Company (being an associate of the controlling shareholder of the Company) in respect to the inspection on underwater pile foundations and road facilities and other projects for a term commencing from 1 April 2021 to 31 December 2021, with the estimated amount of not more than RMB8.40 million; Wufengshan Toll Bridge Company, a non-wholly owned subsidiary of the Company, entered into the ordinary related party transaction framework agreement with Sundian Testing Company in respect to the inspection on the initial condition prior to the opening of main bridge and approach bridge of the Wufengshan pathway crossing rivers, including the basic information collection of bridges and culverts, inspection on track defects of structure of bridges and culverts and the support, etc. for a term commencing from 1 April 2021 to 30 June 2021, with the estimated amount of not more than RMB2.50 million; Guangjing Xicheng Company and its non-wholly owned subsidiaries, Changyi Company entered into the framework agreements with Sundian Testing Company, in respect to the inspection and construction of roads and bridges and other projects for a term commencing from 1 April 2021 to 31 December 2021, with the estimated amount of not more than RMB8 million. Of which, the agreement amount payable by Guangjing Xicheng Company shall not exceed RMB6 million and the agreement amount payable by Changyi Company shall not exceed RMB2 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into entrustment management agreement with its non-wholly owned subsidiaries, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (being an associate of the controlling shareholder of the Company), respectively, in respect to the entrustment of their respective ordinary operation and management matters (excluding the service areas and petrol stations) to the Company, for a term commencing from 1 January 2021 to 31 December 2023. The total agreement amount shall not exceed RMB336 million. Of which: the estimated amount of Wufengshan Toll Bridge Company and Suxichang South Expressway Company shall not exceed RMB50 million and RMB6 million in 2021; 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 on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the annual framework agreement with East Road & Bridge Company (being an associate of the controlling shareholder of the Company) in respect to the overall maintenance and emergency maintenance in winter prevention and other projects for a term commencing from 1 April 2021 to 31 December 2021, with the agreement amount of not more than RMB12.374 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>

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Summary of the event	Document for inspection
<p>On 26 March 2021, Guangjing Xicheng Company (a non-wholly owned subsidiary of the Company) and its non-wholly owned subsidiaries, Changyi Company and Yichang Company, entered into the relevant framework agreements with Xiandai R&B Company (being an associate of the controlling shareholder of the Company), respectively, in respect to the maintenance on traffic safety facilities of expressways, greening projects and daily maintenance projects for a term commencing from 1 April 2021 to 31 December 2021, with the estimated amount of not more than RMB70 million, of which, the agreement amount payable by Guangjing Xicheng Company shall not exceed RMB63 million, the agreement amount payable by Changyi Company shall not exceed RMB3 million, and the agreement amount payable by Yichang Company shall not exceed RMB4 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>On 26 March 2021, Guangjing Xicheng Company (a subsidiary of the Company) and its controlled subsidiaries, Changyi Company and Yichang Company entered into relevant purchase agreements with Hetai Expressway Operation Company (an associate of the controlling shareholder of the Company) with respect to purchase of engineering materials for a term commencing on 1 April 2021 and ending on 31 March 2024, with the agreement amount not more than RMB5.85 million. The estimated amounts of Guangjing Xicheng Company, Changyi Company and Yichang Company shall not exceed RMB1 million, RMB0.20 million and RMB0.30 million from 1 April 2021 to 31 December 2021, 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 on 29 March 2021.</p>
<p>On 26 March 2021, Guangjing Xicheng Company, a subsidiary of the Company and its subsidiary, Yichang Company, entered into the relevant framework agreement with Engineering Maintenance Company (an associate of the controlling shareholder of the Company) with respect to the inspection, detection and construction on roads and bridges and other projects for a term commencing on 1 April 2021 and ending on 31 December 2021, with the agreement amount not more than RMB21 million. Of which, the agreement amount payable by Guangjing Xicheng Company shall not exceed RMB19 million, the estimated amount payable by Yichang Company shall not exceed RMB2 million</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>

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Summary of the event	Document for inspection
<p>On 26 March 2021, Guangjing Xicheng Company, a subsidiary of the Company, entered into the relevant agreements with Expressway Petroleum Company (an associate of the controlling shareholder of the Company) and its wholly-owned subsidiary, Taixing Oil Products Company (an associate of the controlling shareholder of the Company), with respect to the petrol stations leasing in service areas, and the rental price is determined based on the petroleum sales volume, with the guaranteed rental fees of RMB0.50 million. The term of agreements commences on 1 January 2021 and ending on 31 December 2023 with an agreement amount of not more than RMB78 million based on the estimated petroleum sales volume for 2021 to 2023 (not more than RMB25 million in 2021).</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 on 29 March 2021.</p>
<p>On 26 March 2021, Wufengshan Toll Bridge Company, a subsidiary of the Company, entered into the agreement with Network Operation Company (an associate of the controlling shareholder of the Company) with respect to the expressway network management services for a term commencing on 1 April 2021 and ending on 31 December 2022, with the agreement amount not more than RMB7.50 million, and the estimated amount would not exceed RMB2.50 million from 1 April 2021 to 31 December 2021; Changyi Company and Yichang Company, the subsidiaries of Guangjing Xicheng Company, entered into the framework agreement with Network Operation Company, respectively, with respect to the expressway network management services for a term commencing on 1 January 2021 and ending on 31 December 2023, with the agreement amount not more than RMB9 million. Of which: the estimated amounts of Changyi Company and Yichang Company shall not exceed RMB1 million and RMB1 million in 2021, 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 on 29 March 2021.</p>
<p>On 26 March 2021, Zhendan Company and Wufengshan Toll Bridge Company, the subsidiaries of the Company, entered into the framework agreement with Micro Video Company (an associate of the controlling shareholder of the Company), respectively, in respect to the information system development and maintenance projects of Cloud check-in, of which, the agreement with Zhendan Company commences on 1 April 2021 and ending on 31 December 2021 with the estimated amount of not more than RMB0.6 million; the agreement with Wufengshan Toll Bridge Company commences on 1 April 2021 and ending on 31 December 2023 with the agreement amount of not more than RMB3.80 million, and the estimated amount would not more than RMB2.60 million from 1 April 2021 to 31 December 2021.</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 on 29 March 2021.</p>

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Summary of the event	Document for inspection
<p>On 26 March 2021, Zhendan Company and Wufengshan Toll Bridge Company, the subsidiaries of the Company, entered into the framework agreement with Xiandai R&B Company (an associate of the controlling shareholder of the Company), respectively, in respect to the daily maintenance on road surface, maintenance on traffic safety facilities, basic construction of gantry and other projects for a term commencing on 1 April 2021 and ending on 31 March 2022, the estimated amount payable by Zhendan Company shall not exceed RMB5.375 million from 1 April 2021 to 31 December 2021; the estimated amount payable by Wufengshan Toll Bridge Company shall not exceed RMB9.75 million from 1 January 2021 to 31 December 2021.</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 on 29 March 2021.</p>
<p>On 26 March 2021, Yangtze River Management Company, a wholly-owned subsidiary of the Company, entered into the relevant lease agreement with Guangjing Xicheng Company (a connected subsidiary of the Company) and Yangtze Bridge Company (an associate of the controlling shareholder of the Company), respectively, in respect to the vehicle lease and other matters for a term of agreement from 1 January 2021 to 31 December 2023, with an agreement amount of not more than RMB0.81 million. Of which: it is estimated that (1) the lease fee payable by Yangtze River Management Company to Guangjing Xicheng Company shall not exceed RMB0.36 million (not more than RMB0.12 million in 2021); (2) the lease fee payable by Yangtze River Management Company to Yangtze Bridge Company shall not exceed RMB0.45 million (not more than RMB0.15 million in 2021).</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 on 29 March 2021.</p>

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Summary of the event	Document for inspection
<p>On 26 March 2021, 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 the controlling shareholder of the Company), Hutong Bridge Company (an associate of the controlling shareholder of the Company), Guangjing Xicheng Company (a connected subsidiary of the Company), Changyi Company (a connected subsidiary of the Company) and Yichang Company (a connected subsidiary of the Company), respectively, in respect to entrusted operation and management for a term commencing on 1 April 2021 and ending on 31 December 2023, with the entrusted management fee payable not exceeding RMB188.39 million. Of which: it is estimated that (1) the entrusted fee payable by Yangtze Bridge Company to Yangtze River Management Company shall not exceed RMB64.38 million (not more than RMB19.80 million for the period from 1 April 2021 to 31 December 2021); (2) the entrusted fee payable by Hutong Bridge Company to Yangtze River Management Company shall not exceed RMB34.55 million (not more than RMB10.60 million for the period from 1 April 2021 to 31 December 2021); (3) the entrusted fee payable by Guangjing Xicheng Company to Yangtze River Management Company shall not exceed RMB69.34 million (not more than RMB21.30 million for the period from 1 April 2021 to 31 December 2021); (4) the entrusted fee payable by Changyi Company to Yangtze River Management Company shall not exceed RMB8.97 million (not more than RMB2.40 million for the period from 1 April 2021 to 31 December 2021); (5) the entrusted fee payable by Yichang Company to Yangtze River Management Company shall not exceed RMB11.15 million (not more than RMB3 million for the period from 1 April 2021 to 31 December 2021).</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 on 29 March 2021.</p>
<p>On 26 March 2021, Yangtze River Management Company, a wholly-owned subsidiary of the Company entered into the related party transaction agreement with Ninghang Cultural Tourism Company in respect to the employee development training for a term from 1 January 2021 to 31 December 2023, with the agreement amount not more than RMB0.75 million (the estimated amount would not exceed RMB0.20 million in 2021); Guangjing Xicheng Company (a subsidiary of the Company) and its subsidiaries, Changyi Company and Yichang Company, entered into the related party transaction agreements with Ninghang Cultural Tourism Company with respect to the employee business skill training for a term commencing on 1 January 2021 to 31 December 2023, with the agreement amount not more than RMB2.85 million. Of which: the estimated amount incurred in 2021 shall not exceed RMB0.80 million (the amount payable by Guangjing Xicheng Company not more than RMB0.55 million, the amount payable by Changyi Company not more than RMB0.10 million, and the amount payable by Yichang Company not more than RMB0.15 million);</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>

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Summary of the event	Document for inspection
<p>On 26 March 2021, Yangtze Commerce and Energy Company, a wholly-owned subsidiary of the Company, entered into the relevant framework agreement with its subsidiaries, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (an associate of the controlling shareholder of the Company), respectively, in respect to the entrustment management of service areas for a lease term of 3 years commencing from the official business commencement date of the service areas in Wufengshan Toll Bridge Service Area and Xueyan Service Area. The agreement amount is not more than RMB46.80 million. Of which: the estimated amount payable by Wufengshan Toll Bridge Company shall not exceed RMB28.80 million (not more than RMB8.50 million in the first year of its opening date, not more than RMB9.80 million in the second year of its opening date, and not more than RMB10.50 million in the third year of its opening date); the estimated amount payable by Suxichang South Expressway Company shall not exceed RMB18 million (not more than RMB5.50 million in the first year of its opening date, not more than RMB6 million in the second year of its opening date, and not more than RMB6.50 million in the third year of its opening date).</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 on 29 March 2021.</p>
<p>On 26 March 2021, Yangtze Commerce and Energy Company, a wholly-owned subsidiary of the Company, entered into the relevant framework agreement with its subsidiaries, Wufengshan Toll Bridge Company (a connected subsidiary of the Company) and Suxichang South Expressway Company (an associate of the controlling shareholder of the Company), respectively, in respect to the petrol stations leasing, pursuant to which, Wufengshan Toll Bridge Company and Suxichang South Expressway Company shall lease the petrol stations in service areas to Yangtze Commerce and Energy for operation for a term of 3 years commencing from the official business commencement date of the gas stations in Wufengshan Toll Bridge Service Area and Xueyan Service Area, with the agreement amount of not more than RMB20 million. Of which: the estimated amount payable by Wufengshan Toll Bridge Company shall not exceed RMB16 million (not more than RMB4.5 million in 2021); the estimated amount payable by Suxichang South Expressway Company shall not exceed RMB4 million (the estimated amount would not exceed RMB1.15 million in 2021).</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 on 29 March 2021.</p>
<p>On 26 March 2021, the Company entered into the property leasing agreement with Railway Group Company (an associate of the controlling shareholder of the Company) with an annual rent of RMB3,973,640, for a term from 1 January 2021 to 31 December 2023, the total rent is approximately RMB11,920,920.</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 on 29 March 2021.</p>

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Summary of the event	Document for inspection
<p>On 26 March 2021, the Company and Tongxingbao Company (an associate of the controlling shareholder of the Company) entered into the ETC customer service outlets management agreement with respect to the lease of the property of the Company as the ETC customer service outlets and the entrustment operation and management. The agreement amount shall not exceed RMB1 million temporarily with reference to the prevailing rent of similar properties and the total amount of rent, all utilities and charges for sewage discharge for a term from 1 April 2021 to 31 March 2022 (of which, the estimated amount would not exceed RMB0.75 million from 1 April 2021 to 31 December 2021).</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 on 29 March 2021.</p>
<p>On 29 October 2021, Guangjing Xicheng Company, a subsidiary of the Company, as well as Changyi Company and Yichang Company, both being subsidiaries of Guangjing Xicheng Company, entered into expressway network technical service agreement with Tongxingbao Company (an associate of the controlling shareholder of the Company), respectively, with respect to the provision of expressway network technical service by Tongxingbao Company, all for a term commencing on 1 January 2022 and ending on 30 April 2022, with a contract amount of not exceeding RMB3.2 million, in particular, the estimated amount would not exceed RMB2 million for Guangjing Xicheng Company, RMB0.7 million for Changyi Company and RMB0.5 million for Yichang Company.</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 30 October 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 29 October 2021.</p>
<p>On 26 March 2021, Guangjing Xicheng Company and its subsidiaries, Changyi Company and Yichang Company entered into relevant agreement with Media Company (an associate of the controlling shareholder of the Company), respectively, in respect to the lease of advertising media for a term from 1 January 2021 to 31 December 2023 with the estimated total rental for three years payable by Media Company shall not exceed RMB20.40 million. Of which, the agreement amount payable by Guangjing Xicheng Company shall not exceed RMB17 million (no amount incurred in 2021), the agreement amount payable by Changyi Company shall not exceed RMB1.50 million (not more than RMB0.3 million in 2021), and the agreement amount payable by Yichang Company shall not exceed RMB1.90 million (not more than RMB0.5 million in 2021).</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 on 29 March 2021.</p>

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Summary of the event	Document for inspection
<p>On 22 December 2021, Ninghu Investment Company (寧滬投資公司), a wholly-owned subsidiary of the Company, entered into an advertising operation and publication cooperation agreement with Media Company (an associate of the controlling shareholder of the Company) for a term from 1 January to 30 April 2022. In particular, it is estimated that Media Company shall pay the corresponding advertisement publication fee to Ninghu Investment Company of not exceeding RMB12.06 million and shall be responsible for the advertising facilities maintenance and repair and the entrusted management fees payable by Ninghu Investment Company to Media Company shall not exceed RMB1.91 million.</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 23 December 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 22 December 2021.</p>
<p>On 26 March 2021, Guangjing Xicheng Company and its subsidiaries, Changyi Company and Yichang Company entered into the framework agreements with Micro Video Company (an associate of the controlling shareholder of the Company) in respect to 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, office system maintenance and other projects for a term from 1 January 2021 to 31 December 2021, with the agreement amount of not more than RMB4 million, of which, the estimated amount payable by Guangjing Xicheng Company shall not exceed RMB2 million, the agreement amount payable by Changyi Company shall not exceed RMB1 million, and the agreement amount payable by Yichang Company shall not exceed RMB1 million.</p>	<p>For details, please refer to the announcements on the ordinary related/continuing connected transactions published by the Company on the website of the SSE at www.sse.com.cn and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>On 26 March 2021, Changyi Company and Yichang Company, the subsidiaries of Guangjing Xicheng Company, entered into the relevant training agreements with Communications Holding Human Resources Company (an associate of the controlling shareholder of the Company) with respect to the employee business skills training and other businesses for a term commencing from 1 January 2021 to 31 December 2022, with the agreement amount not more than RMB2.20 million. Of which, the estimated amount payable by Changyi Company shall not exceed RMB1 million (not more than RMB0.40 million in 2021), the agreement amount payable by Yichang Company shall not exceed RMB1.20 million (not more than RMB0.50 million in 2021).</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 on 29 March 2021.</p>
<p>On 28 April 2021, the Company and Guangjing Xicheng Company entered into pavement maintenance materials procurement contract with Xiandai R&B Company, respectively, with an amount of procurement of bituminous mixture for pavement maintenance of not more than RMB190 million and RMB86 million, respectively.</p>	<p>For details, please refer to the announcements on the related party/connected transaction published by the Company on the website of the SSE at www.sse.com.cn on 29 April 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 28 April 2021.</p>

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Summary of the event	Document for inspection
<p>On 27 August 2021, the Company entered into the contract in relation to the standardized improvement project of building construction in maintenance work areas with Xiandai R&B Company, at a contract amount of RMB4 million and with a contract term from 1 September 2021 to 31 December 2021.</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 28 August 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 27 August 2021.</p>
<p>On 29 October 2021, Guangjing Xicheng Company, a subsidiary of the Company, as well as Changyi Company and Yichang Company, both being subsidiaries of Guangjing Xicheng Company entered into maintenance project construction contract with Xiandai R&B Company (an associate of the controlling shareholder of the Company), respectively, for a term commencing on 1 January 2022 and ending on 30 April 2022, with a contract amount of not exceeding RMB10 million, in particular, the estimated amount would not exceed RMB8.2 million for Guangjing Xicheng Company, RMB0.8 million for Changyi Company and RMB1 million for Yichang 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 30 October 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 29 October 2021.</p>
<p>On 8 October 2021, Guangjing Xicheng Company, a subsidiary of the Company, participated in the subscription of A share convertible corporate bonds of Jiangsu Leasing Company (an associate of the controlling shareholder of the Company) in cash in proportion to its equity interest in Jiangsu Leasing Company, with the subscription amount not exceeding RMB400 million.</p>	<p>For details, please refer to the announcement of the resolutions of the Board published by the Company on the website of the SSE at www.sse.com.cn on 9 October 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 8 October 2021.</p>

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Summary of the event	Document for inspection
<p>On 29 October 2021, the Company entered into the tripartite construction entrustment agreement for the project of simultaneous construction of the intersection section of G4221 Shanghai-Wuhai Expressway with Jiangsu South Riverside Intercity Railway Co., Ltd. (江蘇南沿江城際鐵路有限公司) and Nanjing Railway Terminal Project Construction Headquarters of China Railway Shanghai Group Co., Ltd. (中國鐵路上海局集團有限公司南京鐵路樞紐工程建設指揮部), for a term commencing on the date of signing of the contract and expiring on 31 December 2021, with an agreement amount of not exceeding RMB9 million, in particular, the amount in respect of the relevant design fee with Jiangsu South Riverside Intercity Railway Co., Ltd. shall not exceed RMB0.85 million.</p> <p>On the same date, Guangjing Xicheng Company, a subsidiary of the Company, entered into the tripartite construction entrustment agreement for the project of simultaneous construction of the intersection section of G2 Beijing-Shanghai Expressway with Jiangsu South Riverside Intercity Railway Co., Ltd. (江蘇南沿江城際鐵路有限公司) and Nanjing Railway Terminal Project Construction Headquarters of China Railway Shanghai Group Co., Ltd.* (中國鐵路上海局集團有限公司南京鐵路樞紐工程建設指揮部), for a term commencing on the date of signing of the contract and expiring on 30 May 2022, with an agreement amount of not exceeding RMB21 million, in particular, the amount in respect of the relevant design fee with Jiangsu South Riverside Intercity Railway Co., Ltd. shall not exceed RMB1.2 million.</p> <p>On 22 December 2021, the Company, Yangtze Commerce and Energy Company (a wholly-owned subsidiary of the Company), Wufengshan Company and Zhendan Company (both being subsidiaries of the Company), carried out cooperation with Kuailu Company (an associate of the controlling shareholder of the Company), for Kuailu Company's provision of outsourcing commuter bus services and signed commuter bus services outsourcing agreements for a term from 1 January to 30 April 2022, among which the amount of the agreement between the Company and Kuailu Company shall not exceed RMB5,160,000, the amount of the agreement between Yangtze Commerce and Energy Company and Kuailu Company shall not exceed RMB568,000, the amount of the agreement between Wufengshan Company and Kuailu Company shall not exceed RMB1,205,000 and the amount of the agreement between Zhendan Company and Kuailu Company shall not exceed RMB546,000.</p>	<p>For details, please refer to the announcements on the resolutions of the Board published by the Company on the website of the SSE at www.sse.com.cn on 30 October 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 29 October 2021.</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 23 December 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 22 December 2021.</p>

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

Applicable N/A

In August 2021, the Company considered and approved the agreed transfer of 18 million shares of Kuailu Company (representing 11.98% issued shares of the target company) held by the Company to Jiangsu Communications Holding at the third meeting of the tenth session of the board of directors. On 28 September 2021, the Company and Jiangsu Communications Holding signed the Equity Transfer Agreement, and the agreed transfer price of above shares is tentatively set at RMB17 million (subject to the final adjustment based on the evaluation results confirmed by the State-owned Assets Supervision and Administration Department). Upon completion of the transfer, the Company's shareholding in Kuailu Company decreased from the previous 33.20% to 21.22%. 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 29 September 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 28 September 2021.

In September 2021, as resolved at the general meeting of Kuailu Company, Kuailu Company repurchased 51,000,000 shares with proportion of 34% from certain shareholders. Upon completion of the repurchase, the Company's shareholding in Kuailu Company increased from the previous 21.22% to 32.16%.

3. Events not disclosed in temporary announcements

Applicable N/A

(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 and with progress or change in subsequent implementation

Applicable N/A

3. Events not disclosed in 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

SIGNIFICANT MATTERS

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

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

Applicable N/A

Summary of the event	Document for inspection
In August 2021, the Consortium received an official letter from the seller, IC Company, in respect of the invitation to parties of the transaction to discuss the related terms in relation to the termination agreement of the Turkey ICA project. Upon consideration by the parties of the Consortium, the proposal of IC Company was agreed and parties initiated the negotiation in respect of the Termination Agreement. In January 2022, it was considered and approved at the seventh meeting of the tenth session of the Board of the Company that the Company, together with other members of the consortium, proposed to enter into the Termination Agreement with IC Company, the seller of the Turkey Project. In March 2022, the Consortium entered into the Termination Agreement with IC Company, the seller of the Turkey Project.	For details, please refer to the website of the SSE at www.sse.com.cn on 28 January, 11 March 2022 and on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.jsexpressway.com on 27 January, 10 March 2022, respectively.

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

Applicable N/A

3. Events not disclosed in temporary announcements

Applicable N/A

SIGNIFICANT MATTERS

(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 22 March 2019, the Company entered into the Financial Services Agreement with Finance Company (being an associate of the controlling shareholder of the Company) for a term of three years commencing on 1 April 2019. The maximum daily deposit balance (including interest accrued) should not exceed RMB500,000,000 and should be lower than 5% of the audited operating revenue, total assets or market value of the Company; meanwhile, Finance Company should grant the Company a comprehensive unsecured credit facility of no less than RMB2,000,000,000.</p>	<p>For details, please refer to the announcements on the ordinary related 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>
<p>On 26 February 2020, the Company signed a loan agreement with Wufengshan Toll Bridge Company (being a connected subsidiary 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 shall be paid by Wufengshan Toll Bridge 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 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.</p>
<p>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.</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 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.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>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, 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 by the Company. The expenses in relation to the repayment of the principal and interest shall be paid by Guangjing Xicheng Company. Due to the outbreak of COVID-19 pandemic in 2020, the loan of RMB0.6 billion provided to Guangjing Xicheng Company with the proceeds raised from the medium-term notes as agreed in the original loan agreement dated 31 March 2020 has not been withdrawn. In order to broaden the sources of funds, the Company and Guangjing Xicheng Company entered into a termination agreement on 26 March 2021.</p>	<p>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 published by the Company on the website of the SSE at www.sse.com.cn 29 March 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>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.</p>	<p>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.</p>
<p>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.</p>	<p>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.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>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, enterprise 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.</p>	<p>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.</p>

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>
<p>On 26 March 2021, the Company and Longtan Bridge Company, Guangjing Xicheng Company (both being controlled subsidiaries of the Company), signed an agreement for use of direct financing funds by way of unified borrowing and repayment with Jiangsu Communications Holding (the controlling shareholder of the Company), pursuant to which Jiangsu Communications Holding will, as the principal, raise proceeds by way of issuance of ultra-short-term notes, medium-term notes, corporate bonds and insurance debt scheme, local government special bonds and other types of direct financing instruments. The proceeds raised shall be used for repayment of due debts, project construction, equity contribution, replenishment of working capital and other purposes permitted by laws and regulations. The funding balance for each of the Company, its subsidiaries Longtan Bridge Company and Guangjing Xicheng Company will not exceed RMB1,000 million. The funding cost shall be calculated based on the amount, interest rate, term of the financing products and commission charges actually incurred and shall not exceed the lending rate of the People's Bank of China of 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 the Company, Longtan Bridge Company, Guangjing Xicheng Company. Such borrowing shall be valid for a term of three years with effect from the signing date of the agreement.</p>	<p>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 March 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 28 March 2021.</p>

SIGNIFICANT MATTERS

Summary of the event	Document for inspection
<p>On 26 March 2021, the Company signed a loan agreement with Guangjing Xicheng Company (a connected subsidiary of the Company), pursuant to which, the Company intended to use proceeds to be raised from direct financing to provide loans to Guangjing Xicheng Company, with an amount of not more than RMB800 million and, with a term of three years. Interest of loans is calculated at the prevailing interest rate of the financing products issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest shall be borne and paid by Guangjing Xicheng Company. Such loans shall be valid for a term of two years with effect from the date of approval at the general meeting.</p>	<p>For details, please refer to the announcement on the related party/connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 29 March 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>
<p>On 26 March 2021, the Company signed a loan agreement with Wufengshan Toll Bridge Company (a connected subsidiary of the Company), pursuant to which, the Company intended to use proceeds to be raised from direct financing to provide loans to Wufengshan Toll Bridge Company, with an amount of not more than RMB1,000 million and, with a term of three years. The interest of the loans is calculated at the prevailing interest rate of the financing products issued by the Company. The expenses in relation to the issuance of financing products and the repayment of the principals and related interest shall be borne and paid by Wufengshan Toll Bridge Company. Such borrowing shall be valid for a term of two years with effect from the date of approval at the general meeting.</p>	<p>For details, please refer to the announcement on the related party/connected transactions published by the Company on the website of the SSE at www.sse.com.cn on 29 March 2021 and on the website of the Stock Exchange at www.hkexnews.hk on 29 March 2021.</p>

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

Applicable N/A

SIGNIFICANT MATTERS

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
Jiangsu Communications Holding	Parent company			2,721,430,637.24	7,421,402.95	2,728,852,040.19	
Finance Company	Subsidiary of the parent company	150,142,000.00	490,496,763.89	640,638,763.89			
Sutong Bridge Company	Subsidiary of the parent company	370,407,000.00	-370,407,000.00	-			
Husuzhe Company	Subsidiary of the parent company	100,106,944.44	-100,106,944.44	-			
Total		3,342,086,581.68	27,404,222.40	3,369,490,804.08			
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) Financial transactions between the Company and the related/connected finance companies and between finance companies controlled by the Company and related/connected parties

Applicable N/A

1. Deposit

Applicable N/A

Unit: Yuan Currency: RMB

Related/connected party	Related/connected relationship	Daily maximum deposit limit	Deposit interest rate range	Opening balance	Amount incurred in the period		Closing balance
					Total deposits for the period	Total amount withdrawn for the period	
Finance Company	Associate and the same ultimate shareholder	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.	The deposit interest rate is calculated at 0.385% up to RMB100,000 and 1.265% over RMB100,000.	137,498,011.11	6,025,487,637.27	5,786,546,776.33	376,438,872.05
Total	/	/	/	137,498,011.11	6,025,487,637.27	5,786,546,776.33	376,438,872.05

SIGNIFICANT MATTERS

2. Loan business

Applicable N/A

Unit: Yuan Currency: RMB

Related/connected party	Related/connected relationship	Loan limit	Loan interest rate range	Amount incurred in the period			Total repayment amount for the period
				Opening balance	Closing balance	Total loans for the period	
Finance Company	Associate and the same ultimate shareholder	A comprehensive unsecured credit facility of no less than RMB2,000,000,000	3.15%-3.55%	150,142,000.00	640,496,763.89	150,000,000.00	640,638,763.89
Total	/	/	/	150,142,000.00	640,496,763.89	150,000,000.00	640,638,763.89

3. Credit extension or other financial business

Applicable N/A

Unit: Yuan Currency: RMB

Related/connected party	Related/connected relationship	Business type	Total	Total Amount incurred
Finance Company	Associate and the same ultimate shareholder	Electronic commercial bill acceptance	100,300,000.00	120,550,000.00

4. Other explanations

Applicable N/A

(VI) Others

Applicable N/A

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

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

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

SIGNIFICANT MATTERS

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

The Company has notified the Auditors of the information relating to the continuing related party/ continuing connected transactions to be disclosed in the 2021 annual report of the Company. The Auditors has reviewed the information relating to such continuing related party/continuing connected transactions and has issued a letter to the board of directors to confirm that such continuing related party/continuing connected transactions:

- a) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.
- b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- c) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- d) with respect to the aggregate amount of each of the disclosed continuing connected transactions, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

3. The related party/connected transactions set out in the Notes to Financial Statements of the Company for 2021

The related party/connected transactions set out in Note X to the Financial Statements of the Company for 2021 are in compliance with the disclosure requirements under Chapter 14A of the Hong Kong Listing Rules:

1) Note X:

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

Purchase of goods, receipt of services and interest expense of loans

Unit: Yuan Currency: RMB

Related Party	Type of related party transactions	Amount recognised in the current year	Amount recognised 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
Xiandai R&B Company	Road maintenance fee	493,772,854.01	455,810,522.52	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 28 April 2021, 29 March 2021, 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Xiandai R&B Company	Wufengshan Bridge service area design and construction fees	6,240,000.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1) (a))
Xiandai R&B Company	Emergency on-site project construction fees	1,851,424.91	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1) (a))
Xiandai R&B Company	Construction contract fee for upgrading of 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)
Xiandai R&B Company	Party school exhibition hall construction fee	-	1,875,000.00	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 recognised 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
Network Operation Company	Maintenance and operating administration fees for toll collection system	25,391,753.00	21,470,421.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021 and 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Tongxingbao Company	Maintenance and operating administration fees for toll collection system	33,662,693.64	26,659,894.39	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021, 24 December 2020, 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Maintenance Technology Company	Road maintenance fee	25,753,467.97	14,983,174.59	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Information Company	Communication system maintenance fee	3,636,750.81	33,012,998.90	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 and 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Information Company	Spare parts commission management fee	2,797,056.18	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1) (a))
Information Company	Yangcheng Lake toll point relocation electromechanical engineering	7,146,647.00	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1) (a))
Information Company	Intercom phone system upgrade project fee	1,390,000.00	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1) (a))
Huatong Company	Engineering reinforcement and maintenance fee	28,542,874.98	–	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021 and 27 August 2021 on the Stock Exchange in accordance with the Listing Rules)
Huatong Company	Bridge pier replacement fee etc.	–	10,946,848.11	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)
Kuailu Company (Note)	Lease fee of transportation service	18,163,635.68	8,983,247.48	No (an associate of the Company)	Not applicable
Nanlin Hotel Company	Food and beverage	7,153.00	14,841.00	No (an associate of the Company)	Not applicable
Micro Video Company	Three major systems construction and maintenance and computer room and other renovation costs	10,156,648.41	8,409,368.56	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021 and 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Engineering Maintenance Company	Periodic bridge inspection fee	1,832,698.87	462,936.24	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Sundian Testing Company	Bridge inspection fee	11,388,427.14	2,280,932.47	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)

SIGNIFICANT MATTERS

Related Party	Type of related party transactions	Amount recognised 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 Testing Company	ETC mast 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))
East Road & Bridge Company	Road maintenance fee	8,457,059.30	1,219,283.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Media Company	Advertising and promotion fee	9,190,089.80	1,888,956.97	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Cuiplingshan Hotel	Procurement and service fee	726,313.73	53,945.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Jiangsu Communications Holding	Interest expenses of loans from a related party	113,133,814.85	91,612,445.43	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Jiangsu Communications Holding	Cloud Platform Service Fee	2,548,769.33	-	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Finance Company	Interest expenses of working capital loan	12,238,513.89	19,401,181.25	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	9,378,000.00	3,032,125.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)
Communications Holding Human Resources Company	Training fee	8,841,215.66	3,926,162.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
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)
Husuzhe Company	Interest expenses of entrusted loan	3,237,500.00	301,388.88	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.90)

Note: On 28 September 2021, the Company entered into the Equity Transfer Agreement with Jiangsu Communications Holding, under which the Company shall transfer its 18 million shares in Kuailu Company (representing 11.98% of the issued shares of Kuailu Company) to Jiangsu Communications Holding. Upon the completion of the transfer, Jiangsu Communications Holding directly holds more than 10% of Kuailu Company and together with the Company's holding, hold an aggregate of more than 30% of Kuailu Company, Kuailu Company is a connected person of the Company pursuant to Rules 14A.07(4), 14A.13(3) and 14A.14 of the Hong Kong Listing Rules. The applicable percentage ratios of the transactions for the period from the completion of the Equity Transfer Agreement to 31 December 2021 were less than 0.1% and was fully exempted from the announcement and shareholders' approval requirements according to Rule 14A.76(1)(a) of the Listing Rules.

SIGNIFICANT MATTERS

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 meeting of the board of directors 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

Unit: Yuan Currency: RMB

Related Party	Type of related party transactions	Amount recognised 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	3,105,573.40	2,752,695.86	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 ^(Note)	Toll road income	180,000.00	270,000.00	No (an associate of the Company)	Not applicable
Tongxingbao Company	ETC customer-service network management income	388,250.41	624,369.89	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021, 1 April 2020 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Media Company	Advertising income	37,690,940.72	32,733,131.19	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	14,142,600.00	14,679,716.98	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 and 1 April 2020 on the Stock Exchange in accordance with the Listing Rules)
Hutong Bridge Company	Entrusted management income	8,005,900.00	1,707,547.17	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021, 1 April 2020 and 23 June 2019 on the Stock Exchange in accordance with the Listing Rules)
Xiandai R&B Company	Fueling income	1,485,967.75	1,128,665.22	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.97)
Luode Fund Company	Fueling income	876.20	3,919.48	No (an associate of the Company)	Not applicable
Xitai Company	Entrusted management income	410,000.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1)(a))

Note: Please refer to the note in the section "Purchase of goods, receipt of services and interest expense of loans" above.

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
The Company	Jiangsu Petroleum Company	Fixed Assets	12,975,314.12	9,216,840.39	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (announcements were published on 29 March 2021 and 25 March 2019 on the Stock Exchange in accordance with the Listing Rules)
Guangjing Xicheng Company	Jiangsu Petroleum Company	Fixed Assets	8,636,975.98	6,682,499.36	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
Guangjing Xicheng Company	Taixing Oil Products Company	Fixed Assets	3,574,164.00	5,146,640.33	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
The Company	Railway Group Company	Fixed Assets	3,973,640.00	3,612,400.00	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (an announcement was published on 29 March 2021 on the Stock Exchange in accordance with the Listing Rules)
The Company	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	No (an associate of the Company)	Not applicable
The Company	Sundian Testing Company	Fixed Assets	-	556,190.46	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)
Guangjing Xicheng Company	Media Company	Fixed Assets	6,314,600.04	5,754,799.57	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 River Management Company	Yangtze Bridge Company	Fixed Assets	130,000.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1) (a))

The Group as lessee:

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
Communications Holding Commercial Operation Company	Ninghu Investment Company	Fixed Assets	2,298,518.00	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))
Communications Holding Commercial Operation Company	Factoring Company	Fixed Assets	1,250,664.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1) (a))
Communications Holding Commercial Operation Company	Yangtze River Management Company	Fixed Assets	455,661.00	-	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rule 14A.76(1) (a))
Yangtze Bridge Company	Yangtze River Management Company	Fixed Assets	1,000,000.00	-	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

(3) Guarantees with related parties

The Group as the guaranteed party:

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether performance of Guarantee has been completed	Whether or not constituting a connected transaction or continuing connected transaction (connected relationship)	Whether or not in compliance with the disclosure requirement under Chapter 14A of the Hong Kong Listing Rules
Jiangsu Communications Holding	USD 1,734,327.24	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 from related parties

Unit: Yuan Currency: RMB

Related party	Amount of funding <small>(Note)</small>	Inception date	Maturity date	Balance at the end of the year	Note	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)							
Finance Company	(100,000,000.00)	25 November 2020	24 November 2021	-	Related party loans at 3.55% per annum	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	(50,000,000.00)	24 November 2020	1 December 2021	-	Related party loans at 3.55% per annum		
Finance Company	30,000,000.00	17 September 2021	16 September 2022	30,000,000.00	Related party loans at 3.30% per annum		
Finance Company	100,000,000.00	17 March 2021	16 March 2022	100,000,000.00	Related party loans at 3.15% per annum		
Finance Company	100,000,000.00	21 April 2021	20 April 2022	100,000,000.00	Related party loans at 3.15% per annum		
Finance Company	100,000,000.00	15 June 2021	14 June 2022	100,000,000.00	Related party loans at 3.15% per annum		
Finance Company	100,000,000.00	5 August 2021	4 August 2022	100,000,000.00	Related party loans at 3.15% per annum		
Finance Company	50,000,000.00	30 August 2021	29 August 2022	50,000,000.00	Related party loans at 3.15% per annum		
Finance Company	150,000,000.00	18 September 2021	17 September 2022	150,000,000.00	Related party loans at 3.15% per annum		
Finance Company	10,000,000.00	13 April 2021	12 April 2022	10,000,000.00	Related party loans at 3.15% per annum		
Communications Holding	-	5 December 2012	5 December 2022	250,000,000.00	Related party loans at 5.50% per annum	Yes, continuing connected transactions (the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rules 14A.90)
Communications Holding	-	17 May 2013	17 May 2023	250,000,000.00	Related party loans at 5.30% per annum		
Communications Holding	-	21 June 2020	29 May 2035	500,000,000.00	Related party loans at 3.45% per annum		
Communications Holding	-	22 July 2020	22 July 2025	550,000,000.00	Related party loans at 3.85% per annum		
Communications Holding	-	20 November 2018	24 October 2023	500,000,000.00	Related party loans at 4.43% per annum		
Communications Holding	-	8 November 2019	29 August 2024	100,000,000.00	Related party loans at 3.76% per annum		
Communications Holding	-	22 July 2020	22 July 2025	50,000,000.00	Related party loans at 3.85% per annum		
Communications Holding	-	20 November 2018	24 October 2023	300,000,000.00	Related party loans at 4.43% per annum		
Communications Holding	-	22 July 2020	22 July 2025	200,000,000.00	Related party loans at 3.85% per annum		
Sutong Bridge Company	(190,000,000.00)	1 December 2020	30 November 2021	-	Related party loans at 3.60% per annum	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rules 14A.90)
Sutong Bridge Company	(180,000,000.00)	2 December 2020	1 December 2021	-	Related party loans at 3.60% per annum		
Husuzhe Expressway	(100,000,000.00)	1 December 2020	30 November 2021	-	Related party loans at 3.50% per annum	Yes, continuing connected transactions (associate of the Company's substantial shareholder)	Yes (exempt from the announcement requirement according to Rules 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) 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	6,570,539.93	6,648,799.00	Yes, continuing connected transactions (the Company's directors)	Yes (exempt from the announcement requirement according to Rules 14A.95)

XIII. MAJOR CONTRACTS AND THE PERFORMANCE THEREOF

(一) Trusteeship, contracting and leasing matters

1、 Information on trusteeship

Applicable N/A

2、 Information on contracting

Applicable N/A

SIGNIFICANT MATTERS

3、 Information on leasing

Applicable N/A

Unit: Yuan Currency: RMB

Name of lessor	Name of lessee	Status of leased assets	Amount of lease of asset	Date of commencement of lease	Date of expiry of lease	Lease income	Basis of determination of lease income	Effect of lease income on the Company	Whether or not a related party/ connected transaction	Related party/ connected relationship
Company	Jixing 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 to conduct open tendering with a minimum bid of RMB200 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 RMB1,904,000 year-on-year.	No	Others
Company	Jixing 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 RMB771,000 year-on-year.	No	Others
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 decreased by RMB212,000 year-on-year	No	Others
Company	Jixing Kaitong Investment Co., Ltd.	Yangcheng Lake Service Area	60,890,582	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 RMB493,000 year-on-year	No	Others
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 decreased by RMB336,000 year-on-year	No	Others
Company	Nanjing Baisheng Business Management Co., Ltd.	Douzhuang Service Area	17,806,972	2018/9/21	2026/9/20	157,040,000	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 decreased by RMB197,000 year-on-year	No	Others

Details of lease

For details, please see the section "Report of the Board".

SIGNIFICANT MATTERS

(II) Guarantees

Applicable N/A

Unit: Yuan Currency: RMB

External guarantees of the Company (excluding guarantees to subsidiaries)	
Total amount of the guarantees incurred during the Reporting Period (excluding guarantees to subsidiaries)	0
Total balance of the guarantees at the end of the Reporting Period (A) (excluding guarantees to subsidiaries)	0
Guarantee of the Company and its subsidiaries in favor of its subsidiaries	
Total guarantee in favor of its subsidiaries incurred during the Reporting Period	583,150,000.00
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period (B)	376,000,000.00
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee (A+B)	376,000,000.00
Total guarantee as a percentage of the Company's net assets (%)	1.06
including:	
The amount of guarantees offered to the shareholders, de facto controller and related/connected parties (C)	376,000,000.00
The amount of debt guarantees directly or indirectly offered to the guaranteed with a gearing ratio of over 70% (D)	0
The amount of guarantees in excess of 50% of net assets (E)	0
The sum of the three items above (C+D+E)	376,000,000.00
Explanations on the joint settlement responsibilities in relation to premature guarantees	Nil.
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 RMB670,000,000 in the form of joint and several liability guarantee for a term of three 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	Sources of funds	Amount incurred	Unexpired balance	Overdue outstanding amount
Bank wealth management	Self-owned funds	1,111,193,360.00	2,610,193,360.00	-

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	Sources 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	Daily Profit Inclusive Programme	14,000,000	2021/1/28	2021/2/2	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation	2.65%	-	3,704.72	14,000,000	Yes	Yes	0
Industrial and Commercial Bank	Stable Profit (35 days)	4,000,000	2021/4/9	2021/5/13	Self-owned funds	Bonds, monetary market fund, deposit	Capital preservation	2.05%	-	7,863.01	4,000,000	Yes	Yes	0
Shanghai Pudong Development Bank	Wealth management	7,000,000	2021/1/25	2021/10/18	Self-owned funds	Fixed income assets	Non-capital preservation and floating yield	2.25%	-	Redemption of realized gains	7,000,000	Yes	Yes	0
Shanghai Pudong Development Bank	Wealth management	100,000,000	2021/9/29	2021/12/20	Self-owned funds	Fixed income assets	Non-capital preservation and floating yield	2.35%	-	Redemption of realized gains	100,000,000	Yes	Yes	0
Shanghai Pudong Development Bank	Wealth management	72,000,000	2021/11/26		Self-owned funds	Fixed income assets	Non-capital preservation and floating yield	2.55%	-			Yes	Yes	0
Shanghai Pudong Development Bank	Wealth management	11,000,000	2021/12/29		Self-owned funds	Fixed income assets	Non-capital preservation and floating yield	2.60%	-			Yes	Yes	0
China Construction Bank	Wealth management product	48,000,000	2021/10/27		Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation	2.70%	-			Yes	Yes	0
China Construction Bank	Wealth management product	48,000,000	2021/10/27		Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation	2.70%	-			Yes	Yes	0
China Construction Bank	Wealth management	120,000,000	2021/09/30	2021/10/28	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	-	646,515.57	120,000,000	Yes	Yes	0	
China Construction Bank	Wealth management	220,000,000	2021/10/28	2021/11/2	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	-	646,515.57	220,000,000	Yes	Yes	0	
China Construction Bank	Wealth management	70,000,000	2021/10/29	2021/11/3	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	-	646,515.57	70,000,000	Yes	Yes	0	
China Construction Bank	Wealth management	100,000,000	2021/10/29	2021/11/4	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	-	646,515.57	100,000,000	Yes	Yes	0	
Shanghai Pudong Development Bank	Due on demand	500,000	2020/12/28	2021/1/27	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.75%	-	728.84	500,000	Yes	Yes	0
Shanghai Pudong Development Bank	Due on demand	1,000,000	2021/2/25	2021/3/3	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation	4.99%	-	832.20	1,000,000	Yes	Yes	0
Shanghai Pudong Development Bank	Due on demand	500,000	2021/2/25	2021/12/15	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation	4.42%	-	17,989.58	500,000	Yes	Yes	0
Agricultural Bank	Due on demand	2,000,000	2020/7/28	2021/1/26	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.91%	-	19,271.23	2,000,000	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	Sources 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)
Agricultural Bank	Due on demand	2,000,000	2020/7/29	2021/1/21	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.76%	-	17,197.26	2,000,000	Yes	Yes	0
Agricultural Bank	Due on demand	4,000,000	2020/10/21	2021/3/16	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.69%	-	27,452.05	4,000,000	Yes	Yes	0
Agricultural Bank	Due on demand	6,000,000	2020/10/30	2021/1/21	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.69%	-	23,424.66	6,000,000	Yes	Yes	0
Agricultural Bank	Due on demand	10,000,000	2020/11/26	2021/1/21	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.58%	-	24,547.95	10,000,000	Yes	Yes	0
Agricultural Bank	Due on demand	2,000,000	2020/12/25	2021/1/5	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.33%	-	813.70	2,000,000	Yes	Yes	0
Agricultural Bank	Due on demand	2,900,000	2020/12/30	2021/1/21	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.33%	-	2,359.73	2,900,000	Yes	Yes	0
Agricultural Bank	Due on demand	1,000,000	2021/2/25	2021/7/28	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.67%	-	7,079.45	1,000,000	Yes	Yes	0
Bank of China	Due on demand	3,000,000	2020/12/30	2021/1/5	Self-owned funds	Monetary market instrument, bonds	Capital preservation	2.37%	-	1,183.56	3,000,000	Yes	Yes	0
Bank of China	Due on demand	1,000,000	2021/11/29	2021/12/14	Self-owned funds	Monetary market instrument, bonds	Non-capital preservation	2.64%	-	1,100.00	1,000,000	Yes	Yes	0
Bank of China	Due on demand	3,000,000	2021/11/29	2021/12/15	Self-owned funds	Monetary market instrument, bonds	Non-capital preservation	2.78%	-	3,700.00	3,000,000	Yes	Yes	0
Bank of China	Due on demand	8,000,000	2021/11/29	2021/12/24	Self-owned funds	Monetary market instrument, bonds	Non-capital preservation	2.80%	-	15,558.70	8,000,000	Yes	Yes	0
Agricultural Bank	Due on demand	2,500,000	2020/10/29	2021/5/25	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.25%	-	18,023.10	2,500,000	Yes	Yes	0
Agricultural Bank	Due on demand	13,000,000	2020/11/30	2021/5/25	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.47%	-	93,581.51	13,000,000	Yes	Yes	0
Agricultural Bank	Due on demand	2,500,000	2020/12/24	2021/5/25	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.25%	-	13,170.73	2,500,000	Yes	Yes	0
Agricultural Bank	Due on demand	2,500,000	2020/12/24	2021/7/28	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.91%	-	28,648.56	2,500,000	Yes	Yes	0
Agricultural Bank	Due on demand	9,000,000	2020/12/25	2021/7/28	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	2.11%	-	113,291.25	9,000,000	Yes	Yes	0
Agricultural Bank	Due on demand	3,000,000	2021/2/26	2021/7/28	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.78%	-	22,584.85	3,000,000	Yes	Yes	0
Agricultural Bank	Due on demand	7,000,000	2020/12/28	2021/1/27	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	3.05%	-	17,797.26	7,000,000	Yes	Yes	0
Bank of China	Due on demand	1,000,000	2020/12/30	2021/1/5	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	2.37%	-	394.51	1,000,000	Yes	Yes	0
Bank of China	Due on demand	1,000,000	2021/1/29	2021/3/9	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	5.28%	-	5,719.17	1,000,000	Yes	Yes	0
Bank of China	Due on demand	2,000,000	2021/1/29	2021/4/13	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.55%	-	6,390.46	2,000,000	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	Sources of funds	Investment target	Determination of returns	Annualized yield rate	Expected gains (if any)	Actual gains or losses	Actual recovery	Whether followed the statutory procedures	Future entrusted wealth management plan available	Amount of impairment provision (if any)	
Bank of China	Due on demand	4,000,000	2021/11/29	2021/12/14	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation		-	4,000,000	Yes	Yes	Yes	0	
Bank of China	Due on demand	14,000,000	2021/11/29		Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation		-		Yes	Yes	Yes	0	
Agricultural Bank	Due on demand	7,021,658	2021/11/30	2021/12/22	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation	1.69%	-	7,266.00	7,021,658	Yes	Yes	0	
Agricultural Bank	Due on demand	10,978,342	2021/11/30		Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation		-		Yes	Yes	Yes	0	
Agricultural Bank	Due on demand	6,000,000	2020/12/21	2021/1/20	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.22%	-	6,066.90	6,000,000	Yes	Yes	0	
Agricultural Bank	Due on demand	1,000,000	2020/12/30	2021/1/20	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.74%	-	1,014.48	1,000,000	Yes	Yes	0	
Agricultural Bank	Due on demand	3,000,000	2020/12/30	2021/1/26	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.57%	-	3,526.03	3,000,000	Yes	Yes	0	
Agricultural Bank	Due on demand	1,000,000	2021/2/5	2021/4/13	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.68%	-	3,120.55	1,000,000	Yes	Yes	0	
Agricultural Bank	Due on demand	3,000,000	2021/2/5	2021/7/29	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.65%	-	23,853.23	3,000,000	Yes	Yes	0	
Agricultural Bank	Due on demand	4,000,000	2021/2/9	2021/7/29	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.68%	-	31,804.30	4,000,000	Yes	Yes	0	
Agricultural Bank	Due on demand	1,200,000	2020/12/28	2021/7/28	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Capital preservation	1.82%	-	12,894.24	1,200,000	Yes	Yes	0	
Agricultural Bank	Due on demand	5,500,000	2021/12/21		Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation		-		Yes	Yes	Yes	-	
Agricultural Bank	Due on demand	500,000	2020/12/24	2021/7/28	Self-owned funds	Monetary market instrument, bonds	Capital preservation	1.96%	-	5,889.10	500,000	Yes	Yes	Yes	-
Agricultural Bank	Due on demand	1,100,000	2021/2/26	2021/7/28	Self-owned funds	Monetary market instrument, bonds	Capital preservation	1.59%	-	7,372.27	1,100,000	Yes	Yes	Yes	-
China Construction Bank	Wealth management	162,000,000	2021/10/28	2021/11/12	Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation	2.70%	-	53,533.00	48,900,915	Yes	Yes	Yes	-
China Construction Bank	Wealth management	100,000,000	2021/12/27		Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation	2.49%	-			Yes	Yes	Yes	-
China Construction Bank	Anxin	10,000,000	2021/12/27		Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation	2.49%	-			Yes	Yes	Yes	-
China Construction Bank	Anxin	20,000,000	2021/12/31		Self-owned funds	Monetary market instrument, fixed-income securities, etc.	Non-capital preservation	2.52%	-			Yes	Yes	Yes	-
Hua Xia Bank	Fixed-term	200,000,000	2021/1/28	2021/3/29	Self-owned funds	Monetary assets, bond assets, etc.	Non-capital preservation	3.75%	-	1,232,876.64	200,000,000	Yes	Yes	Yes	-
Hua Xia Bank	Long Ying Tian Tian Wealth Management No.1	148,384,067	2021/2/25	2021/7/12	Self-owned funds	Monetary assets, bond assets, etc.	Non-capital preservation	3.47%	-	1,966,536.00	148,384,067	Yes	Yes	Yes	-
Hua Xia Bank	Long Ying Tian Tian Wealth Management No.1	21,615,933	2021/2/25		Self-owned funds	Monetary assets, bond assets, etc.	Non-capital preservation	3.47%	-			Yes	Yes	Yes	-

SIGNIFICANT MATTERS

Trustee	Type of entrusted wealth management	Entrusted wealth management amount	Commencement date of entrusted wealth management	Termination date of entrusted wealth management	Sources 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)
Hua Xia Bank	Long Ying Tian Tian Wealth Management No.1	49,000,000	2021/2/26	2021/7/12	Self-owned funds	Monetary assets, bond assets, etc.	Non-capital preservation	3.47%	-	649,397.00	49,000,000	Yes	Yes	-
Hua Xia Bank	Bu Bu Zeng Ying Stable Version	150,000,000	2021/9/30		Self-owned funds	Monetary assets, bond assets, etc.	Non-capital preservation	2.40%	-			Yes	Yes	-
Hua Xia Bank	Bu Bu Zeng Ying Stable Version	190,000,000	2021/10/28		Self-owned funds	Monetary assets, bond assets, etc.	Non-capital preservation	2.40%	-			Yes	Yes	-
Hua Xia Bank	Long Ying Tian Tian Wealth Management No.1	100,000,000	2021/11/30		Self-owned funds	Monetary assets, bond assets, etc.	Non-capital preservation	3.17%	-			Yes	Yes	-
China Guangfa Bank	Wealth management	198,000,000	2021/1/29	2021/2/1	Self-owned funds	Investment in bond assets	Capital preservation	2.62%	-	42,653.94	198,000,000	Yes	Yes	-
China Guangfa Bank	Net Value type of wealth management	500,000,000	2021/11/30		Self-owned funds	Investment in bond assets	Non-capital preservation		-			Yes	Yes	-
China Guangfa Bank	Wealth management	100,000,000	2021/12/30	2021/12/31	Self-owned funds	Investment in bond assets	Non-capital preservation	2.70%	-	7,397.26	100,000,000	Yes	Yes	-
CITIC Bank	Wealth management	150,000,000	2021/1/29	2021/2/7	Self-owned funds	Fixed rate products	Non-capital preservation	1.76%	-	102,747.56	150,000,000	Yes	Yes	-
Ping An Bank	Growing Every Day Wealth Management	200,000,000	2021/12/28		Self-owned funds	Monetary assets, bond assets, etc.	Non-capital preservation	2.62%	-			Yes	Yes	-
Postal Savings Bank	Wealth management	50,000,000	2021/2/25		Self-owned funds	Cash assets and creditors' right	Non-capital preservation	3.11%	-			Yes	Yes	-
Ningbo Bank	Net Value type of wealth management 8001	150,000,000	2021/9/28		Self-owned funds	Wealth management funds	Non-capital preservation	2.68%	-			Yes	Yes	-

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	Sources of funds	Amount incurred	Unexpired balance	Overdue outstanding amount
Entrusted Loans	Self-owned funds	1,520,000,000.00	1,520,000,000.00	-

Others

Applicable N/A

SIGNIFICANT MATTERS

(2) Breakdown of individual entrusted loans

Applicable N/A

Unit: Yuan Currency: RMB

Trustee	Type of entrusted loans	Amount of entrusted loans	Commencement date of entrusted loans	Termination date of entrusted loans	Sources 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 loans plan available	Amount of impairment provision (if any)
Shanghai Pudong Development Bank		21,000,000.00	2021/3/20	2022/3/19	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		39,000,000.00	2021/1/28	2022/1/28	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		30,000,000.00	2021/12/20	2022/12/20	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		100,000,000.00	2021/2/8	2022/2/8	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		300,000,000.00	2021/3/19	2022/3/19	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		15,000,000.00	2021/4/12	2022/4/12	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		50,000,000.00	2021/5/25	2022/5/24	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		30,000,000.00	2021/6/10	2022/6/9	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		80,000,000.00	2021/8/20	2022/8/20	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		20,000,000.00	2021/9/8	2022/9/8	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		65,000,000.00	2021/9/17	2022/9/17	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		50,000,000.00	2021/11/10	2022/11/10	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		15,000,000.00	2021/12/20	2022/12/20	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		5,000,000.00	2021/12/28	2022/12/28	Self-owned funds	Daily operations	Interest to be paid quarterly	4.35%	-			Yes	Yes	-
Shanghai Pudong Development Bank		450,000,000.00	2021/10/19	2024/10/18	Self-owned funds	Daily operations	Interest to be paid quarterly	4.75%	-			Yes	Yes	-
Shanghai Pudong Development Bank		250,000,000.00	2021/8/25	2024/8/24	Self-owned 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

XIV. Explanation of Other Significant Matters That Have a Significant Impact on Investors in Making Value Judgments and Investment Decisions

Applicable N/A

XV. Compliance with Laws

Applicable N/A

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 2021, 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 2021.

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

I. Changes in Shares

(I) Table of changes in shares

1. Table of changes in shares

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

2. Explanation on the changes in shares

Applicable N/A

3. Effect of changes in 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

Unit: 00 million shares Currency: RMB

Type of shares and their derivative securities	Date of issuance	Issue price (or interest rate)	Number of Shares to be issued	Listing date	Amounts approved for listing and trading	Termination date of trading
Ordinary share capital						
H shares	1997-6-27	HKD3.11	12.22	1997-6-27	12.22	-
A Shares (Note 1)	2000-12-20	RMB4.20	1.50	2001-1-16	1.50	-
Bonds (including enterprise bonds, corporate bonds and non-financial corporate debt financing instruments)						
2021 corporate bonds (first tranche) publicly issued by the Company	2021/2/1	3.70	0.10	2021/2/5	0.10	2026/2/2
2021 corporate bonds (second tranche) publicly issued by the Company	2021/11/23	3.08	0.08	2021/11/29	0.08	2026/11/24
2021 Ultra-short-term notes (first tranche)	2021/1/5	2.40%	0.1	2021/1/7	0.1	2021/4/1
2021 Ultra-short-term notes (second tranche)	2021/1/25	2.70%	0.04	2021/1/27	0.04	2021/5/20
2021 Ultra-short-term notes (third tranche)	2021/2/4	3%	0.1	2021/2/9	0.1	2021/7/8
2021 Ultra-short-term notes (fifth tranche)	2021/3/8	2.76%	0.06	2021/3/10	0.06	2021/9/2
2021 Ultra-short-term notes (sixth tranche)	2021/3/9	2.82%	0.04	2021/3/11	0.04	2021/9/2
2021 Ultra-short-term notes (seventh tranche)	2021/3/18	2.82%	0.1	2021/3/22	0.1	2021/9/16
2021 Ultra-short-term notes (eighth tranche)	2021/3/17	2.82%	0.05	2021/3/22	0.05	2021/9/9
2021 Ultra-short-term notes (ninth tranche)	2021/3/17	2.82%	0.05	2021/3/22	0.05	2021/9/9

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

Type of shares and their derivative securities	Date of issuance	Issue price (or interest rate)	Number of Shares to be issued	Listing date	Amounts approved for listing and trading	Termination date of trading
2021 Ultra-short-term notes (tenth tranche)	2021/3/30	2.75%	0.1	2021/4/2	0.1	2021/9/27
2021 Ultra-short-term notes (eleventh tranche)	2021/4/9	2.89%	0.05	2021/4/13	0.05	2022/1/6
2021 Ultra-short-term notes (twelfth tranche)	2021/4/13	2.73%	0.05	2021/4/15	0.05	2021/8/12
2021 Ultra-short-term notes (thirteenth tranche)	2021/4/20	2.45%	0.03	2021/4/22	0.03	2021/8/19
2021 Ultra-short-term notes (fourteenth tranche)	2021/4/20	2.45%	0.02	2021/4/22	0.02	2021/8/19
2021 Ultra-short-term notes (fifteenth tranche)	2021/5/17	2.45%	0.04	2021/5/19	0.04	2021/9/16
2021 Ultra-short-term notes (sixteenth tranche)	2021/6/22	2.45%	0.01	2021/6/24	0.01	2021/10/21
2021 Ultra-short-term notes (seventeenth tranche)	2021/6/30	2.45%	0.05	2021/7/2	0.05	2022/10/28
2021 Ultra-short-term notes (nineteenth tranche)	2021/7/20	2.50%	0.05	2021/7/22	0.05	2022/1/13
2021 Ultra-short-term notes (twentieth tranche)	2021/7/30	2.40%	0.05	2021/8/3	0.05	2022/1/13
2021 Ultra-short-term notes (twenty first tranche)	2021/8/9	2.39%	0.05	2021/8/11	0.05	2022/1/13
2021 Ultra-short-term notes (twenty second tranche)	2021/8/16	2.40%	0.05	2021/8/18	0.05	2022/2/10
2021 Ultra-short-term notes (twenty third tranche)	2021/8/26	2.30%	0.04	2021/8/30	0.04	2022/2/18
2021 Ultra-short-term notes (twenty fourth tranche)	2021/8/25	2.35%	0.05	2021/8/27	0.05	2022/2/17
2021 Ultra-short-term notes (twenty-fifth tranche)	2021/8/31	2.20%	0.05	2021/9/2	0.05	2021/11/25
2021 Ultra-short-term notes (twenty-sixth tranche)	2021/8/31	2.20%	0.05	2021/9/2	0.05	2021/11/25
2021 Ultra-short-term notes (twenty-seventh tranche)	2021/9/7	2.20%	0.05	2021/9/9	0.05	2021/12/9
2021 Ultra-short-term notes (twenty-eighth tranche)	2021/9/7	2.20%	0.05	2021/9/8	0.05	2021/12/9
2021 Ultra-short-term notes (twenty-ninth tranche)	2021/9/14	2.23%	0.1	2021/9/16	0.1	2022/3/4
2021 Ultra-short-term notes (thirtieth tranche)	2021/9/14	2.23%	0.07	2021/9/16	0.07	2022/3/10
2021 Ultra-short-term notes (thirty first tranche)	2021/9/23	2.35%	0.09	2021/9/26	0.09	2022/2/24
2021 Ultra-short-term notes (thirty second tranche)	2021/9/23	2.35%	0.01	2021/9/26	0.01	2022/2/24
2021 Ultra-short-term notes (thirty third tranche)	2021/11/18	2.45%	0.03	2021/11/22	0.03	2022/3/18
2021 Ultra-short-term notes (thirty fourth tranche)	2021/12/1	2.40%	0.05	2021/12/2	0.05	2022/3/30
2021 Ultra-short-term notes (thirty sixth tranche)	2021/12/7	2.43%	0.07	2021/12/9	0.07	2022/4/14
2021 Medium term notes (first tranche)	2021/6/15	3.45%	0.1	2021/6/18	0.1	2024/6/15
2021 Medium term notes (second tranche)	2021/10/25	3.30%	0.05	2021/10/28	0.05	2024/10/25
2021 Medium term notes (third tranche)	2021/11/22	3.13%	0.05	2021/11/25	0.05	2024/11/22
Other derivative securities						
depository receipt program (ADR)	2002-12-23	-	-	-	-	-

Note 1: The Company completed the share split reform in 2006, and the non-tradable legal person shares obtained the right to trade in A shares since 16 May 2006.

Details for the issue of securities during the Reporting Period (details of bonds with different interest rates within the duration to be specified separately):

Applicable N/A

As the registration in the document "Zheng Jian Xu Ke [2020] No. 1635" issued by the China Securities Regulatory Commission, the Company publicly issued corporate bonds with a total carrying value of up to RMB8 billion (RMB8 billion inclusive) to professional investors. During the Reporting Period, the Company accumulated the issuance of corporate bonds of RMB1.8 billion to professional investors in two tranches.

(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	32,781
Total number of ordinary shareholders as at the end of last month before the date of disclosure of the annual report	29,643

Note: As at the end of the Reporting Period, the Company had 32,378 A shareholders and 403 H shareholders, totaling 32,781 shareholders, and at the end of last month preceding the date of disclosure of the annual report, it had 29,241 A shareholders and 402 H shareholders, totaling 29,643 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		Number of shares with sales restrictions held	Pledged, tagged or frozen		
		Percentage (%)			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 Highway Network Technology Holdings Co., Ltd.	-	589,059,077	11.69	-	Nil	-	State-owned legal person
Mitsubishi UFJ Financial Group, Inc.	11,658,000	146,754,597	2.91	-	Unknown	-	Foreign legal person
BlackRock, Inc.	-13,385,534	132,683,158	2.63	-	Unknown	-	Foreign legal person
JPMorgan Chase & Co.	-11,518,915	97,299,132	1.93	-	Unknown	-	Foreign legal person
Citigroup Inc.	-555,061	73,160,140	1.45	-	Unknown	-	Foreign legal person
China Merchants Bank Co., Ltd. – SSE Dividend Trading Open Index Securities Investment Fund	15,930,488	31,127,245	0.62	-	Unknown	-	Others
China Galaxy Asset Management Co., Ltd.	-	21,410,000	0.42	-	Unknown	-	State-owned legal person
CPLI Stock Dividend Product (Shou Zi Ying) Entrusted Investment (Yangtze River Pension) (中國太平洋人壽股票紅利型產品(壽自營)委託投資(長江養老))	-	12,500,000	0.25	-	Unknown	-	Others
ICBCCS logistic Industry Equity Securities Investment Fund	9,619,200	9,619,200	0.19	-	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 Highway Network Technology Holdings Co., Ltd.	589,059,077	RMB-denominated ordinary shares	589,059,077
Mitsubishi UFJ Financial Group, Inc.	146,754,597	Oversea-listed foreign shares	146,754,597
BlackRock, Inc.	132,683,158	Oversea-listed foreign shares	132,683,158
JPMorgan Chase & Co.	97,299,132	Oversea-listed foreign shares	97,299,132
Citigroup Inc.	73,160,140	Oversea-listed foreign shares	73,160,140
China Merchants Bank Co., Ltd. – SSE Dividend Trading Open Index Securities Investment Fund	31,127,245	RMB-denominated ordinary shares	31,127,245
China Galaxy Asset Management Co., Ltd.	21,410,000	RMB-denominated ordinary shares	21,410,000
CPLI Stock Dividend Product (Shou Zi Ying) Entrusted Investment (Yangtze River Pension) (中國太平洋人壽股票紅利型產品(壽自營)委託投資(長江養老))	12,500,000	RMB-denominated ordinary shares	12,500,000
ICBCCS logistic Industry Equity Securities Investment Fund	9,619,200	RMB-denominated ordinary shares	9,619,200

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 relationship or acting-in-concert arrangement with respect to the above shareholders; (2) During the Reporting Period, none of the related parties, strategic investors of the Company and general legal persons became the top ten shareholders of the Company because of placing of new shares; and (3) The number of shares of H shareholders is based on the record of the register kept according to the Securities and Futures Ordinance of Hong Kong.

Description on the related/connected relationship or acting-in-concert with respect to the above shareholders 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

Applicable N/A

As at 31 December 2021, 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.

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

Name of shareholder	Capacity	Directly interested	Number of H Shares	
			Number of H Shares	Percentage of H Shares (total shares)
BlackRock, Inc.	Interest of controlled corporation ⁽³⁾	No	132,683,158(L)	10.86% (2.63%)(L)
			5,872,000(S)	0.48% (0.12%)(S)
Mitsubishi UFJ Financial Group, Inc	Interest of controlled corporation ⁽²⁾	No	146,754,597 (L)	12.01% (2.91%)(L)
JPMorgan Chase & Co.	Interest of controlled corporation/investment manager/custodian – corporation/approved lending agent ⁽⁴⁾	No	97,299,132 (L)	7.96% (1.93%)(L)
			2,563,265 (S)	0.20% (0.05%)(S)
Citigroup Inc.	Interest of controlled corporation/approved lending agent/custodian – corporation ⁽⁵⁾	NO	73,160,140 (L)	5.98% (1.45%)(L)
			0(S)	0.00% (0.00%)(S)
			72,692,786 (P)	5.94% (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.
- (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 132,683,158 H Shares of the Company and in the short position of 5,872,000 H Shares (of which 354,000 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 19,015,876 (long position) and 5,518,000 H Shares (short position) of the Company.
 - (ii) BlackRock Fund Advisors held 47,110,000 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 2,847,066 H Shares (long position) of the Company.
 - (ii) BlackRock Investment Management (Australia) Limited held 454,000 H Shares (long position) of the Company.
 - (iii) BlackRock Asset Management North Asia Limited held 1,035,491 H Shares (long position) of the Company.
 - (iv) BlackRock (Singapore) Limited held 150,000 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 2,908,041 H Shares (long position) of the Company.
 - (ii) BlackRock International Limited held 32,000 H Shares (long position) of the Company.
 - (iii) BlackRock Asset Management Ireland Limited held 11,905,865 H Shares (long position) of the Company.
 - (iv) BLACKROCK (Luxembourg) S.A. held 17,508,000 H Shares (long position) and 34,000 H Shares (short position) of the Company.
 - (v) BlackRock Investment Management (UK) Limited held 6,927,163 H Shares (long position) of the Company.
 - (vi) BlackRock Fund Managers Limited held 3,854,818 H Shares (long position) of the Company.
 - (vii) BlackRock Asset Management Schweiz AG held 6,000 H Shares (long position) of the Company.
- (d) BlackRock Canada Holdings LP was indirectly owned as to 99.90% by BR Jersey International Holdings L.P. (see note 3(b) above). BlackRock Canada Holdings LP held interests in the Company through its indirectly wholly-owned subsidiary, BlackRock Asset Management Canada Limited which held 1,936,000 H Shares (long position) of the Company.
- (4) JPMorgan Chase & Co. was deemed to be interested in the long position of a total of 97,299,132 H Shares of the Company (of which 1,298,000 H Shares were held through cash settled (off exchange) derivatives) and the short position of 2,563,265 H Shares (of which 88,000 and 1,410,000 H Shares were held through cash settled (off exchange) derivatives and physically settled (off exchange) derivatives, respectively). 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	7,933,208	2,563,265	
Investment manager	31,551,000		
Person having a security interest in shares	20,100		
Approved lending agent			57,794,824

- (5) Citigroup Inc. was deemed to be interested in the long position of a total 73,160,140 H Shares of the Company (of which 142,000 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	467,354	0	
Approved lending agent			72,692,786

Save as disclosed above, to the best of the Company's knowledge, there was no other person required to be disclosed under the Securities and Futures Ordinance of Hong Kong as at 31 December 2021.

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

IV. Information on Controlling Shareholders and De Facto Controller

(I) Information on Controlling Shareholders

1 Legal person

Applicable N/A

Name	Jiangsu Communications Holding Company Limited
Person-in-charge or legal representative	Cai Renjie (蔡任杰)
Date of establishment	1993-03-05
Principal businesses	Mainly 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

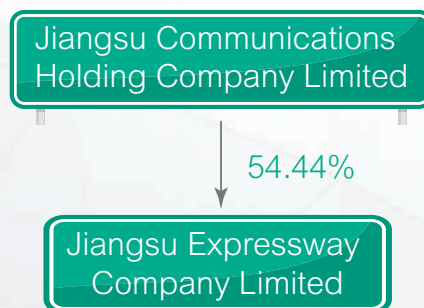
Applicable N/A

4 Explanation on 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

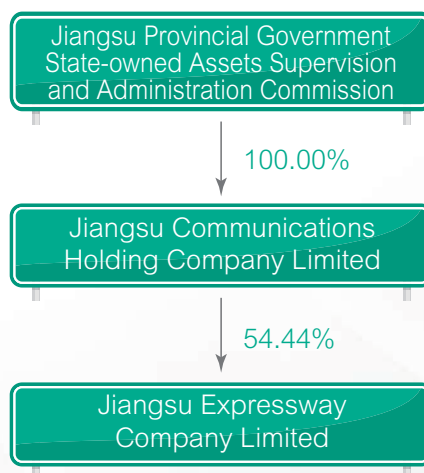
Applicable N/A



CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

(II) De facto controller of the Company

- 1 Legal person
 Applicable N/A
- | | |
|------|---|
| Name | Jiangsu Provincial Government State-owned Assets Supervision and Administration Commission (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 Special explanation on changes in control 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

V. Accumulated Number of Shares Pledged by the Controlling Shareholder or the Largest Shareholder of the Company and Persons Acting In Concert Accounted for More Than 80% of the Number of Shares in the Company

- Applicable N/A

CHANGES IN ORDINARY SHARES AND SHAREHOLDERS

VI. 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	Registered capital	Principal activities or management activities, etc.
China Merchants Highway Network Technology Holdings Co., Ltd.	Bai Jingtao	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	-				

VII. Explanation on the Restriction of Reducing Share

Applicable N/A

VIII. Progress in Repurchase of Shares during the Reporting Period

Applicable N/A

XI. Others

Applicable N/A

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.

CHANGES IN ORDINARY SHARES AND 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 25 March 2022 (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.

PARTICULARS OF PREFERENCE SHARES

Applicable

N/A

PARTICULARS OF CORPORATE BONDS

I. ENTERPRISE BONDS, CORPORATE BONDS AND DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES

Applicable N/A

(I) Enterprise Bonds

Applicable N/A

(II) Corporate Bonds

Applicable N/A

1. Basic Information of Corporate Bonds

Unit: Hundred million Yuan Currency: RMB

Name of bond	Abbreviation	Code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method of repayment of principal and interest	Trading venue	Investor eligibility arrangements (if any)	Trading mechanism	Whether there is a risk of delisting
2021 Corporate Bonds Publicly Issued by the Company (First Tranche)	21 NingHuG1	175706.SH	2021/2/1	2021/2/2	2026/2/2	10.00	3.70	Bullet repayment, with interests paid annually	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No
2021 Corporate Bonds Publicly Issued by the Company (Second Tranche)	21 NingHuG2	185046.SH	2021/11/23	2021/11/24	2026/11/24	8.00	3.08	Bullet repayment, with interests paid annually	Shanghai Stock Exchange	The bonds were issued to professional investors	Listed on the Bid Trading System and Comprehensive Electronic Platform for Fixed-income Securities	No

Countermeasures adopted by the Company in response to delisting risk of the bonds

Applicable N/A

Outstanding bonds which are past due

Applicable N/A

The payments of interest and principal of bonds during the Reporting Period

Applicable N/A

Name of bond	Description on the payments of interest and principal
2021 Corporate Bonds Publicly Issued by the Company (First Tranche)	On 7 February 2022, the Company paid the interest of 2021 Corporate Bonds Publicly Issued (First Tranche) for the period from 2 February 2021 to 1 February 2022, totaling RMB37,000,000.00.

PARTICULARS OF CORPORATE BONDS

2. Triggering and Implementation of Issuer or Investor Option Clauses and Investor Protection Clauses

Applicable N/A

Options for the issuer to adjust the coupon rate: An issuer is entitled to determine to adjust the coupon rate for the remaining coupon period of the bonds at the end of the third year of the term of the bonds. If the issuer decides to exercise the options to adjust the coupon rate, the coupon rate of the bonds shall be determined in the following manner from the effective date of the adjustment: The adjusted coupon rate shall be subject to the announcement of the implementation of the adjustment of the coupon rate published by the issuer, and there shall be no restriction on the direction and range of the adjustment of the coupon rate. If the issuer decides not to exercise the options to adjust the coupon rate, the coupon rate of the bonds shall remain unchanged until the issuer exercises the option to adjust the coupon rate next time.

Investor's put option: An investor is entitled to sell back all or part of the bonds held by him/her/it to the issuer at the end of the third year of the term of the bonds.

3. Intermediaries Providing Services for Bond Issuance and Business in the Duration Period

Name of Intermediaries	Business address	Name of Signing Accountant	Contact Person	Contact Tel
Huatai United Securities Company Limited (the lead underwriter and trustee of 21 NinghuG1 and 21 NinghuG2, Huatai United Securities)	Room 401, Block B7, Qianhai Shenzhen-Hong Kong Fund Town, No. 128 Guiwan 5th Road, Nanshan Block, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen		Wang Chao (王超), Wang Xiaolei (王曉磊), Lin Kai (林楷), Que Mengting (關夢婷)	021-38966558
Xiangcai Securities Co., LTD (the co-lead underwriter of 21 NinghuG1 and 21 NinghuG2, Xiangcai Securities)	11th Floor, Building A, Xinnancheng Business Center, No. 198 Xiangfu Middle Road, Tianxin District, Changsha		Li Yandong (李豔東), Shao Binbin (邵彬彬), Meng Linghao (孟令浩), Zhang Hao (張浩)	021-50293515
Grandall Law Firm (NanJing) (the lawyer of the Issuers of 21 NinghuG1 and 21 NinghuG2, lawyer)	7-8/F, Block B, No. 309 Hanzhongmen Road, Nanjing city, Jiangsu Province		Li Wenjun (李文君)	025-89660987
China Chengxin International Credit Rating Co., Ltd. (the rating agency for 21 NinghuG1 and 21 NinghuG2, China Chengxin International, China Chengxin Rating)	Room 60101, Building 1, No.2 Nanzhugan Hutong, Dongcheng District, Beijing		Cao Run (曹潤), Qi Chen (齊晨)	010-66428877
Deloitte Touche Tohmatsu Certified Public Accountants LLP (the accounting firm for 21 NinghuG1 and 21 NinghuG2)	30/F, No. 222 East Yan'an Road, Huangpu District, Shanghai	Yang Bei, Chen Shi	Chen Shi (陳石)	025-57908880

The change of the above intermediaries

Applicable N/A

PARTICULARS OF CORPORATE BONDS

4. The Use of the Funds Raised at the end of the Reporting Period

Applicable N/A

Unit: Hundred million Yuan Currency: RMB

Name of bond	Total amount of funds raised	Utilized amount	Unutilized amount	The operating condition of the special account for the funds raised (if any)	Rectification of illegal use of funds raised (if any)	Whether the use of funds raised is in line with the use, plan and other undertakings made in the prospectus
2021 Corporate Bonds Publicly Issued by the Company (First Tranche)	10.00	10.00	–	Normal	Nil	Yes
2021 Corporate Bonds Publicly Issued by the Company (Second Tranche)	8.00	8.00	–	Normal	Nil	Yes

The progress and operating benefit of utilization of the raised funds for construction projects

Applicable N/A

Description on change of the above-mentioned use of funds raised by bonds during the reporting period

Applicable N/A

Other explanation

Applicable N/A

5. Adjustment of Credit Rating Results

Applicable N/A

Other explanation

Applicable N/A

6. Performance of and change to the guarantee, debt repayment plan and other measures to ensure debt repayment during the Reporting Period and their effects

Applicable N/A

7. Other explanation on the corporate bonds

Applicable N/A

PARTICULARS OF CORPORATE BONDS

(III) Non-financial Enterprise Debts Financing Instruments of the Inter-bank Bond Market

Applicable N/A

1. Basic Information of Debt Financing Instruments of Non-financial Enterprises

Unit: Hundred million Yuan Currency: RMB

Name of bond	Abbreviation	Bond code	Date of issuance	Value date	Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
2020 medium-term notes (first tranche)	20 Ninghu Gao MTN001	102001586.IB	2020/8/19	2020/8/21	2025/8/21	20	3.98	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 super short-term commercial paper (first tranche)	21 NingHuGao SCP001	012100040.IB	2021/1/5	2021/1/6	2021/4/2	0	2.40	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (second tranche)	21 NingHuGao SCP002	012100378.IB	2021/1/25	2021/1/26	2021/5/21	0	2.70	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (third tranche)	21 NingHuGao SCP003	012100582.IB	2021/2/4	2021/2/8	2021/7/9	0	3.00	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (fifth tranche)	21 NingHuGao SCP005	012100854.IB	2021/3/8	2021/3/9	2021/9/3	0	2.76	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (sixth tranche)	21 NingHuGao SCP006	012100886.IB	2021/3/9	2021/3/10	2021/9/3	0	2.82	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (seventh tranche)	21 NingHuGao SCP007	012101045.IB	2021/3/18	2021/3/18	2021/9/17	0	2.82	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (eighth tranche)	21 NingHuGao SCP008	012101085.IB	2021/3/17	2021/3/19	2021/9/10	0	2.82	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (ninth tranche)	21 NingHuGao SCP009	012101084.IB	2021/3/17	2021/3/19	2021/9/10	0	2.82	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (tenth tranche)	21 NingHuGao SCP010	012101301.IB	2021/3/30	2021/4/1	2021/9/28	0	2.75	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (eleventh tranche)	21 NingHuGao SCP011	012101415.IB	2021/4/9	2021/4/12	2022/1/7	5.00	2.89	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

PARTICULARS OF CORPORATE BONDS

Name of bond	Abbreviation	Bond code	Date of		Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
			issuance	Value date								
2021 ultra-short-term note (twelfth tranche)	21 NingHuGao SCP012	012101451.IB	2021/4/13	2021/4/14	2021/8/13	0	2.73	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (thirteenth tranche)	21 NingHuGao SCP013	012101581.IB	2021/4/20	2021/4/21	2021/8/20	0	2.45	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (fourteenth tranche)	21 NingHuGao SCP014	012101580.IB	2021/4/20	2021/4/21	2021/8/20	0	2.45	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (fifteenth tranche)	21 NingHuGao SCP015	012101873.IB	2021/5/17	2021/5/18	2021/9/17	0	2.45	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (sixteenth tranche)	21 NingHuGao SCP016	012102282.IB	2021/6/22	2021/6/23	2021/10/22	0	2.45	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (seventeenth tranche)	21 NingHuGao SCP017	012102408.IB	2021/6/30	2021/7/1	2021/10/29	0	2.45	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (nineteenth tranche)	21 NingHuGao SCP019	012102640.IB	2021/7/20	2021/7/21	2022/1/14	5.00	2.50	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (twentieth tranche)	21 NingHuGao SCP020	012102805.IB	2021/7/30	2021/8/2	2022/1/14	5.00	2.40	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (twenty-first tranche)	21 NingHuGao SCP021	012102883.IB	2021/8/9	2021/8/10	2022/1/14	5.00	2.39	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (twenty-second tranche)	21 NingHuGao SCP022	012103008.IB	2021/8/16	2021/8/17	2022/2/11	5.00	2.40	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (twenty-third tranche)	21 NingHuGao SCP023	012103190.IB	2021/8/26	2021/8/27	2022/2/19	4.00	2.30	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (twenty-fourth tranche)	21 NingHuGao SCP024	012103155.IB	2021/8/25	2021/8/26	2022/2/18	5.00	2.35	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (twenty-fifth tranche)	21 NingHuGao SCP025	012103270.IB	2021/8/31	2021/9/1	2021/11/26	0	2.20	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

PARTICULARS OF CORPORATE BONDS

Name of bond	Abbreviation	Bond code	Date of		Maturity date	Outstanding amount	Interest rate (%)	Method for repayment of principal and interest	Trading place	Investor eligibility arrangement (if any)	Trading mechanism	Whether or not subject to delisting risks
			issuance	Value date								
2021 ultra-short-term note (twenty-sixth tranche)	21 NingHuGao SCP026	012103271.IB	2021/8/31	2021/9/1	2021/11/26	0	2.20	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (twenty-seventh tranche)	21 NingHuGao SCP027	012103333.IB	2021/9/7	2021/9/8	2021/12/10	0	2.20	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (twenty-eighth tranche)	21 NingHuGao SCP028	012103335.IB	2021/9/7	2021/9/8	2021/12/10	0	2.20	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (twenty-ninth tranche)	21 NingHuGao SCP029	012103396.IB	2021/9/14	2021/9/15	2022/3/5	10.00	2.23	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (thirtieth tranche)	21 NingHuGao SCP030	012103408.IB	2021/9/14	2021/9/15	2022/3/11	7.30	2.23	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (thirty-first tranche)	21 NingHuGao SCP031	012103522.IB	2021/9/23	2021/9/24	2022/2/25	8.70	2.35	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (thirty-second tranche)	21 NingHuGao SCP032	012103533.IB	2021/9/23	2021/9/24	2022/2/25	1.30	2.35	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (thirty-third tranche)	21 NingHuGao SCP033	012180047.IB	2021/11/18	2021/11/19	2022/3/19	3.00	2.45	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (thirty-fourth tranche)	21 NingHuGao SCP034	012105224.IB	2021/12/1	2021/12/1	2022/3/31	5.00	2.40	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 ultra-short-term note (thirty-sixth tranche)	21 NingHuGao SCP036	012105321.IB	2021/12/7	2021/12/8	2022/4/15	6.50	2.43	Repayment of principal and payment of interest upon maturity	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (first tranche)	21 NingHuGao MTN001	102101110.IB	2021/6/15	2021/6/17	2024/6/17	10.00	3.45	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (second tranche)	21 NingHuGao MTN002	102102145.IB	2021/10/25	2021/10/27	2024/10/27	5.00	3.30	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No
2021 medium-term notes (third tranche)	21 NingHuGao MTN003	102103072.IB	2021/11/22	2021/11/24	2024/11/24	5.00	3.13	One-off principal repayment with annual interest payment	Inter-bank bonds market	Qualified domestic institutional investors	Eligible for trading or transfer on the day immediately after the registration date	No

PARTICULARS OF CORPORATE BONDS

Countermeasures adopted by the Company in response to delisting risk of the bonds

Applicable N/A

Outstanding bonds which are also past due

Applicable N/A

Payment of interests and repayment of principal during the Reporting Period

Applicable N/A

Name of bond	Description on the payment of interests and repayment of principal
2021 ultra-short-term notes (first tranche)	The 2021 ultra-short-term notes (first tranche) have matured and were redeemed on 2 April 2021 and the interest payment was completed.
2021 ultra-short-term notes (second tranche)	The 2021 ultra-short-term notes (second tranche) have matured and were redeemed on 21 May 2021 and the interest payment was completed.
2021 ultra-short-term notes (third tranche)	The 2021 ultra-short-term notes (third tranche) have matured and were redeemed on 9 July 2021 and the interest payment was completed.
2021 ultra-short-term notes (fifth tranche)	The 2021 ultra-short-term notes (fifth tranche) have matured and were redeemed on 3 September 2021 and the interest payment was completed.
2021 ultra-short-term notes (sixth tranche)	The 2021 ultra-short-term notes (sixth tranche) have matured and were redeemed on 3 September 2021 and the interest payment was completed.
2021 ultra-short-term notes (seventh tranche)	The 2021 ultra-short-term notes (seventh tranche) have matured and were redeemed on 17 September 2021 and the interest payment was completed.
2021 ultra-short-term notes (eighth tranche)	The 2021 ultra-short-term notes (eighth tranche) have matured and were redeemed on 10 September 2021 and the interest payment was completed.
2021 ultra-short-term notes (ninth tranche)	The 2021 ultra-short-term notes (ninth tranche) have matured and were redeemed on 10 September 2021 and the interest payment was completed.
2021 ultra-short-term notes (tenth tranche)	The 2021 ultra-short-term notes (tenth tranche) have matured and were redeemed on 28 September 2021 and the interest payment has been completed.
2021 ultra-short-term notes (twelfth tranche)	The 2021 ultra-short-term notes (twelfth tranche) have matured and were redeemed on 13 August 2021 and the interest payment was completed.
2021 ultra-short-term notes (thirteenth tranche)	The 2021 ultra-short-term notes (thirteenth tranche) have matured and were redeemed on 20 August 2021 and the interest payment has been completed.
2021 ultra-short-term notes (fourteenth tranche)	The 2021 ultra-short-term notes (fourteenth tranche) have matured and were redeemed on 20 August 2021 and the interest payment was completed.
2021 ultra-short-term notes (fifteenth tranche)	The 2021 ultra-short-term notes (fifteenth tranche) have matured and were redeemed on 17 September 2021 and the interest payment was completed.
2021 ultra-short-term notes (sixteenth tranche)	The 2021 ultra-short-term notes (sixteenth tranche) have matured and were redeemed on 22 October 2021 and the interest payment was completed.
2021 ultra-short-term notes (seventeenth tranche)	The 2021 ultra-short-term notes (seventeenth tranche) have matured and were redeemed on 29 October 2021 and the interest payment was completed.
2021 ultra-short-term notes (twenty-fifth tranche)	The 2021 ultra-short-term notes (twenty-fifth tranche) have matured and were redeemed on 26 November 2021 and the interest payment was completed.
2021 ultra-short-term notes (twenty-sixth tranche)	The 2021 ultra-short-term notes (twenty-sixth tranche) have matured and were redeemed on 26 November 2021 and the interest payment was completed.
2021 ultra-short-term notes (twenty-seventh tranche)	The 2021 ultra-short-term notes (twenty-seventh tranche) have matured and were redeemed on 10 December 2021 and the interest payment was completed.
2021 ultra-short-term notes (twenty-eighth tranche)	The 2021 ultra-short-term notes (twenty-eighth tranche) have matured and were redeemed on 10 December 2021 and the interest payment was completed.
2016 medium-term notes (first tranche)	The one-off principal repayment and the last installment interest payment for the 2016 medium-term notes (first tranche) were completed on 15 April 2021.
2020 medium-term notes (first tranche)	The interest of the 2020 medium-term notes (first tranche) for the first year amounting to RMB79.6 million was completed on 21 August 2021.

PARTICULARS OF CORPORATE BONDS

2. Triggering and Execution of Issuer or Investor Option Terms and Investor Protection Terms

Applicable N/A

3. Intermediaries Providing Services for Bond Issuance and Business in the Duration Period

Name of Intermediaries	Business Address	Name of Signing Accountant	Contact Person	Contact Tel
Postal Savings Bank of China Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 21 NingHuGao SCP001)	No. 3 Financial Street, Xicheng District, Beijing		Zheng Yarong (鄭亞榮), Zhang Jie (張潔)	010-68857446, 010-68857444
Bank of Jiangsu Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 21 NingHuGao SCP002, 21 NingHuGao SCP025, 21 NingHuGao SCP030)	No. 26 Zhonghua Road, Qinhuai District, Nanjing City, Jiangsu Province		Zhu Heng (朱恒)	025-51811721
China Merchants Bank Co., Ltd. (the lead underwriter, duration management institution of 21 NingHuGao SCP003)	No. 7088 Shennan Boulevard, Futian District, Shenzhen, Guangdong Province		Xu Xiaobing (徐笑冰)	0755-88026246
Shanghai Pudong Development Bank Co., Ltd. (the lead underwriter, duration management institution of 21 NingHuGao SCP005)	No. 12, Zhongshan Dong Yi Road, Shanghai		Li Wenyan (李文焱)	021-61614909
Industrial and Commercial Bank of China Limited (the lead underwriter/bookrunner, duration management institution of 21 NingHuGao SCP006)	No. 55 Fuxingmennei Avenue, Xicheng District, Beijing		Zhou Qianhui (周千慧)	010-66104147
China CITIC Bank Corporation Limited (the lead underwriter, duration management institution of 21 NingHuGao SCP007)	Building 1, 10 Guanghua Road, Chaoyang District, Beijing		Cheng Mi (程邁)	010-66635909
Bank of Nanjing Co., Ltd. (the co-lead underwriter of 21 NingHuGao SCP007)	No. 288 Zhongshan Road, Xuanwu District, Nanjing		Zhang Miaomiao (張淼淼)	025-86775895
Industrial Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 21 NingHuGao SCP008, 21 NingHuGao SCP028)	15/F, Xingye Bank Building, 20 Chaoyangmen North Dajie, Chaoyang District, Beijing		Zhang Jingshi (張敬石), Yang Li (楊麗), Chen Hao (陳豪), Jiang Yuxi (蔣喻希)	010-89926500
Bank of Ningbo Co., Ltd. (the lead underwriter of 21 NingHuGao SCP009, 21 NingHuGao SCP022)	19/F, 21st Century Tower, No. 210 Century Ave, Pudong New Area, Shanghai		Wang Xinyi (王欣怡)	021-23262719
Bank of Ningbo Co., Ltd. (the duration management institution of 21 NingHuGao SCP009, 21 NingHuGao SCP022)	No. 345 Ningdong East Road, Yinzhou District, Ningbo City, Zhejiang Province		Yu Shaojun (俞少君)	0574-81850381
China Construction Bank Corporation (the lead underwriter and duration management institution of 21 NingHuGao SCP010)	No. 25 Financial Street, Xicheng District, Beijing		Wang Wenjun (王文俊)	010-67594276
China Minsheng Banking Corp., Ltd. (the lead underwriter and duration management institution of 21 NingHuGao SCP011)	No. 2 Fuxingmennei Avenue, Xicheng District, Beijing		Shu Chang (舒暢)	010-58560971
Agricultural Bank of China Limited (the lead underwriter/bookrunner, duration management institution of 21 NingHuGao SCP012, 21 NingHuGao SCP034)	No.69 Jianguomen Nei Avenue, Dongcheng District, Beijing		An Liwei (安立偉)	010-85109045
Postal Savings Bank of China Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 21 NingHuGao SCP013)	No. 3 Financial Street, Xicheng District, Beijing		Jiang Xiao (薑霄), Sun Ru (孫孺)	010-68857442
China Everbright Bank Company Limited (the lead underwriter, duration management institution of 21 NingHuGao SCP014, 21 NingHuGao SCP019, 21 NingHuGao SCP026, 21 NingHuGao SCP032)	China Everbright Center, 25 Taipingqiao Street, Xicheng District, Beijing		Hao Youran (郝悠然) (lead underwriter), Huang Tiancheng (黃天成) (duration management institution)	010-63637785025-84776051

PARTICULARS OF CORPORATE BONDS

Name of Intermediaries	Business Address	Name of Signing Accountant	Contact Person	Contact Tel
Bank of China Limited (the lead underwriter and book-builder, duration management institution of 21 NingHuGao SCP015)	No. 1 Fuxingmennei Avenue, Beijing		Xu Su (徐蘇) (lead underwriter and book-builder), Xun Yamei (荀雅梅) (duration management institution)	010-66595011010-66592749
China Construction Bank Corporation Limited (the lead underwriter, duration management institution of 21 NingHuGao SCP016, 21 NingHuGao SCP017, 21 NingHuGao SCP036)	No. 25 Financial Street, Xicheng District, Beijing		Li Guoliang (李國良)	010-67596947
China Guangfa Bank Co., Ltd. (the lead underwriter, duration management institution of 21 NingHuGao SCP020)	No. 713 Dongfeng East Road, Yuexiu District, Guangdong Province		Li Kan (李勣)	020-38328430
Shanghai Pudong Development Bank Co., Ltd. (the lead underwriter, duration management institution of 21 NingHuGao SCP021)	No. 12, Zhongshan Dong Yi Road, Shanghai		Guo Zhiyuan (郭志遠) (lead underwriter), Yang Min (楊敏) (duration management institution)	021-61616041025-84260527
Huaxia Bank Co., Ltd. (the lead underwriter of 21 NingHuGao SCP023)	No.22 Jianguomen Nei Avenue, Dongcheng District, Beijing		Li Tiying (李緜榮)	010-85237734
China Merchants Bank Co., Ltd. (the lead underwriter and book-builder, duration management institution of 21 NingHuGao SCP024)	22/F, China Merchants Bank Tower, Shennan Boulevard, Shenzhen		Liu Xin (劉昕), Zhou Xingchen (周星辰) (the lead underwriter and book-builder), Chen Nina (陳妮娜) (duration management institution)	0755-88026133 · 025-847965010755-88026246
PingAn Bank Company Limited (the lead underwriter and book-builder, duration management institution of 21 NingHuGao SCP027 · 21 NingHuGao SCP031)	No. 5047 Shennan East Road, Luohu District, Shenzhen City		Zhang Wenjun (張文俊)	0755-88673980
Bank of Shanghai Co., Ltd. (the lead underwriter and book-builder, duration management institution of 21 NingHuGao SCP029)	No. 168 Yincheng Central Road, China (Shanghai) Pilot Free Trade Zone		Shi Yuzhou (施煜洲)	021-68476471
China Merchants Bank Co., Ltd. (the lead underwriter/bookrunner, duration management institution of 21 NingHuGao SCP033)	22/F, China Merchants Bank Tower, No. 201 Shennan Boulevard, Shenzhen		Liu Xin (劉昕), Zhou Xingchen (周星辰) (the lead underwriter/bookrunner), Chen Nina (陳妮娜) (duration management institution)	0755-88026133 · 025-847965010755-88026246
Bank of Communications Co., Ltd. (the lead underwriter, duration management institution of 21 NingHuGao MTN001, 21 NingHuGao MTN002, 21 NingHuGao MTN003)	No. 188 Yincheng Central Road, Shanghai		Xiao Yadan (肖雅丹), Zhu Dong (朱棟)	021-58781234-6763/6762/8230
Postal Savings Bank of China Co., Ltd. (the co-lead underwriter of 21 NingHuGao MTN001 · 21 NingHuGao MTN002 · 21 NingHuGao MTN003)	No. 3 Financial Street, Xicheng District, Beijing		Zheng Yarong (鄭亞榮), Zhang Jie (張潔)	010-68857446 · 010-68857445
Deloitte Touche Tohmatsu Certified Public Accountants LLP (the audit institution for all ultra-short and medium-term notes)	30/F, No. 222 East Yan'an Road, Shanghai	Yang Bei, Chen Shi	Yang Bei (楊蓓), Chen Shi (陳石)	025-57908880-5289
China Chengxin International Credit Rating Co., Ltd. (the credit rating agency for all ultra-short and medium-term notes)	Building 6, Galaxy SOHO, No.2 Nanzhugan hutong, Chaoyangmennei Avenue, Dongcheng District, Beijing		Gu Hetian (顧合天), Wang xuan (王璇)	010-66428877
Beijing Dentons Law Office LLP (Nanjing) (the law firm for all ultra-short, medium-term notes)	9-10/F, Block A, Lianchuang Technology Building, No. 18 JiHui Road, Gulou District, Nanjing		Zhu Bin (祝彬)	025-83755226

The change of the above intermediaries

Applicable

N/A

PARTICULARS OF CORPORATE BONDS

4. The use of the funds raised at the end of the reporting period

Applicable N/A

Unit: Hundred million Yuan Currency: RMB

Name of bond	Total amount of funds raised	Utilized amount	Unutilized amount	The operating condition of the special account for the funds raised (if any)	Whether the use of funds raised is in line with the use, plan and other undertakings made in the prospectus
				Rectification of illegal use of funds raised (if any)	
2020 medium-term notes (first tranche)	20.00	20.00	–		Yes
2021 ultra-short-term note (first tranche)	10.00	10.00	–		Yes
2021 ultra-short-term note (second tranche)	4.30	4.30	–		Yes
2021 ultra-short-term note (third tranche)	10.00	10.00	–		Yes
2021 ultra-short-term note (fifth tranche)	6.00	6.00	–		Yes
2021 ultra-short-term note (sixth tranche)	4.00	4.00	–		Yes
2021 ultra-short-term note (seventh tranche)	10.00	10.00	–		Yes
2021 ultra-short-term note (eighth tranche)	5.00	5.00	–		Yes
2021 ultra-short-term note (ninth tranche)	5.00	5.00	–		Yes
2021 ultra-short-term note (tenth tranche)	10.00	10.00	–		Yes
2021 ultra-short-term note (eleventh tranche)	5.00	5.00	–		Yes
2021 ultra-short-term note (twelfth tranche)	5.00	5.00	–		Yes
2021 ultra-short-term note (thirteenth tranche)	3.00	3.00	–		Yes
2021 ultra-short-term note (fourteenth tranche)	2.00	2.00	–		Yes
2021 ultra-short-term note (fifteenth tranche)	4.30	4.30	–		Yes
2021 ultra-short-term note (sixteenth tranche)	1.00	1.00	–		Yes
2021 ultra-short-term note (seventeenth tranche)	5.00	5.00	–		Yes
2021 ultra-short-term note (nineteenth tranche)	5.00	5.00	–		Yes

PARTICULARS OF CORPORATE BONDS

Name of bond	Total amount of funds raised	Utilized amount	Unutilized amount	The operating condition of the special account for the funds raised (if any)	Rectification of illegal use of funds raised (if any)	Whether the use of funds raised is in line with the use, plan and other undertakings made in the prospectus
2021 ultra-short-term note (twentieth tranche)	5.00	5.00	–			Yes
2021 ultra-short-term note (twenty-first tranche)	5.00	5.00	–			Yes
2021 ultra-short-term note (twenty-second tranche)	5.00	5.00	–			Yes
2021 ultra-short-term note (twenty-third tranche)	4.00	4.00	–			Yes
2021 ultra-short-term note (twenty-fourth tranche)	5.00	5.00	–			Yes
2021 ultra-short-term note (twenty-fifth tranche)	5.00	5.00	–			Yes
2021 ultra-short-term note (twenty-sixth tranche)	5.00	5.00	–			Yes
2021 ultra-short-term note (twenty-seventh tranche)	5.00	5.00	–			Yes
2021 ultra-short-term note (twenty-eighth tranche)	5.00	5.00	–			Yes
2021 ultra-short-term note (twenty-ninth tranche)	10.00	10.00	–			Yes
2021 ultra-short-term note (thirtieth tranche)	7.30	7.30	–			Yes
2021 ultra-short-term note (thirty-first tranche)	8.70	8.70	–			Yes
2021 ultra-short-term note (thirty-second tranche)	1.30	1.30	–			Yes
2021 ultra-short-term note (thirty-third tranche)	3.00	3.00	–			Yes
2021 ultra-short-term note (thirty-fourth tranche)	5.00	5.00	–			Yes
2021 ultra-short-term note (thirty-sixth tranche)	6.50	6.50	–			Yes
2021 medium-term notes (first tranche)	10.00	10.00	–			Yes
2021 medium-term notes (second tranche)	5.00	5.00	–			Yes
2021 medium-term notes (third tranche)	5.00	5.00	–			Yes

PARTICULARS OF CORPORATE BONDS

The progress and operating benefit of utilization of the raised funds for construction projects

Applicable N/A

Description on change of the above-mentioned use of funds raised by bonds during the Reporting Period

Applicable N/A

Other description

Applicable N/A

5. Adjustment of credit rating results

Applicable N/A

Other description

Applicable N/A

6. Performance of and change to the guarantee, debt repayment plan and other measures to ensure debt repayment during the Reporting Period and their effects

Applicable N/A

7. Other explanation on debt financing instrument of non-financial enterprises

Applicable N/A

(IV) Loss in Excess of 10% of the Year-end Net Assets of the Previous Year in the Consolidated Financial Statements of the Company during the Reporting Period

Applicable N/A

(V) Information on Overdue Interest-bearing Debts Other than Bonds at the End of the Reporting Period

Applicable N/A

(VI) Impact of Breach of Laws and Regulations, the Articles of Association, the Information Disclosure Management System and the Provisions or Commitments in the Prospectus of Bonds Offering on the Rights and Interests of Bonds Investors during the Reporting Period

Applicable N/A

PARTICULARS OF CORPORATE BONDS

(VII) Accounting Data and Financial Indicators of the Company for the Recent 2 Years ended the End of the Reporting Period

Applicable N/A

Unit: Yuan Currency: RMB

Principal indicators	2021	2020	Increase/decrease of the period as compared to the same period of the previous year(%)	Reasons for changes
Net profit after non-recurring profit and loss	3,678,823,218.12	2,339,998,349.98	57.21	Benefited from the recovery of the road and bridge toll business, the increase in operating results of associates and the increase in fair value of other non-current financial assets during the Reporting Period, the Group's total profit increased year-on-year significantly.
Current ratio	0.6514	0.5371	21.28	The increase in the current ratio was due to the increase in current assets and the decrease in current liabilities during the Reporting Period as compared with the beginning of the period.
Quick ratio	0.2832	0.165	71.64	The increase in the quick ratio was mainly due to the decrease in the Group's inventory and prepayments as a percentage of the total at the end of the Reporting Period as compared to the beginning of the period.
Gearing ratio (%)	47.74%	45.91%	Increased by 1.83 percentage points	The increase in the gearing ratio was mainly due to the significant increase in the balance of interest-bearing debt and the construction fees payable for road and bridge projects under construction of the Group at the end of the Reporting Period as compared with the beginning of the period, which resulted in the increase in liabilities exceeding the increase in assets.
Total debt to EBITDA ratio	0.2531	0.1892	33.77	Benefited from the recovery of the road and bridge toll business, the increase in operating results of associates and the increase in fair value of other non-current financial assets during the Reporting Period, the Group's total profit increased year-on-year significantly.
Interest coverage ratio	6.5820	4.8849	34.74	Benefited from the recovery of the road and bridge toll business, the increase in operating results of associates and the increase in fair value of other non-current financial assets during the Reporting Period, the Group's total profit increased year-on-year significantly.
Cash interest coverage ratio	10.0264	6.2941	59.30	Benefited from the recovery of the road and bridge toll business, the increase in operating results of associates and the increase in fair value of other non-current financial assets during the Reporting Period, the Group's total profit increased year-on-year significantly.
EBITDA interest coverage ratio	8.6698	7.0620	22.77	Benefited from the recovery of the road and bridge toll business, the increase in operating results of associates and the increase in fair value of other non-current financial assets during the Reporting Period, the Group's total profit increased year-on-year significantly.
Loan repayment rate (%)	100.00%	100.00%	-	-
Interest coverage rate (%)	100.00%	100.00%	-	-

Note: Net profit after non-recurring profit and loss refers to the "Net profit attributable to the shareholders of the Company net of non-recurring profit or loss"

II. PARTICULARS OF CONVERTIBLE CORPORATE BONDS

Applicable N/A

AUDITOR'S REPORT

畢馬威華振審字第 2202498 號

THE SHAREHOLDERS OF JIANGSU EXPRESSWAY COMPANY LIMITED:

OPINION

We have audited the accompanying financial statements of Jiangsu Expressway Company Limited ("Jiangsu Expressway"), which comprise the consolidated and company balance sheets as at 31 December 2021, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of Jiangsu Expressway as at 31 December 2021, and the consolidated and company financial performance and cash flows of Jiangsu Expressway for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). 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 Jiangsu Expressway in accordance with the China Code of Ethics for 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.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

Amortization of toll roads operation rights

Refer to Note III.16 of Significant accounting policy and accounting estimates and Note V.15 of Notes to the consolidated financial statements.

The Key Audit Matter

As at December 31, 2021, the net value of toll roads operation rights of Jiangsu Expressway and its subsidiaries ("Jiangsu Expressway Group") was RMB34,719,586,045.20. The amortization amount of toll roads operation rights in 2021 was RMB1,602,572,264.70. The toll roads operation rights of Jiangsu Expressway Group was amortized according to the traffic volume methods, and the monthly amortisation 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. The estimated future traffic volume refers to the prediction of the total traffic volume of Jiangsu Expressway Group in the remaining operation period in the future.

We identified the amortization of toll roads operation rights as a key audit matter because the amortization amount of toll roads operation rights has a significant impact on the current year net profit, and the prediction of the estimated future traffic volume involves the judgment of the management and may be affected by the bias of the management.

How the matter was addressed in our audit

Our audit procedures to evaluate the amortization of toll roads operation rights included the following:

- Understand the design of the key internal controls related to the amortization of toll road operation rights, and evaluate the effectiveness of relevant internal controls;
- Ask the management to understand the methods and bases they used to predict the estimated future traffic volume, and evaluate the appropriateness.
- Obtain the traffic volume prediction report issued by the third-party organization hired by Jiangsu Expressway Group, and understand its traffic volume prediction methods and key assumptions; Evaluate the competence, professional capability and objectivity of the third-party organization;
- Check whether the actual traffic volume data received by Jiangsu Expressway Group from the external service entity is consistent with the actual traffic volume applied in the calculation of the amortization of toll road operation rights, and verify such data through confirmation with external service entities;

KEY AUDIT MATTERS (CONTINUED)

Amortization of toll roads operation rights	
Refer to Note III.16 of Significant accounting policy and accounting estimates and Note V.15 of Notes to the consolidated financial statements.	
The Key Audit Matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> Understand and evaluate the automatic application control and general information technology control related to the accuracy of actual traffic volume data by using the work of internal information technology experts. Compare the estimated traffic volume in previous years with the actual traffic volume in the corresponding period to evaluate whether there is any sign of management bias. Check the accuracy of the amortization amount of toll roads operation rights calculated according to the traffic volume method.

OTHER INFORMATION

Jiangsu Expressway's management is responsible for the other information. The other information comprises all the information included in 2021 annual report of Jiangsu Expressway, other than the financial statements and our auditor's report thereon.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Jiangsu Expressway'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 management either intends to liquidate Jiangsu Expressway or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Jiangsu Expressway's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Jiangsu Expressway'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 Jiangsu Expressway to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Jiangsu Expressway 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 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.

KPMG Huazhen LLP

Beijing, China

Certified Public Accountants
Registered in the People's
Republic of China

Huang Wenhui (Engagement Partner)

Zhou Xuchun

2022.03.25

CONSOLIDATED BALANCE SHEET

At 31 December 2021

	Note	2021	2020	Note	2021	2020
Assets						
Current assets						
Cash at bank and on hand	V.1	496,127,336.06	386,712,702.84			
Financial assets held for trading	V.2	2,646,518,676.44	1,533,818,523.40			
Bills receivable	V.3	11,890,000.00	10,859,500.00			
Accounts receivable	V.4	442,074,890.64	309,072,553.64			
Prepayments	V.5	8,650,678.32	21,907,475.29			
Other receivables	V.6	76,302,188.99	74,322,733.51			
Inventories	V.7	3,889,201,430.67	4,148,460,044.19			
Other current assets	V.8	877,263,447.81	1,052,050,289.90			
Total current assets		8,448,028,648.93	7,537,203,822.77			
Non-current assets						
Long-term equity investments	V.9	9,687,126,007.80	7,130,527,090.60			
Investments in other equity instruments	V.10	5,805,587,078.89	5,471,025,963.66			
Other non-current financial assets	V.11	3,004,141,868.26	2,039,192,599.15			
Investment properties	V.12	56,709,500.85	17,581,885.88			
Fixed assets	V.13	2,676,170,843.30	2,048,237,771.21			
Construction in progress	V.14	262,194,738.58	15,280,716,856.65			
Right-of-use assets	V.58	16,648,478.65	18,893,134.89			
Intangible assets	V.15	37,067,726,632.81	21,298,818,056.01			
Long-term deferred expenses	V.16	2,680,230.99	4,443,879.42			
Deferred tax assets	V.17	172,138,797.78	234,039,544.92			
Other non-current assets	V.18	462,867,895.61	14,879,760.00			
Total Non-current Assets		59,213,992,073.52	53,558,356,542.39			
TOTAL ASSETS		67,662,020,722.45	61,095,560,365.16			
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans	V.19	1,077,145,209.09	1,475,103,433.33			
Bills payable	V.20	100,300,000.00	38,400,000.00			
Accounts payable	V.21	2,328,898,028.92	1,701,582,093.30			
Advance payments received	V.22	15,782,473.92	8,590,278.75			
Contract liabilities	V.23	427,561,162.30	876,391,923.12			
Employee benefits payable	V.24	3,014,675.45	1,195,916.09			
Taxes payable	V.25	413,622,832.32	260,171,624.98			
Other payables	V.26	253,009,905.05	240,226,212.82			
Non-current liabilities due within one year	V.27	678,043,270.61	1,103,456,242.14			
Other current liabilities	V.28	7,671,965,597.07	8,327,987,272.56			
Total current liabilities		12,969,343,154.73	14,033,104,997.09			
Non-current liabilities						
Long-term loans	V.29	13,028,697,541.04	11,545,381,743.39			
Debentures payable	V.30	5,777,418,959.86	1,984,606,358.58			
Lease liabilities	V.58	7,919,969.93	11,835,601.70			
Provisions	V.31	-	54,115,762.42			
Deferred income	V.32	99,499,953.02	112,227,270.52			
Deferred tax liabilities	V.17	419,248,158.42	305,018,990.45			
Total non-current liabilities		19,332,784,582.27	14,013,185,727.06			
Total liabilities		32,302,127,737.00	28,046,290,724.15			
Shareholders' equity						
Share capital	V.33	5,037,747,500.00	5,037,747,500.00			
Capital reserve	V.34	10,502,925,603.25	10,502,833,951.29			
Other comprehensive income	V.35	931,335,600.50	806,954,969.94			
General risk reserve	V.36	6,505,092.88	3,487,713.71			
Surplus reserve	V.37	3,832,362,128.54	3,650,405,305.55			
Retained earnings	V.38	9,919,407,826.11	8,208,531,658.34			
Total equity attributable to shareholders of the Company		30,230,283,751.28	28,209,961,098.83			
Non-controlling interests		5,129,609,234.17	4,839,308,542.18			
Total shareholders' equity		35,359,892,985.45	33,049,269,641.01			
Total liabilities and shareholders' equity		67,662,020,722.45	61,095,560,365.16			

These financial statements were approved by the Board of Directors of the Company on 25 March 2022.

Cheng Xiaoguang

Legal Representative
(Signature and stamp)

Dai Qian

The person in charge of accounting
affairs
(Signature and stamp)

Yao Qunfang

The head of the accounting
department
(Signature and stamp)

(Company stamp)

The notes on pages 181 to 284 form part of these financial statements.

COMPANY BALANCE SHEET

At 31 December 2021

	Note	2021	2020		Note	2021	2020
Assets				Liabilities and shareholders' equity			
Current assets				Current liabilities			
Cash at bank and on hand		319,971,226.51	54,526,689.45	Short-term loans		450,433,125.00	560,539,000.00
Financial assets held for trading		2,199,616,681.00	1,031,123,797.34	Accounts payable		576,540,666.20	661,812,520.66
Accounts receivable	XV.1	389,572,507.53	288,644,245.43	Advance payments received		5,546,807.81	3,143,500.74
Prepayments		4,790,567.78	11,468,119.17	Employee benefits payable		1,635,865.42	1,181,682.48
Other receivables	XV.2	10,933,988.98	13,216,746.07	Taxes payable		92,215,670.12	35,822,492.97
Inventories		15,971,112.95	14,118,027.57	Other payables		214,229,823.94	177,366,543.63
Other current assets	XV.3	3,279,536,006.56	3,095,033,380.08	Non-current liabilities due within one year		90,132,581.45	1,056,678,132.80
				Other current liabilities		7,638,282,907.00	8,257,078,476.00
Total current assets		6,220,392,091.31	4,508,131,005.11	Total current liabilities		9,069,017,446.94	10,753,622,349.28
Non-current assets				Non-current liabilities			
Long-term equity investments	XV.4	16,640,946,788.72	13,852,095,375.65	Long-term loans		1,009,901,663.24	711,316,311.81
Investments in other equity instruments		4,451,199,628.89	4,064,994,063.66	Debentures payable		5,777,418,959.86	1,984,606,358.58
Fixed assets		1,264,183,897.53	1,381,425,561.46	Deferred income		73,886,612.29	84,610,917.29
Construction in progress		195,562,990.53	102,331,074.66	Deferred tax liabilities		4,169,775.30	-
Intangible assets		12,433,236,657.15	13,531,506,505.41				
Deferred tax assets		-	48,077,791.39	Total non-current liabilities		6,865,377,010.69	2,780,533,587.68
Other non-current assets		13,093,831.54	14,879,760.00				
				Total liabilities		15,934,394,457.63	13,534,155,936.96
Total non-current assets		34,998,223,794.36	32,995,310,132.23	Shareholders' equity			
				Share capital		5,037,747,500.00	5,037,747,500.00
Total assets		41,218,615,885.67	37,503,441,137.34	Capital reserve		10,372,950,811.58	10,372,859,159.62
				Other comprehensive income		336,797,292.10	180,659,449.04
				Surplus reserve		2,518,873,750.00	2,518,873,750.00
				Retained earnings		7,017,852,074.36	5,859,145,341.72
				Total shareholders' equity		25,284,221,428.04	23,969,285,200.38
				Total liabilities and shareholders' equity		41,218,615,885.67	37,503,441,137.34

These financial statements were approved by the Board of Directors of the Company on 25 March 2022.

Cheng Xiaoguang

Legal Representative
(Signature and stamp)

Dai Qian

The person in charge of accounting
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(Signature and stamp)

Yao Qunfang

The head of the accounting
department
(Signature and stamp)

(Company stamp)

The notes on pages 181 to 284 form part of these financial statements.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

	Note	2021	2020
I. Operating income	V.39	13,792,587,242.50	8,032,466,746.34
Less: Operating costs	V.39	8,781,659,687.75	4,686,890,023.93
Taxes and surcharges	V.40	266,061,190.47	125,864,731.35
Selling and distribution expenses	V.41	26,111,192.22	24,698,386.89
General and administrative expenses	V.42	220,074,412.19	197,226,409.99
Financial expenses	V.43	787,169,270.96	444,319,354.76
Including: Interest expenses		788,511,048.13	436,079,760.40
Interest income		14,386,287.05	6,900,927.45
Add: Other income	V.44	30,018,403.84	33,219,560.42
Investment income	V.45	1,201,529,422.95	618,460,042.64
Including: Income from investment in associates		756,769,348.87	375,141,407.68
Gains from changes in fair value	V.46	489,879,008.21	33,547,488.70
Reversal/(origination) of credit losses	V.47	115,014.62	(94,002.60)
Impairment losses	V.48	(5,497,868.60)	–
Gains from asset disposals	V.49	7,868,251.48	220,298.98
II. Operating profit		5,435,423,721.41	3,238,821,227.56
Add: Non-operating income	V.50	12,948,983.37	82,926,177.75
Less: Non-operating expenses	V.50	28,850,563.28	88,111,461.54
III. Profit before income tax		5,419,522,141.50	3,233,635,943.77
Less: Income tax expenses	V.51	1,286,873,376.13	714,881,261.68
IV. Net profit for the year		4,132,648,765.37	2,518,754,682.09
(1) Net profit classified by continuity of operations:			
1. Net profit from continuing operations		4,132,648,765.37	2,518,754,682.09
2. Net profit from discontinued operations		–	–
(2) Net profit classified by ownership:			
1. Shareholders of the Company		4,178,794,496.71	2,464,213,675.74
2. Non-controlling interests		(46,145,731.34)	54,541,006.35
V. Other comprehensive income, net of tax	V.35	151,824,228.78	(467,550,226.48)
(1) Other comprehensive income (net of tax) attributable to shareholders of the Company		158,800,353.78	(484,793,101.48)
1. Items that will not be reclassified to profit or loss		158,800,353.78	(484,793,101.48)
a. Other comprehensive income recognised under equity method		(20,210,435.46)	16,753,010.70
b. Changes in fair value of investments in other equity instruments		179,010,789.24	(501,546,112.18)
2. Items that may be reclassified to profit or loss		–	–
(2) Other comprehensive income (net of tax) attributable to non-controlling interests		(6,976,125.00)	17,242,875.00
VI. Total comprehensive income for the year		4,284,472,994.15	2,051,204,455.61
(1) Attributable to shareholders of the Company		4,337,594,850.49	1,979,420,574.26
(2) Attributable to non-controlling interests		(53,121,856.34)	71,783,881.35
VII. Earnings per share:			
(1) Basic earnings per share	V.52	0.8295	0.4891
(2) Diluted earnings per share	V.52	0.8295	0.4891

These financial statements were approved by the Board of Directors of the Company on 25 March 2022.

Cheng Xiaoguang

Legal Representative
(Signature and stamp)

Dai Qian

The person in charge of accounting
affairs
(Signature and stamp)

Yao Qunfang

The head of the accounting
department
(Signature and stamp)

(Company stamp)

The notes on pages 181 to 284 form part of these financial statements.

COMPANY INCOME STATEMENT

For the year ended 31 December 2021

	Note	2021	2020
I. Operating income	XV.5	7,870,816,079.21	6,160,614,213.37
Less: Operating costs	XV.5	3,842,837,113.80	3,636,483,416.98
Taxes and surcharges		40,294,738.64	23,864,450.83
General and administrative expenses		183,033,477.46	174,805,604.91
Financial expenses		374,896,727.53	306,475,275.52
Including: Interest expenses		418,485,174.75	340,401,687.70
Interest income		55,220,042.62	45,279,681.89
Add: Other income		27,763,662.10	28,954,516.85
Investment income	XV.6	932,664,601.44	537,929,681.37
Including: Income from investments in associates and joint ventures		552,035,987.05	282,140,450.10
Reversal/(origination) of credit losses		115,014.62	(101,747.17)
Impairment losses		(5,497,868.60)	–
Gains from asset disposals		5,762,600.00	171,744.99
II. Operating profit		4,390,562,031.34	2,585,939,661.17
Add: Non-operating income		8,856,347.78	52,794,653.81
Less: Non-operating expenses		27,410,576.69	29,697,161.58
III. Profit before income tax		4,372,007,802.43	2,609,037,153.40
Less: Income tax expenses		930,356,943.01	564,778,575.52
IV. Net profit for the year		3,441,650,859.42	2,044,258,577.88
(I) Net profit from continuing operations		3,441,650,859.42	2,044,258,577.88
(II) Net profit from discontinued operations		–	–
V. Other comprehensive income, net of tax		190,557,566.28	(549,436,308.53)
(1) Items that will not be reclassified to profit or loss		190,557,566.28	(549,436,308.53)
1. Other comprehensive income recognised under equity method		(20,210,435.46)	16,753,010.70
2. Changes in fair value of investments in other equity instruments		210,768,001.74	(566,189,319.23)
(2) Items that may be reclassified to profit or loss		–	–
VI. Total comprehensive income for the year		3,632,208,425.70	1,494,822,269.35

These financial statements were approved by the Board of Directors of the Company on March 25th.

Cheng Xiaoguang

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The notes on pages 181 to 284 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2021

	Note	2021	2020
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		10,468,802,686.23	7,792,390,632.50
Refund of taxes		67,270,848.30	-
Proceeds from other operating activities	V.54(1)	808,382,556.62	378,720,249.25
Sub-total of cash inflows		11,344,456,091.15	8,171,110,881.75
Payment for goods and services		2,004,305,961.00	1,654,191,015.57
Payment to and for employees		1,184,069,222.40	1,049,136,012.24
Payment of various taxes		1,523,671,008.97	1,671,493,278.65
Payment for other operating activities	V.54(2)	1,165,144,363.09	658,889,044.90
Sub-total of cash outflows		5,877,190,555.46	5,033,709,351.36
Net cash inflow from operating activities	V.55(1)a	5,467,265,535.69	3,137,401,530.39
II. Cash flows from investing activities:			
Proceeds from disposal of investments		16,764,302,394.15	4,850,614,479.66
Investment returns received		612,158,334.76	422,446,766.50
Net proceeds from disposal of fixed assets		10,200,945.85	586,636.10
Sub-total of cash inflows		17,386,661,674.76	5,273,647,882.26
Payment for acquisition of fixed assets, intangible assets and other long-term assets		3,318,806,957.19	4,245,496,267.18
Payment for acquisition of investments		20,456,074,224.57	6,728,019,383.36
Sub-total of cash outflows		23,774,881,181.76	10,973,515,650.54
Net cash outflow from investing activities		(6,388,219,507.00)	(5,699,867,768.28)
III. Cash flows from financing activities:			
Proceeds from investors		354,530,000.67	647,110,000.00
Including: Proceeds from non-controlling shareholders of subsidiaries		354,530,000.67	647,110,000.00
Proceeds from borrowings		4,365,503,334.00	10,420,000,000.00
Proceeds from issue of bonds		21,835,447,890.89	19,073,500,000.00
Sub-total of cash inflows		26,555,481,225.56	30,140,610,000.00
Repayments of borrowings		22,435,284,685.27	24,591,540,000.00
Payment for dividends, profit distributions or interest		3,060,434,849.32	3,068,524,804.39
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		11,107,452.34	15,438,867.51
Payment for other financing activities	V.54(3)	-	16,500,000.00
Sub-total of cash outflows		25,495,719,534.59	27,676,564,804.39
Net cash inflow from financing activities		1,059,761,690.97	2,464,045,195.61
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-	-
V. Net increase/(decrease) in cash and cash equivalents	V.55(1)b	138,807,719.66	(98,421,042.28)
Add: Cash and cash equivalents at the beginning of the year		350,989,093.35	449,410,135.63
VI. Cash and cash equivalents at the end of the year	V.55(2)	489,796,813.01	350,989,093.35

These financial statements were approved by the Board of Directors of the Company on 25 March 2022.

Cheng Xiaoguang

Legal Representative
(Signature and stamp)

Dai Qian

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Yao Qunfang

The head of the accounting
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(Company stamp)

The notes on pages 181 to 284 form part of these financial statements.

COMPANY CASH FLOW STATEMENT

For the year ended 31 December 2021

	2021	2020
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	7,715,480,620.98	6,071,405,909.62
Proceeds from other operating activities	260,066,060.18	148,149,881.89
Sub-total of cash inflows	7,975,546,681.16	6,219,555,791.51
Payment for goods and services	1,693,598,365.45	1,309,284,828.46
Payment to and for employees	934,614,587.61	838,896,868.80
Payment of various taxes	1,072,310,200.46	901,955,337.61
Payment for other operating activities	39,457,341.60	91,524,939.32
Sub-total of cash outflows	3,739,980,495.12	3,141,661,974.19
Net cash inflow from operating activities	4,235,566,186.04	3,077,893,817.32
II. Cash flows from investing activities:		
Proceeds from disposal of investments	13,611,125,808.79	3,528,000,000.00
Investment returns received	493,600,004.30	405,335,756.25
Net proceeds from disposal of fixed assets	5,903,460.41	320,932.59
Proceeds from other investing activities	17,280,000,000.00	2,216,000,000.00
Sub-total of cash inflows	31,390,629,273.50	6,149,656,688.84
Payment for acquisition of fixed assets, intangible assets and other long-term assets	257,851,453.83	68,531,041.17
Payment for acquisition of investments	14,860,864,784.98	4,620,620,650.00
Net payment for acquisition of subsidiaries and other business units	2,405,314,310.87	1,243,334,377.98
Payment for other investing activities	17,535,566,488.58	2,936,000,000.00
Sub-total of cash outflows	35,059,597,038.26	8,868,486,069.15
Net cash outflow from investing activities	(3,668,967,764.76)	(2,718,829,380.31)
III. Cash flows from financing activities:		
Proceeds from borrowings	1,510,000,000.00	5,470,000,000.00
Proceeds from issue of bonds	21,836,480,958.21	19,073,500,000.00
Sub-total of cash inflows	23,346,480,958.21	24,543,500,000.00
Repayments of borrowings	21,012,181,252.51	22,242,622,946.86
Payment for dividends or interest	2,635,453,589.92	2,661,908,033.67
Payment for other financing activities	-	16,500,000.00
Sub-total of cash outflows	23,647,634,842.43	24,921,030,980.53
Net cash outflow from financing activities	(301,153,884.22)	(377,530,980.53)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-	-
V. Net increase/(decrease) in cash and cash equivalents	265,444,537.06	(18,466,543.52)
Add: Cash and cash equivalents at the beginning of the year	54,526,689.45	72,993,232.97
VI. Cash and cash equivalents at the end of the year	319,971,226.51	54,526,689.45

These financial statements were approved by the Board of Directors of the Company on 25 March 2022.

Cheng Xiaoguang

Legal Representative
(Signature and stamp)

Dai Qian

The person in charge of accounting
affairs
(Signature and stamp)

Yao Qunfang

The head of the accounting
department
(Signature and stamp)

(Company stamp)

The notes on pages 181 to 284 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2021

	The year ended 31 December 2021								
	Attributable to shareholders of the Company								
	Share capital	Capital reserve	Other comprehensive income	Special reserve	General risk reserve	Retained earnings	Sub-total	Non-controlling interests	Total
I. Balance at the beginning of the year	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	28,209,961,098.83	4,839,308,542.18	33,049,269,641.01
II. Changes in equity during the year									
(*) for decreases)	-	91,651.96	124,380,630.56	181,956,822.99	3,017,379.17	1,710,876,167.77	2,020,322,652.45	290,300,691.99	2,310,623,344.44
1. Total comprehensive income	-	-	158,800,353.78	-	-	4,178,794,496.71	4,337,594,850.49	(53,121,856.34)	4,284,472,994.15
2. Shareholders' contributions and decrease of capital	-	91,651.96	-	-	-	-	91,651.96	354,530,000.67	354,621,652.63
(1) Contribution by ordinary shareholders	-	-	-	-	-	-	-	354,530,000.67	354,530,000.67
(2) Others	-	91,651.96	-	-	-	-	91,651.96	-	91,651.96
3. Appropriation of profits	-	-	-	181,956,822.99	3,017,379.17	(2,502,338,052.16)	(2,317,363,850.00)	(11,107,452.34)	(2,328,471,302.34)
(1) Appropriation for surplus reserve	-	-	-	181,956,822.99	-	(181,956,822.99)	-	-	-
(2) Distributions to shareholders	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	(11,107,452.34)	(2,328,471,302.34)
(3) Appropriation for general risk reserve	-	-	-	-	3,017,379.17	(3,017,379.17)	-	-	-
4. Transfers within equity	-	-	(34,419,723.22)	-	-	34,419,723.22	-	-	-
(1) Transfer of other comprehensive income to retained earnings	-	-	(34,419,723.22)	-	-	34,419,723.22	-	-	-
III. Balance at the end of the year	5,037,747,500.00	10,502,925,603.25	931,335,600.50	3,832,362,128.54	6,505,092.88	9,919,407,826.11	30,230,283,751.28	5,129,609,234.17	35,359,892,985.45

These financial statements were approved by the Board of Directors of the Company on 25 March 2022.

Cheng Xiaoguang

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Yao Qunfang

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(Company stamp)

The notes on pages 181 to 284 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2021

	The year ended 31 December 2021								
	Attributable to shareholders of the Company								
	Share capital	Capital reserve	Other comprehensive income	Special reserve	General risk reserve	Retained earnings	Sub-total	Non-controlling interests	Total
I. Balance at the beginning of the year	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	28,546,983,607.15	4,135,853,528.34	32,682,837,135.49
II. Changes in equity during the year									
(*) for decreases)	-	920,767.42	(484,793,101.48)	99,238,305.13	3,345,822.39	44,265,698.22	(337,022,508.32)	703,455,013.84	366,432,505.52
1. Total comprehensive income	-	-	(484,793,101.48)	-	-	2,464,213,675.74	1,979,420,574.26	71,783,881.35	2,051,204,455.61
2. Shareholders' contributions and decrease of capital	-	920,767.42	-	-	-	-	920,767.42	647,110,000.00	648,030,767.42
(1) Contribution by ordinary shareholders	-	-	-	-	-	-	-	647,110,000.00	647,110,000.00
(2) Others	-	920,767.42	-	-	-	-	920,767.42	-	920,767.42
3. Appropriation of profits	-	-	-	99,238,305.13	3,345,822.39	(2,419,947,977.52)	(2,317,363,850.00)	(15,438,867.51)	(2,332,802,717.51)
(1) Appropriation for surplus reserve	-	-	-	99,238,305.13	-	(99,238,305.13)	-	-	-
(2) Distributions to shareholders	-	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)	(15,438,867.51)	(2,332,802,717.51)
(3) Appropriation for general risk reserve	-	-	-	-	3,345,822.39	(3,345,822.39)	-	-	-
III. Balance at the end of the year	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	28,209,961,098.83	4,839,308,542.18	33,049,269,641.01

These financial statements were approved by the Board of Directors of the Company on 25 March 2022.

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The notes on pages 181 to 284 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2021

Item	The year ended 31 December 2021					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. Balance at the beginning of the year	5,037,747,500.00	10,372,859,159.62	180,659,449.04	2,518,873,750.00	5,859,145,341.72	23,969,265,200.38
II. Changes in equity during the year ("-" for decreases)	-	91,651.96	156,137,843.06	-	1,158,706,732.64	1,314,936,227.66
1. Total comprehensive income	-	-	190,557,566.28	-	3,441,650,859.42	3,632,208,425.70
2. Shareholders' contributions and decrease of capital	-	91,651.96	-	-	-	91,651.96
(1) Contribution by ordinary shareholders	-	-	-	-	-	-
(2) Transfer from merger of Ningchang Zhenli	-	-	-	-	-	-
(3) Others	-	91,651.96	-	-	-	91,651.96
3. Appropriation of profits	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
(1) Appropriation for surplus reserve	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
4. Transfers within equity	-	-	(34,419,723.22)	-	34,419,723.22	-
(1) Transfer of other comprehensive income to retained earnings	-	-	(34,419,723.22)	-	34,419,723.22	-
III. Balance at the end of the year	5,037,747,500.00	10,372,950,811.58	336,797,292.10	2,518,873,750.00	7,017,852,074.36	25,284,221,428.04

These financial statements were approved by the Board of Directors of the Company on 25 March 2022.

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The notes on pages 181 to 284 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2021

Item	The year ended 31 December 2020					
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
I. Balance at the beginning of the year	5,037,747,500.00	7,401,175,276.67	730,096,757.57	2,518,873,750.00	7,388,635,490.28	23,076,527,774.52
II. Changes in equity during the year ("-" for decreases)	-	2,971,683,882.95	(549,436,308.53)	-	(1,529,490,148.56)	892,757,425.86
1. Total comprehensive income	-	-	(549,436,308.53)	-	2,044,258,577.88	1,494,822,269.35
2. Shareholders' contributions and decrease of capital	-	2,971,683,882.95	-	-	(1,256,384,876.44)	1,715,299,006.51
(1) Contribution by ordinary shareholders	-	920,767.42	-	-	-	920,767.42
(2) Transfer from merger of Ningchang Zhenli	-	2,970,763,115.53	-	-	(1,256,384,876.44)	1,714,378,239.09
(3) Others	-	-	-	-	-	-
3. Appropriation of profits	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
(1) Appropriation for surplus reserve	-	-	-	-	(2,317,363,850.00)	(2,317,363,850.00)
4. Transfers within equity	-	-	-	-	-	-
(1) Transfer of other comprehensive income to retained earnings	-	-	-	-	-	-
III. Balance at the end of the year	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

These financial statements were approved by the Board of Directors of the Company on 25 March 2022.

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The notes on pages 181 to 284 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

I. COMPANY STATUS

Jiangsu Expressway Company Limited (the “Company”) is a company limited by shares established in Nanjing, Jiangsu province on 1 August 1992, with its head office located at Nanjing. The parent of the Company and its ultimate holding company is Jiangsu Communications Holding Company Limited (“Communications Holding”).

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 road. Please refer to Note VII for details of the subsidiaries of the Company.

During the reporting period, the information about increase in the Group’s subsidiaries is disclosed in Note VI.

II. BASIS OF PREPARATION

As at 31 December 2021, the Group had total current liabilities in excess of total current assets of RMB4,521,314,505.80. As at 31 December 2021, the Group has available unutilized bank loan facilities with a time limit over one year of not less than RMB10,000,000,000.00, and the Group has authorized but not issued super short-term bonds with a time limit over one year of approximately 5,520,000,000.00. 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 the going concern basis.

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.

1 Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards (“CAS”) issued by the MOF. These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2021, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

These financial statements also comply with the disclosure requirements of “Regulation on the Preparation of Information Disclosures by Companies Issuing Securities, No. 15: General Requirements for Financial Reports” as revised by the China Securities Regulatory Commission (“CSRC”) in 2014.

2 Accounting period

The accounting period is from 1 January to 31 December.

3 Operating cycle

The Company takes the period from the acquisition of assets for processing to until the ultimate realisation of cash or cash equivalents as a normal operating 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 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

5 Accounting treatments for business combinations involving entities under common control and not under common control

A transaction constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets). Business combination is classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether acquired set of assets constitute a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is not a business. If the concentration test is met and the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group shall perform the assessment according to the guidance on the determination of a business.

When the set of assets the group acquired does not constitute a business, acquisition costs should be allocated to each identifiable assets and liabilities at their acquisition-date fair values. It is not required to apply the accounting of business combination described as below.

(1) Business combinations involving entities under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

(2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill. If (1) is less than (2), the difference is recognised in profit or loss for the current period. The costs of issuing equity or debt securities as a part of the consideration for the acquisition are included in the carrying amounts of these equity or debt securities upon initial recognition. acquisition-related costs are expensed when incurred. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognised in profit or loss. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

For a business combination involving entities not under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its acquisition-date fair value and recognises any resulting difference between the fair value and the carrying amount as investment income or other comprehensive income for the current period. In addition, any amount recognised in other comprehensive income and other changes in the owners' equity under equity accounting in prior reporting periods relating to the previously-held equity interest that may be reclassified to profit or loss are transferred to investment income at the date of acquisition (see Note III.11(2)(b)); Any previously-held equity interest that is designated as equity investment at fair value through other comprehensive income, the other comprehensive income recognised in prior reporting periods is transferred to retained earnings and surplus reserve at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6 Consolidated financial statements

(1) General principles

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control exists when the investor has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests are presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in the financial statements.

(2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period, through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

Where a subsidiary was acquired during the reporting period, through a business combination involving entities not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date.

(3) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognised as investment income for the current period.

When the Group loses control of a subsidiary in multiple transactions in which it disposes of its long-term equity investment in the subsidiary in stages, the following are considered to determine whether the Group should account for the multiple transactions as a bundled transaction:

- arrangements are entered into at the same time or in contemplation of each other;
- arrangements work together to achieve an overall commercial effect;
- the occurrence of one arrangement is dependent on the occurrence of at least one other arrangement;
- one arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

6 Consolidated financial statements (Continued)

If each of the multiple transactions does not form part of a bundled transaction, the transactions conducted before the loss of control of the subsidiary are accounted for in accordance with the accounting policy for partial disposal of equity investment in subsidiaries where control is retained (see Note III.6(4)).

If each of the multiple transactions forms part of a bundled transaction which eventually results in the loss of control in the subsidiary, these multiple transactions are accounted for as a single transaction. In the consolidated financial statements, the difference between the consideration received and the corresponding proportion of the subsidiary's net assets (calculated continuously from the acquisition date) in each transaction prior to the loss of control shall be recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

(4) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to retained earnings.

7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdrawn on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

8 Foreign currency transactions and translation of foreign currency financial statements

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, except that 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 (see Note III.15). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognised in profit or loss, except for the differences arising from the re-translation of equity investments at fair value through other comprehensive income, which are recognised in other comprehensive income.

In translating the financial statements of a foreign operation, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding retained earnings and the translation differences in other comprehensive income, are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income. The translation differences accumulated in other comprehensive income with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

9 Financial instruments

Financial instruments include cash at bank and on hand, investments in debt and equity securities other than those classified as long-term equity investments (see Note III.11), receivables, payables, loans and borrowings, debentures payable and share capital.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9 Financial instruments (Continued)

(1) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

A financial asset or financial liability is measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. A trade receivable, without significant financing component or practical expedient applied for one year or less contracts, is initially measured at the transaction price in accordance with Note III.21.

(2) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. The instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9 Financial instruments (Continued)

(2) Classification and subsequent measurement of financial assets (Continued)

(a) Classification of financial assets (Continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(b) Subsequent measurement of financial assets

– Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

– Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

– Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

(3) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL, financial guarantee liabilities or amortised cost.

– Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

– Financial guarantee liabilities

Financial guarantees are contracts that requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Subsequent to initial recognition, deferred income related to financial guarantee is amortised in profit or loss. A financial guarantee liability is measured at the higher of the amount of the loss allowance determined in accordance with impairment policies of financial instruments and the amount initially recognised less the cumulative amount of income.

– Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9 Financial instruments (Continued)

(4) Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied :

- The Group currently has a legally enforceable right to set off the recognised amounts ;
- The Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(5) Derecognition of financial assets and financial liabilities

Financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or;
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

(6) Impairment

The Group recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost;
- lease receivables.

Financial assets measured at fair value, including debt investments or equity securities at FVTPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9 Financial instruments (Continued)

(6) Impairment (Continued)

Measurement of ECLs (Continued)

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECL. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

Except for trade receivables and lease receivables, the Group measures loss allowance at an amount equal to 12-month ECL for the following financial instruments, and at an amount equal to lifetime ECL for all other financial instruments.

- If the financial instrument is determined to have low credit risk at the balance sheet date;
- If the credit risk on a financial instrument has not increased significantly since initial recognition.

Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

9 Financial instruments (Continued)

(6) Impairment (Continued)

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(7) Equity instrument

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

10 Inventories

(1) Classification and cost

Inventories 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

10 Inventories (Continued)

(2) Measurement method of cost of inventories

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.

(3) Basis for determining the net realisable value and method for provision for obsolete inventories

At the balance sheet date, inventories are carried at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. Provision for decline in value of inventories is made based on the excess of cost inventory over its net realizable value on an item-by-item basis.

(4) Inventory count system

The Group maintains a perpetual inventory system.

11 Long-term equity investments

(1) Investment cost of long-term equity investments

(a) *Long-term equity investments acquired through a business combination*

- The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess adjusted to retained earnings. For a long-term equity investment in a subsidiary acquired through a business combination achieved in stages which do not form a bundled transaction and involving entities under common control, the Company determines the initial cost of the investment in accordance with the above policies. The difference between this initial cost and the sum of the carrying amount of previously-held investment and the consideration paid for the shares newly acquired is adjusted to capital premium in the capital reserve, with any excess adjusted to retained earnings.
- For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving entities under common control and achieved through multiple transactions in stages which do not form a bundled transaction, the initial cost comprises the carrying amount of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date.

(b) *Long-term equity investments acquired other than through a business combination*

- A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11 Long-term equity investments (Continued)

(2) Subsequent measurement of long-term equity investment

(a) *Investments in subsidiaries*

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement unless the investment is classified as held for sale. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

For the impairment of the investments in subsidiaries, refer to Note III.18.

In the Group's consolidated financial statements, subsidiaries are accounted for in accordance with the policies described in Note III.6.

(b) *Investment in joint ventures and associates*

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.11(3)) and rights to the net assets of the arrangement.

An associate is an entity over which the Group has significant influence (see Note III.11(3)).

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

The accounting treatments under the equity method adopted by the Group are as follows:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After the acquisition of the investment, the Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), is recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.
- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

11 Long-term equity investments (Continued)

(2) Subsequent measurement of long-term equity investment (Continued)

(b) *Investment in joint ventures and associates (Continued)*

- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognised.

For the impairment of the investments in joint ventures and associates, refer to Note III.18.

(3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single participant party is in a position to control the investee's related activities unilaterally;
- Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

12 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated or amortised using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale. For the impairment of the investment properties, refer to Note III.18.

The estimated useful lives, residual value rates and depreciation rates of each class of investment properties are as follows:

Class	Estimated useful life (years)	Residual value rate (%)	Depreciation rate (%)
Plant & buildings	30 years	3	3.2

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

13 Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for use in supply of services, for rental, or for administrative purposes with useful lives over one accounting year.

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note III.14.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of fixed assets are recognised in profit or loss as incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

(2) Depreciation of fixed assets

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale.

The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Class	Estimated useful life (years)	Residual value rate (%)	Depreciation rate (%)
Plant and buildings	10-30 years	0	3.3-10.0
Safety equipment	10 years	3	9.7
Communication and surveillance equipment	8 years	3	12.1
Toll and ancillary equipment	8 years	3	12.1
Machinery and equipment	10 years	3	9.7
Electronic equipment	5 years	3	19.4
Motor vehicles	8 years	3	12.1
Furniture and others	5 years	3	19.4

Useful lives, estimated residual values and depreciation methods are reviewed at least at each year-end.

(3) For the impairment of the fixed assets, refer to Note III.18.

(4) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

- when the fixed asset is holding for disposal; or
- when no future economic benefit is expected to be generated from its use or disposal.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item, and are recognised in profit or loss on the date of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

14 Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note III.15), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is classified as construction in progress and transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress.

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note III.18).

15 Borrowing costs

Borrowing costs incurred directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as financial expenses when incurred.

During the capitalisation period, the amount of interest (including amortisation of any discount or premium on borrowing) to be capitalised in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditure on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense when incurred.

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalisation is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition, construction or production that are necessary to prepare the asset for its intended use or sale are in progress, and ceases when the assets become ready for their intended use or sale. Capitalisation of borrowing costs is suspended when the acquisition, construction or production activities are interrupted abnormally for a period of more than three months.

16 Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note III.18). For an intangible asset with finite useful life, other than toll road operation right, its cost less estimated residual value and accumulated impairment losses is amortised using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale. If the Group has right to charge users of the toll road service in certain period but the amount is not determined when relevant infrastructure completed, the Group measures the right as intangible asset initially at fair value of received or receivable consideration. The right of operate the road is stated in the balance sheet at historical cost less accumulated amortisation and any impairment losses. It is amortised in accordance with traffic volume methods, and the monthly amortisation 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 estimate traffic volume, the Group will re-evaluate the total traffic volume and calculate the amortisation amount.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

16 Intangible assets

The respective amortisation periods for intangible assets are as follows:

Class	Estimated useful life (years)	Amortisation period (years)	Residual value rate (%)
Land use rights	Straight-line method	22-30 years	0
Toll road operation rights	traffic volume method	25-35 years	0
Software	Straight-line method	5 years	0

Useful lives and amortisation methods of intangible asset with finite useful life are reviewed at least at each year-end.

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. The Group reassesses the useful lives of intangible assets with indefinite useful lives in each accounting period. If there is evidence indicating that the useful life of that intangible asset is finite, the Group estimates its useful life and accounts for it in accordance with the same policy as intangible assets with finite useful lives described above.

17 Long-term deferred expenses

Long-term deferred expenses represent expenses incurred that should be borne and amortised more than one year. Long-term deferred expenses are amortised using a straight-line method within the benefit period.

18 Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets
- construction in progress
- right-of-use assets
- intangible assets
- investment properties measured using a cost model
- long-term equity investments
- long-term deferred expenses, etc.

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least annually and the recoverable amounts of goodwill at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group or set of asset groups, which is expected to benefit from the synergies of the combination for the purpose of impairment testing.

The recoverable amount of an asset (or asset group, set of asset groups) is the higher of its fair value (see Note III.19) less costs to sell and its present value of expected future cash flows.

An asset group is composed of assets directly related to cash generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

18 Impairment of assets other than inventories and financial assets (Continued)

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

19 Fair value measurement

Unless otherwise specified, the Group measures fair value as follows:

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.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

20 Provisions

A provision is recognised for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined according to the following circumstances:

- Where the contingency involves a single item, the best estimate is the most likely outcome.
- Where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amount of a provision at the balance sheet date and adjusts the carrying amount to the current best estimate.

21 Revenue recognition

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders.

Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group considers all information that is reasonably available to the entity, maximises the use of observable inputs to estimate the stand-alone selling price.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21 Revenue recognition (Continued)

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. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where the contract contains a significant financing component, the Group recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance; or
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

- the Group has a present right to payment for the goods or services;
- the Group has transferred physical possession of the goods to the customer;
- the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer; and
- the customer has accepted the goods or services.

The Group determines whether it is a principal or an agent, depending on whether it obtains control of the specified good or service before that good or service is transferred to a customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognises revenue in the gross amount of consideration to which it has received (or receivable). Otherwise, the Group is an agent, and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration, or is the established amount or proportion.

Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

21 Revenue recognition (Continued)

The following is the description of accounting policies regarding revenue from the Group's principal activities:

(1) Toll road income

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

(2) Construction income

For participation in public infrastructure construction business in the form of PPP, the Group accounts for the construction phase of the project in accordance with the revenue guidelines to determine the Group's status as the primary responsible party. For construction service revenue provided in PPP projects, it is a performance obligation to be performed within a certain period of time and a contract asset is recognized. The Group recognizes the amount of consideration or the amount of construction revenue recognized for the relevant PPP project assets as intangible assets, and the contract assets recognized during the relevant construction period are presented in the balance sheet under "intangible assets". For construction services that are not completed at the balance sheet date, the Group determines the progress of performance based on the proportion of the cumulative actual costs incurred to the estimated total costs and recognizes revenue over the contract period in accordance with the progress of performance.

(3) Income from ancillary service

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

(4) Income from real estate development

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 and services.

(5) Income from advertisement and other services

Income from advertisement and other services are mainly from advertising operation, the revenue shall be recognized within the service period based on the service time and price after providing services.

22 Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

22 Contract costs (Continued)

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the "assets related to contract costs") are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period. The Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

23 Employee benefits

(1) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(2) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(3) Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

24 Government grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contributions from the government in the capacity as an investor in the Group.

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to 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. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

24 Government grants (Continued)

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognised as deferred income and amortised over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in other income or non-operating income in the periods in which the expenses or losses are recognised. Or included in other income or non-operating income directly.

25 Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or deductible loss). Deferred tax is not recognised for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amounts of the assets and liabilities, using tax rates enacted at the balance sheet date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all of the following conditions are met:

- the taxable entity has a legally enforceable right to offset current tax liabilities and current tax assets;
- deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

26 Leases

A contract is lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26 Leases (Continued)

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly specified in a contract and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee 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. The lessor allocates the consideration in the contract in accordance with the accounting policy in Note III.21.

(1) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note III.18.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

26 Leases (Continued)

(1) As a lessee (Continued)

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

(2) As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policy in Note III.9. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases is recognised as income using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

27 Profit distributions

Dividends or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

28 Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties.

In addition to the related parties stated above, the Company determines related parties based on the disclosure requirements of Administrative Procedures on the Information Disclosures of Listed Companies issued by the CSRC.

29 Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of the actual transaction prices for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

30 Significant accounting estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(1) Significant accounting estimates

Except for accounting estimates relating to depreciation and amortisation of assets such as fixed assets and intangible assets (see Notes III.13 and 16) and provision for impairment of various types of assets (see Notes V.4, 6, 7, 13, 14, 15 and Notes XV.1, 2). Other significant accounting estimates are as follows:

- (a) Note V.17: Recognition of deferred tax assets;
- (b) Note IX: Fair value measurements of financial instruments and investment properties.

(2) Significant accounting judgements

Significant judgements made by the Group in the application of accounting policies are as follows:

Notes VII.1 (1) and 2 (1): Significant judgements and assumptions in determining control, joint control or significant influence over other entity.

31 Changes in significant accounting policies and accounting estimates

(1) Description and reasons of changes in accounting policies

In 2021, the Group has adopted the following newly revised accounting standards and implementation guidance and illustrative examples issued by the MOF, mainly include:

- CAS Bulletin No.14 (Caikuai [2021] No.1) (“Bulletin No. 14”)
- Notice of Extending the Applicable Period of ‘Accounting Treatment of COVID-19 Related Rent Concessions’ (Caikuai [2021] No.9)

(a) *Bulletin No. 14*

Bulletin No.14 takes effect on 26 January 2021 (implementation date).

(i) “Public-private partnership” (PPP) arrangements

Bulletin No.14, implementation Q&As and illustrative examples clarify the features and conditions of PPP arrangements, sets out the accounting and disclosure requirements of a private entity in PPP arrangements. Item 5 of CAS Bulletin No.2 (Caikuai [2008] No.11) on “How to account for entities participating in public infrastructure construction businesses under build-operate-transfer arrangement” is repealed accordingly.

PPP arrangements which are commenced before 31 December 2020 and not completed on the implementation date and new PPP arrangements occurred during 1 January 2021 to the implementation date are subject to retrospective adjustments. Cumulative effects are adjusted to the opening retained earnings and other relevant line items in the financial statements for the year 2021. Comparative information is not restated.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (CONTINUED)

31 Changes in significant accounting policies and accounting estimates (Continued)

(1) Description and reasons of changes in accounting policies (Continued)

(a) *Bulletin No. 14 (Continued)*

(i) "Public-private partnership" (PPP) arrangements (Continued)

The impact of the above accounting policy change on the line items in the consolidated and company balance sheets on 1 January 2021 are as follows:

	The carrying amounts before adjustments	The Group The amounts of adjustments	The carrying amounts after adjustments
Assets:			
Construction in progress	15,280,716,856.65	(14,488,419,278.57)	792,297,578.08
Intangible asset	21,298,818,056.01	14,488,419,278.57	35,787,237,334.58

(ii) Benchmark interest rate reform

Bulletin No.14 introduces the accounting and disclosure requirements for the modification of financial instruments and lease liabilities resulting from the benchmark interest rate reform. Transactions related to the benchmark interest rate reform that occurred before 31 December 2020 and during 1 January 2021 to the implementation date are subject to retrospective adjustments. Cumulative effects are adjusted to the opening retained earnings or other comprehensive income for the year 2021. Comparative information is not restated.

The adoption of Bulletin No.14 does not have significant effect on the financial position and financial performance of the Group.

(b) *Caikuai [2021] No.9*

The Accounting Treatment of COVID-19 Related Rent Concessions (Caikuai [2020] No.10) provides practical expedient under certain conditions for rent concessions occurring as a direct consequence of the COVID-19 pandemic, and combining the requirements of Caikuai [2021] No.9, such practical expedient is only applicable to any reduction in lease payments due before 30 June 2022. Cumulative effects of adopting [2021] No.9 are adjusted to the opening retained earnings or other comprehensive income for the year 2021. Comparative information is not restated.

The adoption of the above regulations does not have significant effect on the financial position and financial performance of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

IV. TAXATION

1 Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate
Value-added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue. The basis for VAT payable is to deduct input VAT from the output VAT for the period	3%-13%
City maintenance and construction tax Land appreciation tax	Based on VAT paid Based on appreciation amount on property sold and applicable tax rate	5%-7% Progressive rates ranging from 30%-60%
Corporate income tax	Based on taxable profits	25%, except Note 2(2)

Except the Group's subsidiaries Kunshan Fengyuan Real Estate Development Co., Ltd. ("Kunshan Fengyuan") and Jiangsu Expressway International (Hong Kong) Company Limited ("Ninghu International") enjoy tax preferential rate of 16.5% in Note 2(2). The income tax rate applicable to the Company and each of its subsidiaries for the year is 25% (2020: 25%).

2 Tax preferential treatments

- (1) According to Document No.39 Issued by Ministry of Finance, the State Taxation Administration and the General Administration of Customs in 2019, 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 the preferential policy for deductible input taxes.
- (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 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%.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Cash at bank and on hand

Item	2021	2020
Cash on hand	130,003.71	253,967.19
Deposits with banks	486,778,096.64	347,806,162.16
Other monetary funds	9,219,235.71	38,652,573.49
Total	496,127,336.06	386,712,702.84

As at 31 December 2021, other monetary funds of the Group include security deposits for certain mortgage loans to customers of RMB430,127.25, supervised advance from customers of RMB885,395.80 and security deposits for notes of RMB5,015,000.00 (31 December 2020: security deposits for certain mortgage loans to customers of RMB2,486,611.60, supervised advance from customers of RMB31,796,997.89 and security deposits for notes of RMB1,440,000.00). 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 the supervised bank account and all cash payment from the account should coincide with the construction progress in order to ensure the cash being used for property construction on a priority basis. The rest is mainly deposited on the third-party payment platform.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Financial assets held for trading

Item	Notes	2021	2020
Financial assets at fair value through profit or loss		2,646,518,676.44	1,533,818,523.40
Including: Financial products	(1)	2,610,193,360.00	1,499,000,000.00
Others	(2)	36,325,316.44	34,818,523.40
Total		2,646,518,676.44	1,533,818,523.40

(1) Financial products

The Group invests its spare funds in financial products issued by banks and other financial institutions. These financial products usually have preset maturity and expected rate of return, and have a wide range of investments, including government and corporate bonds, central bank bills, money market funds and other listed and unlisted equity securities in China. The Group classifies them as financial assets measured at fair value through profit and loss, and listed them as trading financial assets.

(2) Others

Other held-for trading financial asset mainly includes fund investment and stock investment. The Group classifies them as financial assets measured at fair value through profit and loss, and listed them as trading financial assets.

3 Bills receivable

(1) Classification of bills receivable

Item	2021	2020
Bank acceptance bills	11,890,000.00	10,859,500.00
Less: Provision for bad and doubtful debts	-	-
Total	11,890,000.00	10,859,500.00

All of the above bills are due within one year.

- (2) The Group has no pledged notes receivable at the end of year.
- (3) There are no endorsed or discounted notes receivable that is not yet due at the end of year.
- (4) There are no notes receivable transferred to accounts receivable due to non-performance of the issuers at the end of the year

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Accounts receivable

(1) Accounts receivable by customer type are as follows:

Type	2021	2020
Amounts due from related party	227,403,394.97	193,389,929.51
Amounts due from third party	214,800,509.15	115,926,652.23
Sub-total	442,203,904.12	309,316,581.74
Less: Provision for bad and doubtful debts	129,013.48	244,028.10
Total	442,074,890.64	309,072,553.64

(2) The ageing analysis of accounts receivable is as follows:

Ageing	2021	2020
Within 1 year (inclusive)	435,753,230.13	304,830,097.00
Over 1 year but within 2 years (inclusive)	6,450,673.99	4,486,484.74
Sub-total	442,203,904.12	309,316,581.74
Less: Provision for bad and doubtful debts	129,013.48	244,028.10
Total	442,074,890.64	309,072,553.64

The ageing is counted starting from the date when accounts receivable are recognised.

(3) Accounts receivable by provisioning method

Category	Book value		2021 Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Collective assessment	442,203,904.12	100.00	129,013.48	100.00	442,074,890.64

Category	Book value		2020 Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Collective assessment	309,316,581.74	100.00	244,028.10	100.00	309,072,553.64

(4) Movements of provisions for bad and doubtful debts:

	Note	2021	2020
Balance at the beginning of the year		244,028.10	1,859,703.23
Additions during the year		-	84,304.87
Recoveries or reversals during the year		(115,014.62)	-
Written-off during the year	(5)	-	(1,699,980.00)
Balance at the end of the year		129,013.48	244,028.10

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Accounts receivable (Continued)

- (5) Accounts receivable written off during the year

Item	2021	2020
Accounts receivable written off	-	1,699,980.00

- (6) Five largest accounts receivable by debtor at the end of the year

The subtotal of five largest accounts receivable of the Group at the end of the year is RMB331,224,221.71, according for 74.90% of the total accounts receivable, and the corresponding balance of provision for bad and doubtful debts is RMB0.

- (7) Derecognition of accounts receivable due to transfer of financial assets

The Group has no accounts receivable derecognition due to transfer to financial assets this year (2020: nil).

- (8) Assets and liabilities recognised due to the transfer with continuing involvement of accounts receivable

The Group does not transfer receivables this year and continues to involve in the formation of assets and liabilities (2020: nil).

5 Prepayments

- (1) Prepayments by category:

Item	2021	2020
Prepayment	8,650,678.32	21,907,475.29
Total	8,650,678.32	21,907,475.29

- (2) The ageing analysis of prepayments is as follows:

Ageing	2021		2020	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year (inclusive)	6,758,873.25	78.13	16,548,932.55	75.54
Over 1 year but within 2 years (inclusive)	1,891,805.07	21.87	1,431,631.67	6.53
Over 2 years but within 3 years (inclusive)	-	-	3,614,315.97	16.50
Over 3 years	-	-	312,595.10	1.43
Total	8,650,678.32	100.00	21,907,475.29	100.00

The ageing is counted starting from the date when prepayments are recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5 Prepayments (Continued)

(3) Five largest prepayments by debtor at the end of the year:

Name of entity	Amount	Proportion of the amount to the total repayment (%)
Jiangsu Expressway Information Engineering Co., Ltd.	3,000,000.00	34.68
Kunshan Litong Natural Gas Co. Ltd.	1,637,800.00	18.93
Nanjing Branch of China Land & Casualty Insurance Co., Ltd.	976,883.46	11.29
State Grid Jiangsu Electric Power Co., Ltd. Wuxi Power Supply Company	643,066.97	7.43
Suzhou Water Supply Co., Ltd. Business Department	479,200.00	5.54
Total	6,736,950.43	77.87

6 Other receivables

	Note	2021	2020
Dividends receivable	(1)	4,989,960.00	4,989,960.00
Others	(2)	71,312,228.99	69,332,773.51
Total		76,302,188.99	74,322,733.51

(1) Dividends receivable

Investee	2021	2020
Jiangsu Kuailu Motor Transport Co., Ltd.	4,989,960.00	4,989,960.00

(2) Others

(a) Others by customer type:

Customer type	2021	2020
Amounts due from related party	31,739,811.86	26,951,213.03
Amounts due from third party	55,511,530.13	58,320,673.48
Sub-total	87,251,341.99	85,271,886.51
Less: Provision for bad and doubtful debts	15,939,113.00	15,939,113.00
Total	71,312,228.99	69,332,773.51

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Other receivables (Continued)

(2) Others (Continued)

(b) The ageing analysis is as follows: (Continued)

Ageing	2021	2020
Within 1 year (inclusive)	22,228,306.25	49,498,227.12
Over 1 year but within 2 years (inclusive)	29,678,985.24	4,273,342.30
Over 2 years but within 3 years (inclusive)	4,025,277.79	4,376,870.80
Over 3 years	31,318,772.71	27,123,446.29
Sub-total	87,251,341.99	85,271,886.51
Less: Provision for bad and doubtful debts	15,939,113.00	15,939,113.00
Total	71,312,228.99	69,332,773.51

The ageing is counted starting from the date when other receivables are recognised.

(c) Others by provisioning method:

Category	Book value		2021 Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Individual assessment	15,812,140.02	18.12	15,812,140.02	99.20	-
Collective assessment	71,439,201.97	81.88	126,972.98	0.80	71,312,228.99
Total	87,251,341.99	100.00	15,939,113.00	100.00	71,312,228.99

Category	Book value		2020 Provision for bad and doubtful debts		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Individual assessment	15,812,140.02	18.54	15,812,140.02	99.20	-
Collective assessment	69,459,746.49	81.46	126,972.98	0.80	69,332,773.51
Total	85,271,886.51	100.00	15,939,113.00	100.00	69,332,773.51

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Other receivables (Continued)

(2) Others (Continued)

(d) *Movements of provisions for bad and doubtful debts*

Item	2021			Total
	Stage 1	Stage 2	Stage 3	
Balance at the beginning of the year	126,972.98	-	15,812,140.02	15,939,113.00
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Reverse to stage 2	-	-	-	-
Reverse to stage 1	-	-	-	-
Additions during the year	-	-	-	-
Recoveries or reversals during the year	-	-	-	-
Written-off during the year	-	-	-	-
Balance at the end of the year	126,972.98	-	15,812,140.02	15,939,113.00

Item	2020			Total
	Stage 1	Stage 2	Stage 3	
Balance at the beginning of the year	117,275.25	-	15,812,140.02	15,929,415.27
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Reverse to stage 2	-	-	-	-
Reverse to stage 1	-	-	-	-
Additions during the year	14,642.30	-	-	14,642.30
Recoveries or reversals during the year	(4,944.57)	-	-	(4,944.57)
Written-off during the year	-	-	-	-
Balance at the end of the year	126,972.98	-	15,812,140.02	15,939,113.00

(i) Provisions for bad and doubtful debts

There is no single significant recover or reversal of bad debt provisions of the Group this year.

(ii) Other receivables written off during the year.

The Group has no other receivables written off this year.

(e) *Others categorised by nature*

Nature of other receivables	2021	2020
Liquidated damages (<i>Note</i>)	26,000,000.00	26,000,000.00
Landlord maintenance funds	19,865,394.55	17,131,289.30
Amounts of investment clearance	15,812,140.02	15,812,140.02
Project funds borrowed in advance	6,591,121.50	11,560,425.90
Petty cash	5,128,711.80	4,860,969.89
Mortgage deposits for housing fund loan	3,444,600.00	2,200,000.00
Others	10,409,374.12	7,707,061.40
Sub-total	87,251,341.99	85,271,886.51
Less: Provision for bad and doubtful debts	15,939,113.00	15,939,113.00
Total	71,312,228.99	69,332,773.51

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6 Other receivables (Continued)

(2) Others (Continued)

(e) Others categorised by nature (Continued)

Note: Nanjing Hanwei Property Development Company Limited ("Hanwei Company"), a subsidiary of the Group, entered into an entrusted management agreement with Jiangsu Lord 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 project, Nanjing Hanwei failed to deliver to the project to the owner on the agreed date, 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 2020.

(f) Five largest others-by debtor at the end of the year

Debtor	Nature of the receivable	Balance at the end of the year	Ageing	Percentage of ending balance of others (%)	Ending balance of provision for bad and doubtful debts
Jiangsu Lord Equity Investment Fund Management Co., Ltd.	Compensation Payments	31,598,493.35	1-2 years	36.22	-
Jiangsu Yixing Highway Administration	Amounts of Investment Clearance	15,812,140.02	More than 3 years	18.12	15,812,140.02
Department China Construction Eighth Engineering Division Corp. Ltd.	Project funds borrowed in advance	6,028,716.00	More than 3 years	6.91	-
Suzhou Housing Property Guarantee Co., Ltd.	Deposit	3,444,600.00	1-3 years	3.95	-
Nanjing Guohao Decoration & Installation Engineering Co., Ltd.	Project funds borrowed in advance	336,104.91	2-3 years	0.39	-
Total		57,220,054.28		65.59	15,812,140.02

7 Inventories

(1) Inventories by category:

Item	2021			2020		
	Book value	Provision for impairment of inventories	Carrying amount	Book value	Provision for impairment of inventories	Carrying amount
Properties under development	1,166,523,570.11	-	1,166,523,570.11	2,310,956,603.45	-	2,310,956,603.45
Properties for sales	2,703,915,759.97	-	2,703,915,759.97	1,822,750,714.82	-	1,822,750,714.82
Spare parts for repair and maintenance	9,598,371.93	(5,497,868.60)	4,100,503.33	7,422,500.78	-	7,422,500.78
Petrol	14,661,597.26	-	14,661,597.26	7,330,225.14	-	7,330,225.14
Total	3,894,699,299.27	(5,497,868.60)	3,889,201,430.67	4,148,460,044.19	-	4,148,460,044.19

As at 31 December 2021, the Group's year end balance of inventories included capitalised borrowing costs of RMB257,706,177.91 (2020: RMB249,907,417.24). The capitalization rate used by the Group to determine the interest expense of borrowings in this year is 3.85% – 4.16% (2020: 4.16% -4.90%).

As at 31 December 2021, there are no inventories pledged as security by the Group (2020: nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

7 Inventories (Continued)

(1) Inventories by category:

Details of properties under development are as follows:

Project Name	Commencement date	Estimated completion date	Estimated total		31 December 2021
			investment	31 December 2020	
Baohua Hongyan Community Plot A Project	September 2018	December 2022	2,455,800,000.00	331,211,992.18	366,474,657.89
Huaqiao Urban Core Project	December 2012	May 2022	3,089,100,000.00	467,083,260.71	681,935,267.04
Suzhou Nanmen Road G25 Project	December 2019	May 2022	1,146,300,000.00	100,062,705.44	118,113,645.18
Hanrui Center	October 2016	Completed	2,202,654,200.00	1,412,598,645.12	-
Total			8,893,854,200.00	2,310,956,603.45	1,166,523,570.11

Details of properties for sales are as follows:

Project Name	Completion date	1 January 2021	Increase	Decrease	31 December 2021
Suzhou Qingyuan	December 2013	380,484,516.71	-	37,186,718.63	343,297,798.08
Baohua Hongyan Community Plot B Project	November 2016	186,556,896.08	-	25,873,632.56	160,683,263.52
Huaqiao Urban Core Project	December 2019	547,954,073.52	2,668,450.75	75,577,709.45	475,044,814.82
Suzhou Nanmen Road G25 Project	January 2018	104,325,223.93	-	67,937,568.34	36,387,655.59
Hanrui Center	June 2021	603,430,004.58	1,761,262,401.79	676,190,178.41	1,688,502,227.96
Total		1,822,750,714.82	1,763,930,852.54	882,765,807.39	2,703,915,759.97

(2) Provision for impairment of inventories:

Item	Balance at the beginning of the year	Additions during the year		Written back during the year		Balance at the end of the year
		Provision	Others	Capitalization of surplus reserves	Others	
Spare parts for repair and maintenance	-	5,497,868.60	-	-	-	5,497,868.60
Total	-	5,497,868.60	-	-	-	5,497,868.60

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 Other current assets

Item	Note	2021	2020
Factoring receivable	(1)	650,509,287.86	348,771,370.50
Input VAT to be deducted		112,316,459.68	467,442,914.60
Prepaid enterprise income tax		62,295,238.44	142,346,182.09
Prepaid taxes and levies related to pre-sale of real estate		52,017,131.60	90,108,822.89
Others		125,330.23	3,380,999.82
Sub-total		877,263,447.81	1,052,050,289.90
Less: Provision for impairment		-	-
Total		877,263,447.81	1,052,050,289.90

(1) Factoring receivable

As at 31 December 2021, the factoring receivable was from the factoring business of the Group's subsidiary NingHu Comemercial Factoring (Guangzhou) Co., Ltd. ("NingHu Factoring Company"), and the effective interest rate of the factoring receivable ranged from 6.00% to 8.00% per annum (2020: 6.08% – 7.50%).

As at 31 December 2021, the Group has no significant factoring receivable with an aging of more than 1 years. (2020: nil).

9 Long-term equity investments

(1) Long-term equity investments by category:

Item	2021	2020
Investments in associates	9,687,126,007.80	7,130,527,090.60
Less: Provision for impairment	-	-
Total	9,687,126,007.80	7,130,527,090.60

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

9 Long-term equity investments (Continued)

(2) Movements of long-term equity investments during the year are as follows:

Investee (Note 1)	Balance at the beginning of the year	Increase in capital	Decrease in capital	Movements during the year			Provision for impairment	Balance at the end of the year	Balance of provision for impairment at the end of the year
				Investment income recognised under equity method	Other comprehensive income	Declared distribution of cash dividends or profits (%)			
Associates	2,217,962,410.76	-	-	183,471,401.09	-	(18,523,546.82)	-	2,382,900,265.03	-
Jiangsu Yangtze Company Co., Ltd. ("Yangtze Company")	-	1,989,582,000.00	-	5,605,135.79	-	(29,072,000.00)	-	1,966,115,135.79	-
Zijin Trust Co., Ltd. ("Zijin Trust") (Note 2)	2,012,898,562.55	-	-	164,138,706.12	-	(54,620,883.00)	-	2,122,416,385.67	-
Suzhou Expressway Management Co., Ltd. ("Suzhou Expressway Management")	1,753,571,224.80	-	-	308,413,996.87	(20,210,435.46)	(34,190,139.60)	-	2,007,584,646.61	-
Jiangsu Yangtze Bridge Co., Ltd. ("Yangtze Bridge Company")	660,920,608.97	-	-	34,080,027.34	-	(12,500,000.00)	-	682,500,636.31	-
Jiangsu Communications Holding Group Finance Co., Ltd. ("Group Finance Company")	171,411,056.44	-	-	101,412.36	-	-	-	171,512,468.80	-
Suzhou Nanlin Hotel Co., Ltd. ("Nanlin Hotel")	116,192,761.80	-	-	50,511,982.18	-	-	-	166,704,743.98	-
Jiangsu Xiandai R&B Co., Ltd. ("Xiandai R&B Company")	66,509,478.72	-	-	4,994,833.25	-	-	-	71,504,311.97	-
Jiangsu Communication Culture and Media Co., Ltd. ("Culture Media")	46,558,806.41	-	-	6,993,159.28	-	-	-	53,551,965.69	-
Jiangsu Expressway Network Operation & Management Center ("Network Operation Company")	49,180,096.57	-	(17,905,426.79)	(2,534,450.17)	-	-	-	28,740,219.61	-
Kuailu Company	24,005,154.77	-	-	825,144.76	-	(2,730,000.00)	-	22,100,299.53	-
Luode Fund Company	11,326,928.61	-	-	168,000.00	-	-	-	11,494,928.61	-
Jiangsu Yuxin Ninghu Gas Co., Ltd. ("Yuxin Ninghu Company")	7,130,527,090.60	1,989,582,000.00	(17,905,426.79)	756,769,348.87	(20,210,435.46)	(151,636,569.42)	-	9,687,126,007.80	-

Note 1: The foregoing companies are all unlisted company registered in PRC (Note VII.2).

Note 2: On 30 September 2021, the Group purchased 20% equity of Zijin Trust (20% of company's equity), Zijin trust has become an associate of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Investments in other equity instruments

Item	2021	2020
Bank of Jiangsu Co., Ltd. ("Bank of Jiangsu")	4,614,527,078.89	4,217,955,963.66
Jiangsu Financial Leasing Co., Ltd. ("Jiangsu Financial Leasing")	1,191,060,000.00	1,253,070,000.00
Total	5,805,587,078.89	5,471,025,963.66

(1) Investments in other equity instruments:

Item	Reason for being designated at fair value through other comprehensive income	Dividend income recognised for the year	Accumulated gains or losses recognised in other comprehensive income ("-" for losses)	Amount transferred from other comprehensive income to retained earnings	Reason for transferring from other comprehensive income to retained earnings
Bank of Jiangsu (<i>Note 1</i>)	Non-tradable investment in other equity instruments	243,618,000.00	54,650,746.98	34,419,723.22	Disposal
Jiangsu Financial Leasing (<i>Note 2</i>)	Non-tradable investment in other equity instruments	70,200,000.00	920,161,543.11	-	Not applicable
Total		313,818,000.00	974,812,290.09	34,419,723.22	

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11 Other non-current financial assets

Item	2021	2020
Financial assets at fair value through profit or loss	3,004,141,868.26	2,039,192,599.15
Including: Equity Interest Investment in partnership		
Suzhou Industrial Park Guochuang Kaiyuan Phase II Investment Center LLP	1,753,107,019.89	1,223,030,476.20
Nanjing Luode Dening Real Estate Investment LLP	-	31,952.81
Nanjing Luode Zhongbei Zhiyuan Equity Investment LLP	291,927,158.31	317,317,997.32
Nanjing Luode Huizhi Equity Investment LLP	498,449,674.06	498,812,172.82
Convertible Bonds		
Jiangsu Financial Leasing	460,658,016.00	-
Total	3,004,141,868.26	2,039,192,599.15

12 Investment properties

The investment properties are subsequently measured using the cost model:

	Plant and Buildings
Cost	
Balance at the beginning of the year	25,079,440.37
Transfers from inventories	40,156,081.80
Balance at the end of the year	65,235,522.17
Accumulated depreciation or amortisation	
Balance at the beginning of the year	7,497,554.49
Charge for the year	1,028,466.83
Balance at the end of the year	8,526,021.32
Carrying amounts	
At the end of the year	56,709,500.85
At the beginning of the year	17,581,885.88

As at 31 December 2021, the Group has no investment properties pending certificates of ownership (31 December 2020: nil).

As at 31 December 2021, the Group has no investment properties pledged or mortgaged as security (31 December 2020: nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13 Fixed assets

(1) Fixed assets

Item	Plant & buildings	Safety equipment	Toll and ancillary equipment	Communication and surveillance equipment	Machinery & equipment	Electronic equipment	Motor vehicles	Office & other equipment	Total
Cost									
Balance at the beginning of the year	2,115,942,018.86	972,227,325.25	539,373,467.59	425,018,206.30	602,633,413.34	68,667,653.73	61,341,751.08	46,157,371.69	4,831,361,207.84
Additions during the year	538,569,456.91	154,070,456.21	25,192,033.70	175,887,702.57	128,017,745.02	17,781,910.46	6,735,527.25	5,569,012.11	1,051,823,844.23
– Purchases	31,056,008.73	2,458,176.91	8,104,076.80	56,046,437.84	52,032,816.17	17,494,702.46	6,735,527.25	4,514,387.49	178,442,133.65
– Transfers from construction in progress	507,513,448.18	151,612,279.30	17,087,956.90	119,841,264.73	75,984,928.85	287,208.00	-	1,054,624.62	873,381,710.58
Subtraction during the year	43,765,568.40	15,185,027.91	21,346,011.75	101,284,489.41	33,548,115.24	4,359,892.00	5,553,042.35	1,397,377.16	226,439,524.22
– Disposals or written-offs during the year	9,777,802.53	112,388.10	21,346,011.75	22,042,152.48	29,188,115.24	4,359,892.00	5,553,042.35	1,397,377.16	93,776,781.61
– Other transfer out-settlement adjustment	33,987,765.87	15,072,639.81	-	79,242,336.93	4,360,000.00	-	-	-	132,662,742.61
Balance at the end of the year	2,610,745,907.37	1,111,112,753.55	543,219,489.54	499,621,419.46	697,103,043.12	82,089,672.19	62,524,235.98	50,329,006.64	5,656,745,527.85
Accumulated depreciation									
Balance at the beginning of the year	1,007,763,190.79	806,506,252.89	205,795,912.05	269,091,062.58	362,655,795.43	46,776,808.67	47,281,046.68	37,253,367.54	2,783,123,436.63
Charge for the year	101,933,609.86	27,721,545.87	36,506,380.91	59,574,392.89	39,333,626.66	7,735,247.04	3,594,779.29	5,511,292.35	281,910,874.87
Disposals or written-offs during the year	6,239,226.53	80,811.89	20,690,401.71	18,476,166.74	28,130,158.31	4,228,229.93	5,258,828.92	1,355,802.92	84,459,626.95
Balance at the end of the year	1,103,457,574.12	834,146,986.87	221,611,891.25	310,189,288.73	373,859,263.78	50,283,825.78	45,616,997.05	41,408,856.97	2,980,574,684.55
Provision for impairment									
Balance at the beginning of the year	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-	-	-	-
Disposals or written-offs during the year	-	-	-	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-	-	-	-	-
Carrying amounts									
At the end of the year	1,507,288,333.25	276,965,766.68	321,607,598.29	189,432,130.73	323,243,779.34	31,805,846.41	16,907,238.93	8,920,149.67	2,676,170,843.30
At the beginning of the year	1,108,178,828.07	165,721,072.36	333,577,555.54	155,927,143.72	239,977,617.91	21,890,845.06	14,060,704.40	8,904,004.15	2,048,237,771.21

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13 Fixed assets (Continued)

(2) Fixed assets leased out under operating leases

As at 31 December 2021, the Group has no fixed assets as collateral for the Group's liabilities (31 December 2020: nil).

As at 31 December 2021, the Group has no temporarily idle fixed assets (31 December 2020: nil).

Item	2021	2020
Plant & buildings	183,152,190.17	122,155,477.99

(3) Fixed assets pending certificates of ownership

As at 31 December 2021, the book value of the Group's fixed assets without certificates of ownership is RMB978,900,849.93 (31 December 2020: RMB418,927,506.70), the above assets were incorporated into communication facilities, therefore cannot obtain certification at present.

14 Construction in progress

Item	2021	2020
Construction in progress	262,194,738.58	15,280,716,856.65

(1) Construction in progress

Project	2021			2020		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Connection project for Southern and Northern Road besides Wufengshan Bridges	-	-	-	7,915,003,373.90	-	7,915,003,373.90
Highway project of Wufengshan Road & Railway Bridge	-	-	-	2,963,336,807.10	-	2,963,336,807.10
Wufengshan service area housing construction upgrading project	-	-	-	89,263,407.54	-	89,263,407.54
Construction project of Yichang Expressway	-	-	-	2,824,988,830.86	-	2,824,988,830.86
Longtan Yangtze River Bridge project	-	-	-	1,338,064,187.44	-	1,338,064,187.44
Construction project of acoustic barrier	3,078,624.89	-	3,078,624.89	3,078,624.89	-	3,078,624.89
Housing projects of toll stations and service zones	72,047,391.70	-	72,047,391.70	60,511,493.69	-	60,511,493.69
Toll stations software renovation	12,401,762.93	-	12,401,762.93	10,077,756.72	-	10,077,756.72
Three major system construction project	5,938,932.86	-	5,938,932.86	11,456,476.10	-	11,456,476.10
Information construction project	46,124,609.04	-	46,124,609.04	3,332,638.24	-	3,332,638.24
Suzhou Yangcheng Lake entrance and exit relocation project	49,859,011.36	-	49,859,011.36	2,880,328.88	-	2,880,328.88
Harbor type emergency stop construction project of Shanghai-Nanjing Expressway	30,847,950.57	-	30,847,950.57	24,460,000.00	-	24,460,000.00
Power monitoring upgrading and transformation project of Ninghu company	13,570,000.00	-	13,570,000.00	-	-	-
Large screen reconstruction project of Ninghu command and dispatching center	9,094,817.00	-	9,094,817.00	9,094,817.00	-	9,094,817.00
Others	19,231,638.23	-	19,231,638.23	25,168,114.29	-	25,168,114.29
Total	262,194,738.58	-	262,194,738.58	15,280,716,856.65	-	15,280,716,856.65

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14 Construction in progress (Continued)

(2) Movements of major construction projects in progress during the year

Project	Balance at the end of the last year	Effect of changes in accounting policy	Balance at the beginning of the year	Additions during the year	Transfers to fixed assets	Transfer to intangible assets	Balance at the end of the year	Percentage of actual cost to budget (%)	Project progress	Accumulated capitalised interest	Including interest capitalized in 2020	Interest rate for capitalisation in 2020 (%)	Sources of funding
	Budget	(Note 13/1)											
Connection Project for Southern and Northern Roads besides Wufengshan Bridges	9,357,863,100.00	7,915,003,373.90	(7,461,935,903.38)	453,067,470.52	46,657,349.09	501,724,819.61	-	65.10%	Completed	456,965,034.65	117,651,506.14	4.16	Own funds & Loans from financial institutions
Highway project of Wufengshan Road & Railway Bridge	2,995,149,100.00	2,963,336,807.10	(2,963,336,807.10)	-	-	-	-	99.15%	Completed	258,040,787.29	34,225,175.11	4.16	Own funds & Loans from financial institutions
Construction project of Yichang Expressway	3,978,702,200.00	2,824,988,830.86	(2,725,082,380.65)	99,906,450.21	40,801,367.79	140,707,818.00	-	100.00%	Completed	95,255,687.51	2,747,376.45	4.16	Own funds & Loans from financial institutions
Longtan Yangtze River Bridge project	6,253,905,000.00	1,338,064,167.44	(1,338,064,167.44)	-	-	-	-	21.40%	In Progress	41,253.34	41,253.34	4.16	Own funds & Loans from financial institutions
Wufengshan service area housing construction upgrading project	196,018,300.00	89,263,407.54	-	89,263,407.54	106,754,892.46	196,018,300.00	-	100.00%	Completed	-	-	-	Own funds
Construction project of acoustic barrier	48,803,796.49	3,078,624.89	-	3,078,624.89	-	-	3,078,624.89	6.31%	In Progress	-	-	-	Own funds
Housing projects of toll stations and service zones	148,418,995.87	60,511,493.69	-	60,511,493.69	35,842,286.67	11,306,388.66	13,000,000.00	72,047,391.70	64.92%	In Progress	-	-	Own funds
Toll stations software renovation	130,000,000.00	10,077,736.72	-	10,077,736.72	2,669,954.01	-	345,947.80	12,401,762.93	9.81%	In Progress	-	-	-Own funds
Three major system construction project	228,034,293.76	11,456,476.10	-	11,456,476.10	6,392,622.36	11,211,485.60	698,680.00	5,938,932.86	7.83%	In Progress	-	-	-Own funds
Information construction project	60,304,575.35	3,332,638.24	-	3,332,638.24	43,162,158.80	370,188.00	-	46,124,609.04	77.10%	In Progress	-	-	-Own funds
Suzhou Yangcheng Lake entrance and exit relocation project	98,000,000.00	2,880,328.88	-	2,880,328.88	46,978,682.48	-	-	49,859,011.36	50.88%	In Progress	-	-	-Own funds
Harbor type emergency stop construction project of Shanghai-Nanjing Expressway	62,660,000.00	24,460,000.00	-	24,460,000.00	6,387,950.57	-	-	30,847,950.57	49.23%	In Progress	-	-	-Own funds
Power monitoring upgrading and transformation project of Ninghu company	18,900,000.00	-	-	-	13,570,000.00	-	-	13,570,000.00	71.80%	In Progress	-	-	-Own funds
Large screen reconstruction project of Ninghu command and dispatching center	16,500,000.00	9,094,817.00	-	9,094,817.00	-	-	-	9,094,817.00	55.12%	In Progress	-	-	-Own funds
Others	79,169,058.05	25,168,114.29	-	25,168,114.29	11,467,821.36	12,042,710.71	5,361,586.71	19,231,638.23	46.26%	In Progress	-	-	-Own funds
Total	15,280,716,866.65	(14,488,419,278.57)	792,297,578.08	362,685,085.59	873,381,710.58	19,406,214.51	262,194,738.58			610,322,782.79	154,685,311.04		

(3) The Group did not note any indicators of impairment; therefore, there is no provision for impairment losses for construction in progress (31 December 2020: nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

15 Intangible assets

(1) Intangible assets

Item	Toll road operation rights-in operation	Toll road operation rights-under construction	Land use rights	software	Total
Cost					
Balance at the end of the last year	34,995,843,837.47	-	1,744,161,676.21	73,614,688.43	36,813,620,202.11
Changes in accounting policy (Note III.31)	-	14,488,419,278.57	-	-	14,488,419,278.57
Balance at the beginning of the year	34,995,843,837.47	14,488,419,278.57	1,744,161,676.21	73,614,688.43	51,302,039,480.68
Additions during the year	15,449,405,067.46	2,948,829,334.42	-	3,023,677.84	18,401,258,079.72
- Purchase	-	-	-	1,979,050.04	1,979,050.04
- Internally generated	-	2,948,829,334.42	-	-	2,948,829,334.42
- Transfer from construction in progress	18,361,586.71	-	-	1,044,627.80	19,406,214.51
- Transfer from toll road operation rights-under construction	15,431,043,480.75	-	-	-	15,431,043,480.75
Decrease during the year	15,808,762.31	15,431,043,480.75	-	-	15,446,852,243.06
- Transfer out-construction completed	-	15,431,043,480.75	-	-	15,431,043,480.75
- Other decrease-settlement adjustment	15,808,762.31	-	-	-	15,808,762.31
Balance at the end of the year	50,429,440,142.62	2,006,205,132.24	1,744,161,676.21	76,638,366.27	54,256,445,317.34
Accumulated amortisation					
Balance at the beginning of the year	14,107,281,832.72	-	1,347,818,645.65	59,701,667.73	15,514,802,146.10
Additions during the year	1,602,572,264.70	-	64,658,222.64	6,686,051.09	1,673,916,538.43
- Charge for the year	1,602,572,264.70	-	64,658,222.64	6,686,051.09	1,673,916,538.43
Balance at the end of the year	15,709,854,097.42	-	1,412,476,868.29	66,387,718.82	17,188,718,684.53
Carrying amounts					
At the end of the year	34,719,586,045.20	2,006,205,132.24	331,684,807.92	10,250,647.45	37,067,726,632.81
At the beginning of the year	20,888,562,004.75	-	396,343,030.56	13,913,020.70	21,298,818,056.01

As at 31 December 2021, the Group pledged the toll road operation rights-in operation of RMB19,132,313,193.97 and the toll road operation rights-under construction's future collection right of RMB2,006,205,132.24 to obtain loan from banks (2020: RMB271,422,408.99 and RMB14,488,419,278.57). Please refer to Note V.29 for the details.

(2) Land use rights pending certificates of ownership

As at 31 December 2021, the Group has no land use rights without certificates of ownership (31 December 2020: nil).

16 Long-term deferred expenses

Item	Balance at the beginning of the year	Additions during the year	Amortisation for the year	Balance at the end of the year
Building improvements				
Less: Provision for impairment	4,443,879.42	2,816,283.07	4,579,931.50	2,680,230.99
Total	4,443,879.42	2,816,283.07	4,579,931.50	2,680,230.99

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17 Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and liabilities

Item	2021		2020	
	Deductible or taxable temporary differences ("-" for taxable temporary difference)	Deferred tax assets/deferred tax liabilities ("-" for liabilities)	Deductible or taxable temporary differences ("-" for taxable temporary difference)	Deferred tax assets/deferred tax liabilities ("-" for liabilities)
Deferred tax assets:				
Provision for impairment of assets	21,565,995.08	5,391,498.76	16,183,141.10	4,045,785.27
Unrealised profits of intra-group transactions	363,803,585.97	90,950,896.48	353,439,254.32	88,359,813.58
Changes in fair value of investments in other equity instruments	75,116,257.03	18,779,064.26	190,845,841.05	47,711,460.27
Income tax and land appreciation tax of real estate projects	253,297,244.03	63,324,311.01	346,198,850.39	86,549,712.60
Accrued expense	71,454,361.16	17,863,590.29	20,303,279.48	5,075,819.87
Provisions	-	-	24,233,951.48	6,058,487.87
Deferred income	62,807,025.04	15,701,756.26	73,274,862.50	18,318,715.63
Sub-total	848,044,468.31	212,011,117.06	1,024,479,180.32	256,119,795.09
Amount offset	(159,489,277.13)	(39,872,319.28)	(88,321,000.64)	(22,080,250.17)
Balance after offsetting	688,555,191.18	172,138,797.78	936,158,179.68	234,039,544.92
Deferred tax liabilities:				
Changes in fair values of held-for-trading financial assets	(26,324,420.44)	(6,581,105.10)	(21,667,310.65)	(5,416,827.66)
Changes in fair values of investments in other equity instruments	(1,049,928,547.11)	(262,482,136.78)	(982,171,543.11)	(245,542,885.78)
Changes in fair values of other non-current financial assets	(739,858,942.66)	(184,964,735.67)	(254,637,044.24)	(63,659,261.07)
Differene between tax policies and that under accounting policies for service zone lease income	(20,370,000.59)	(5,092,500.15)	(49,592,742.86)	(12,398,185.72)
Others	-	-	(328,321.58)	(82,080.39)
Sub-total	(1,836,481,910.80)	(459,120,477.70)	(1,308,396,962.44)	(327,099,240.62)
Amount offset	159,489,277.13	39,872,319.28	88,321,000.64	22,080,250.17
Balance after offsetting	(1,676,992,633.67)	(419,248,158.42)	(1,220,075,961.80)	(305,018,990.45)

(2) Details of unrecognised deferred tax assets

Item	2021	2020
Deductible tax losses	500,540,799.49	117,797,971.72
Total	500,540,799.49	117,797,971.72

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17 Deferred tax assets and deferred tax liabilities (Continued)

(3) Expiration of deductible tax losses for unrecognised deferred tax assets

Year	2021	2020
2023	20,333,192.00	20,333,192.00
2024	44,120,844.72	44,120,844.72
2025	53,341,130.00	53,343,935.00
2026	382,745,632.77	-
Total	500,540,799.49	117,797,971.72

18 Other non-current assets

Project	2021			2020		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Prepayments for land and use right certificate fee	9,713,630.00	-	9,713,630.00	-	-	-
Prepayment for purchase long-term assets	2,230,170.00	-	2,230,170.00	-	-	-
Prepayments for construction	1,716,812.54	-	1,716,812.54	-	-	-
Prepayment for apartment procurement for talents	-	-	-	14,879,760.00	-	14,879,760.00
Deductible input tax	449,207,283.07	-	449,207,283.07	-	-	-
Total	462,867,895.61	-	462,867,895.61	14,879,760.00	-	14,879,760.00

19 Short-term loans

(1) Short-term loans by category:

Category	2021	2020
Guaranteed loans	376,432,195.20	293,908,488.89
Credit loans	700,713,013.89	650,639,946.24
Entrusted loans	-	530,554,998.20
Total	1,077,145,209.09	1,475,103,433.33

(2) Past due short-term loans:

There are no short-term loans overdue but not yet repaid (31 December 2020: nil).

20 Bills payable

Item	2021	2020
Bank acceptance bills	100,300,000.00	38,400,000.00
Total	100,300,000.00	38,400,000.00

As at 31 December 2021, there are no bills payable due but unpaid (31 December 2020: nil). The bills above are all due within one year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21 Accounts payable

(1) Details of accounts payable are as follows:

Item	2021	2020
Amounts due to related party	265,513,545.74	288,539,131.50
Amounts due to third party	2,063,384,483.18	1,413,042,961.80
Total	2,328,898,028.92	1,701,582,093.30

(2) Significant accounts payable with ageing of more than one year

Item	Balance at the end of the year	Reasons why not settled
Construction payable	324,058,246.71	Long settlement procedure of the project
Construction payable for real estate project	193,400,828.34	Long settlement procedure of the real estate project
Total	517,459,075.05	

22 Advance payments received

(1) Details of advance payments received are as follows:

Item	2021	2020
Rental deposit received in advance	15,782,473.92	8,590,278.75
Total	15,782,473.92	8,590,278.75

At the end of 31 December 2021, the Group has no significant advance payment with ageing of more than one year (31 December 2020: nil).

23 Contract liabilities

Item	2021	2020
Advances from sales of property received	427,561,162.30	875,844,018.90
Others	-	547,904.22
Total	427,561,162.30	876,391,923.12

Contract liabilities primarily relate to the Group's advances from real estate sales contracts of the Group's customers. The advanced payment is collected when the contract is signed. The revenue related to the contracts will be recognised until the Group satisfies its performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

23 Contract liabilities (Continued)

Significant changes in the contract liabilities of the Group are as follows:

Item	2021
Balance at the beginning of the year	876,391,923.12
Amount increased as a result of receipt of cash (excluding amount recognized as income in current year)	312,427,568.81
Revenue recognized by the amount contained in the book value of the contractual liability at the beginning of the year	(761,258,329.63)
Total	427,561,162.30

24 Employee benefits payable

(1) Employee benefits payable:

	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
Short-term employee benefits	1,195,916.09	1,021,483,967.58	1,019,665,208.22	3,014,675.45
Post-employment benefits - defined contribution plans	-	164,404,014.18	164,404,014.18	-
Total	1,195,916.09	1,185,887,981.76	1,184,069,222.40	3,014,675.45

(2) Short-term employee benefits

	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
Salaries, bonuses, allowances	-	772,014,964.06	772,014,964.06	-
Staff welfare	-	11,621,153.92	11,621,153.92	-
Social insurance	-	96,728,895.39	96,728,895.39	-
Medical insurance	-	88,865,780.76	88,865,780.76	-
Work-related injury insurance	-	3,093,541.90	3,093,541.90	-
Maternity insurance	-	4,769,572.73	4,769,572.73	-
Housing fund	-	75,617,705.34	75,617,705.34	-
Labour union fee, staff and workers' education fee	1,195,916.09	27,574,174.28	25,755,414.92	3,014,675.45
Non-monetary benefits	-	37,927,074.59	37,927,074.59	-
Total	1,195,916.09	1,021,483,967.58	1,019,665,208.22	3,014,675.45

For the current year, the Group provided employee with non-monetary benefits of RMB37,927,074.59 (2020: RMB41,448,932.47), 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 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24 Employee benefits payable (Continued)

(3) Post-employment benefits – defined contribution plans

	Balance at the beginning of the year	Accrued during the year	Decreased during the year	Balance at the end of the year
Basic pension insurance	-	101,269,073.74	101,269,073.74	-
Unemployment insurance	-	3,215,571.93	3,215,571.93	-
Annuity	-	59,919,368.51	59,919,368.51	-
Total	-	164,404,014.18	164,404,014.18	-

25 Taxes payable

Item	2021	2020
Corporate income tax	105,162,778.38	107,791,581.59
Land appreciation tax	263,677,301.02	105,379,240.53
Value-added tax	30,329,128.54	35,883,850.81
Property tax	5,329,020.49	808,501.91
Individual income tax	3,173,642.69	5,029,126.68
Urban maintenance and construction tax	1,842,820.66	2,156,687.37
Others	4,108,140.54	3,122,636.09
Total	413,622,832.32	260,171,624.98

26 Other payables

Item	Note	2021	2020
Dividends payable	(1)	95,543,399.25	93,379,246.71
Others	(2)	157,466,505.80	146,846,966.11
Total		253,009,905.05	240,226,212.82

(1) Dividends payable

Item	2021	2020
Dividends for ordinary shares	95,543,399.25	93,379,246.71

As of 31 December 2021, the balance of dividends payable aged more than one year is RMB90,179,473.71 (31 December 2020: 87,139,577.17), which is the dividends that has not been collected by the investor.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26 Other payables (Continued)

(2) Others

Details of others by nature are as follows:

Item	2021	2020
Lease deposit of service area	51,596,061.62	47,225,359.81
Performance and other security	41,743,121.49	19,639,202.54
Project quality deposit	24,611,493.71	11,533,600.00
House purchase bonus	3,279,848.07	41,582,187.07
Others	36,235,980.91	26,866,616.69
Total	157,466,505.80	146,846,966.11

As of 31 December 2021, no significant others payable aged more than one year (31 December 2020: nil).

27 Non-current liabilities due within one year

Item	2021	2020
Long-term loans due within one year (Note V.29)	582,698,133.94	43,593,895.25
Bonds payable due within one year (Note V.30)	88,552,931.51	1,054,894,697.92
Lease liabilities due within 1 year (Note V.58)	6,792,205.16	4,967,648.97
Total	678,043,270.61	1,103,456,242.14

28 Other current liabilities

Item	2021	2020
Super short-term bonds payable	7,638,282,907.00	8,257,078,476.00
Output VAT to be transferred	33,682,690.07	70,908,796.56
Total	7,671,965,597.07	8,327,987,272.56

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28 Other current liabilities (Continued)

The movements of super short-term bonds payable:

Name of bond	Face value (RMB)	Issuance date	Maturity period (Days)	Issuance amount	Balance at the beginning of the year	Issuance during the year	Interest at face value	Repayment during the year	Balance at the end of the year
Super short-term bonds payable									
20 Ninghu Gao SCP020	100.00	14 August 2020	168	730,000,000.00	735,305,463.00	-	1,078,537.00	736,384,000.00	-
20 Ninghu Gao SCP022	100.00	22 October 2020	176	500,000,000.00	501,818,767.00	-	2,689,726.15	504,508,493.15	-
20 Ninghu Gao SCP023	100.00	28 October 2020	177	1,000,000,000.00	1,003,205,479.00	-	5,523,288.12	1,008,728,767.12	-
20 Ninghu Gao SCP024	100.00	29 October 2020	148	1,000,000,000.00	1,003,682,192.00	-	4,832,876.49	1,008,515,068.49	-
20 Ninghu Gao SCP025	100.00	29 October 2020	70	1,000,000,000.00	1,003,857,534.00	-	361,644.08	1,004,219,178.08	-
20 Ninghu Gao SCP026	100.00	11 November 2020	120	1,000,000,000.00	1,002,347,397.00	-	3,175,890.67	1,005,523,287.67	-
20 Ninghu Gao SCP027	100.00	17 November 2020	80	1,000,000,000.00	1,002,527,397.00	-	1,965,753.68	1,004,493,150.68	-
20 Ninghu Gao SCP028	100.00	27 November 2020	210	1,000,000,000.00	1,002,465,754.00	-	11,917,807.64	1,014,383,561.64	-
20 Ninghu Gao SCP029	100.00	1 December 2020	90	1,000,000,000.00	1,001,868,493.00	-	3,556,164.53	1,005,424,657.53	-
21 Ninghu Gao SCP001	100.00	5 January 2021	86	1,000,000,000.00	-	1,000,000,000.00	5,654,794.52	1,005,654,794.52	-
21 Ninghu Gao SCP002	100.00	25 January 2021	115	430,000,000.00	-	430,000,000.00	3,657,945.21	433,657,945.21	-
21 Ninghu Gao SCP003	100.00	4 February 2021	151	1,000,000,000.00	-	1,000,000,000.00	12,410,958.90	1,012,410,958.90	-
21 Ninghu Gao SCP005	100.00	8 March 2021	178	600,000,000.00	-	600,000,000.00	8,075,835.62	608,075,835.62	-
21 Ninghu Gao SCP006	100.00	9 March 2021	177	400,000,000.00	-	400,000,000.00	5,470,027.40	405,470,027.40	-
21 Ninghu Gao SCP007	100.00	16 March 2021	183	1,000,000,000.00	-	1,000,000,000.00	14,138,630.14	1,014,138,630.14	-
21 Ninghu Gao SCP009	100.00	17 March 2021	175	500,000,000.00	-	500,000,000.00	6,780,273.97	506,780,273.97	-
21 Ninghu Gao SCP008	100.00	17 March 2021	175	500,000,000.00	-	500,000,000.00	6,780,273.97	506,780,273.97	-
21 Ninghu Gao SCP010	100.00	30 March 2021	180	1,000,000,000.00	-	1,000,000,000.00	13,561,843.84	1,013,561,843.84	-
21 Ninghu Gao SCP011	100.00	9 April 2021	270	500,000,000.00	-	500,000,000.00	10,451,505.00	-	510,451,505.00
21 Ninghu Gao SCP012	100.00	13 April 2021	121	500,000,000.00	-	500,000,000.00	4,525,068.49	504,525,068.49	-
21 Ninghu Gao SCP013	100.00	20 April 2021	121	300,000,000.00	-	300,000,000.00	2,436,575.34	302,436,575.34	-
21 Ninghu Gao SCP014	100.00	20 April 2021	121	200,000,000.00	-	200,000,000.00	1,624,383.56	201,624,383.56	-
21 Ninghu Gao SCP015	100.00	17 May 2021	122	430,000,000.00	-	430,000,000.00	3,521,287.67	433,521,287.67	-
21 Ninghu Gao SCP016	100.00	22 June 2021	121	100,000,000.00	-	100,000,000.00	812,191.78	100,812,191.78	-
21 Ninghu Gao SCP017	100.00	30 June 2021	120	500,000,000.00	-	500,000,000.00	4,027,397.26	504,027,397.26	-
21 Ninghu Gao SCP019	100.00	20 July 2021	177	500,000,000.00	-	500,000,000.00	5,616,438.00	-	505,616,438.00
21 Ninghu Gao SCP020	100.00	30 July 2021	165	500,000,000.00	-	500,000,000.00	4,997,259.00	-	504,997,259.00
21 Ninghu Gao SCP021	100.00	9 August 2021	157	500,000,000.00	-	500,000,000.00	4,714,522.00	-	504,714,522.00
21 Ninghu Gao SCP022	100.00	16 August 2021	178	500,000,000.00	-	500,000,000.00	4,504,109.00	-	504,504,109.00
21 Ninghu Gao SCP023	100.00	26 August 2021	176	400,000,000.00	-	400,000,000.00	3,201,095.00	-	403,201,095.00
21 Ninghu Gao SCP024	100.00	25 August 2021	176	500,000,000.00	-	500,000,000.00	4,120,547.00	-	504,120,547.00
21 Ninghu Gao SCP025	100.00	31 August 2021	86	500,000,000.00	-	500,000,000.00	2,591,780.82	502,591,780.82	-
21 Ninghu Gao SCP026	100.00	31 August 2021	86	500,000,000.00	-	500,000,000.00	2,591,780.82	502,591,780.82	-
21 Ninghu Gao SCP027	100.00	7 September 2021	93	500,000,000.00	-	500,000,000.00	2,802,739.73	502,802,739.73	-
21 Ninghu Gao SCP028	100.00	7 September 2021	93	500,000,000.00	-	500,000,000.00	2,802,739.73	502,802,739.73	-
21 Ninghu Gao SCP029	100.00	14 September 2021	171	1,000,000,000.00	-	1,000,000,000.00	6,598,357.00	-	1,006,598,357.00
21 Ninghu Gao SCP030	100.00	14 September 2021	177	730,000,000.00	-	730,000,000.00	4,816,800.00	-	734,816,800.00
21 Ninghu Gao SCP031	100.00	23 September 2021	154	870,000,000.00	-	870,000,000.00	5,545,357.00	-	875,545,357.00
21 Ninghu Gao SCP032	100.00	23 September 2021	154	130,000,000.00	-	130,000,000.00	828,617.00	-	130,828,617.00
21 Ninghu Gao SCP033	100.00	18 November 2021	120	300,000,000.00	-	300,000,000.00	830,548.00	-	300,830,548.00
21 Ninghu Gao SCP034	100.00	29 November 2021	120	500,000,000.00	-	500,000,000.00	1,019,178.00	-	501,019,178.00
21 Ninghu Gao SCP036	100.00	7 December 2021	128	650,000,000.00	-	650,000,000.00	1,038,575.00	-	651,038,575.00
Total				26,270,000,000.00	8,257,078,476.00	18,040,000,000.00	197,610,924.13	18,856,406,493.13	7,638,282,907.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

29 Long-term loans

(1) Long-term loans by category

Item	2021	2020
Pledged loans	7,714,538,334.59	511,646,561.29
Guaranteed loans	11,057,550.18	12,932,927.69
Unsecured loans	5,885,799,790.21	11,064,396,149.66
Less: Long-term loans due within one year (Note V.27)	582,698,133.94	43,593,895.25
Total	13,028,697,541.04	11,545,381,743.39

As of 31 December 2021, Long-term loans mainly include:

- (1) Pledged loans mainly include loans obtained by the Group's subsidiaries from China Development Bank with a total principal of RMB780,000,000.00 and an interest of RMB991,947.94; obtained loans from Bank of Communications with a total principal of RMB1,236,240,000.00 and an interest of RMB1,572,161.18; obtained loans from Industrial and Commercial Bank of China with a total principal of RMB1,804,000,000.00 and an interest of RMB2,294,197.55; obtained loans from China Construction Bank with a total principal of RMB1,860,500,000.00 and an interest of RMB2,366,050.19; obtained loans from Agricultural Bank of China with a total principal of RMB374,000,000.00 and an interest of RMB475,626.32; obtained loans from Post Office Saving Bank of China with a total principal of RMB1,650,000,000.00 and an interest of RMB2,098,351.41. The principal of long-term loans due within one year is RMB163,540,000.00 and the interest payable due within one year is RMB9,798,334.59. The maturity date of the remaining Pledged loans is from 21 March 2023 to 2 April 2042. Please refer to Note V. 56 "Assets with restrictive ownership title or right of use" for the details of the pledged items of the above pledged loans at the end of 31 December 2021.
- (2) Guaranteed loans mainly include a long-term loan obtained by the Group from Spanish government with a total principal of USD1,734,327.24, which is equivalent to RMB11,057,550.18 at the end of the year. The principal of long-term loans due within one year is USD247,761.02, and the maturity date of the rest is 10 July 2028.
- (3) Unsecured loans mainly include loans obtained by the Group from Jiangsu Communications Holding Company Limited with a total principal of RMB2,700,000,000.00 and an interest of RMB28,852,040.19; obtained loans from China Development Bank with a total principal of RMB1,000,000.00 and an interest of RMB1,267.94; obtained loans from Bank of Communications with a total principal of RMB419,250,000.00 and an interest of RMB531,583.66; obtained loans from Shanghai Pudong Development Bank with a total principal of RMB498,300,000.00 and an interest of RMB631,814.28; obtained loans from China Merchants Bank with a total principal of RMB1,500,000,000.00 and an interest of RMB1,901,909.33; obtained loans from China Construction Bank with a total principal of RMB501,000,000.00 and an interest of RMB635,237.72; obtained loans from Agricultural Bank of China with a total principal of RMB233,400,000.00 and an interest of RMB295,937.09. The principal of long-term loans due within one year is RMB374,149,998.00 and the interest payable due within one year is RMB33,630,151.41. The maturity date of the remaining unsecured loans is from December 18, 2023 to 7 June 2046.

As of 31 December 2021, the annual interest rate of Pledged loans is 4.16%, the annual interest rate of Guaranteed loans is 2%, and the annual interest rate range of unsecured loans is 3.45% – 5.50%.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

30 Debentures payable

(1) Debentures payable

Item	2021	2020
Medium term notes	4,034,682,999.51	3,039,501,056.50
Corporate bonds	1,831,288,891.86	-
Less: Debentures payable due within one year (Note V.27)	88,552,931.51	1,054,894,697.92
Total	5,777,418,959.86	1,984,606,358.58

(2) Movements of debentures:

Debentures Name	Face Value	Issuance date	Maturity period	Interest rate	Issuance amount	Balance at			Premium and according to face value	Repayment during the year	Debentures	
						the beginning of the year	Issuance during the year	Interest at face value			Balance at the end of the year	payable due within one year
16 Ninghu Gao MTN1	1,000,000,000.00	14 April 2016	5 years	3.70%	1,000,000,000.00	1,025,889,766.41	-	10,542,465.77	567,767.82	1,037,000,000.00	-	-
20 Ninghu Gao MTN001	2,000,000,000.00	21 August 2020	5 years	3.98%	2,000,000,000.00	2,013,611,290.09	-	79,600,000.00	3,082,340.15	79,600,000.00	2,016,693,630.24	29,004,931.51
21 Ninghu Gao MTN001	1,000,000,000.00	15 June 2021	3 years	3.45%	1,000,000,000.00	-	997,000,000.00	18,715,068.51	523,618.73	-	1,016,238,687.24	18,715,068.51
21 Ninghu Gao MTN002	500,000,000.00	25 October 2021	3 years	3.30%	500,000,000.00	-	498,500,000.00	2,983,561.64	87,399.54	-	501,570,961.18	2,983,561.64
21 Ninghu Gao MTN003	500,000,000.00	22 November 2021	3 years	3.13%	500,000,000.00	-	498,500,000.00	1,629,315.07	50,405.78	-	500,179,720.85	1,629,315.07
21 Ninghu G1	1,000,000,000.00	2 February 2021	3+2 years	3.70%	1,000,000,000.00	-	996,915,754.74	33,654,794.50	506,156.46	-	1,031,076,705.70	33,654,794.50
21 Ninghu G2	800,000,000.00	24 November 2021	3+2 years	3.08%	800,000,000.00	-	797,600,000.00	2,565,260.28	46,925.88	-	800,212,186.16	2,565,260.28
Total					6,800,000,000.00	3,039,501,056.50	3,788,515,754.74	149,690,465.77	4,864,614.36	1,116,600,000.00	5,865,971,891.37	88,552,931.51

31 Provisions

Item	Balance at the beginning of the year			Additions during the year	Reductions during the year	Balance at the end of the year	
	Balance at the beginning of the year	Additions during the year	Reductions during the year			Balance at the end of the year	Reason
Penalty for delayed delivery of buildings	54,115,762.42	5,000,000.00	59,115,762.42	-	-	Delayed delivery of Hanrui Center	

32 Deferred income

Item	Balance at the beginning of the year			Additions during the year	Reductions during the year	Balance at the end of the year	
	Balance at the beginning of the year	Additions during the year	Reductions during the year			Balance at the end of the year	Reason
Government grant	98,632,004.79	-	12,727,317.50	-	-	Construction grants of Ningchang Expressway and subsidy for removal of provincial boundary toll station	
Other	13,595,265.73	-	-	-	-	others	
Total	112,227,270.52	-	12,727,317.50	-	-	99,499,953.02	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

32 Deferred income (Continued)

Items relating to government grant:

Item	Balance at the beginning of the year	Additions during the year	Amounts recognised in other income during the year	Other changes	Balance at the end of the year	Related to assets/income
Subsidy for construction of Ningchang Expressway (Note 1)	25,357,124.29	-	2,259,480.04	-	23,097,662.25	Related to asset
Subsidy for reconstruction of highway provincial boundary toll station (Note 2)	73,274,862.50	-	10,467,837.46	-	62,807,025.04	Related to asset
Total	98,632,004.79	-	12,727,317.50	-	85,904,687.29	

Note 1: "Subsidy for construction of Ningchang Expressway" is a project construction fund of RMB40,000,000.00 received by Jiangsu Ningchang Zhenli Expressway, which has been absorbed and merged by the Company in 2020, 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 recored in deferred income.

Note 2: "Subsidy for reconstruction of highway provincial boundary toll station" received by Jiangsu Guangjing Xicheng Expressway Co., Ltd. ("Guangjing Xicheng"), in 2020 a subsidiary of the Company, amountingto RMB86,689,640.00. The Group recognizes the project construction subsidy as a compensation of reconstruction of highway provincial boundary toll station which is recored in deferred income.

33 Share capital

	Balance at the beginning of the year	Changes during the year (+/-)				Sub-total	Balance at the end of the year
		Issuance of new shares	Bonus shares	Transfer from reserves	Others		
Total shares	5,037,747,500.00	-	-	-	-	-	5,037,747,500.00

34 Capital reserve

Item	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
Share premium	4,794,508,338.00	-	-	4,794,508,338.00
Including: Capital contributed by investors	4,776,251,453.53	-	-	4,776,251,453.53
Differences arising from business combination involving enterprises under common control	18,256,884.47	-	-	18,256,884.47
Other capital reserves	5,708,325,613.29	91,651.96	-	5,708,417,265.25
Including: Share of capital reserve of the investee under the equity method	(18,939,686.61)	-	-	(18,939,686.61)
Transfer from capital reserve under the previous accounting system	5,653,740,350.53	91,651.96	-	5,653,832,002.49
Difference arising from merging associates	73,524,949.37	-	-	73,524,949.37
Total	10,502,833,951.29	91,651.96	-	10,502,925,603.25

The Change in capital reserve of the Group in current year mainly caused by the sale of 11.98% equity of the associated company Kuailu company and the correspinding carry forward of the share of the capital reserve of Kuailu company originally recognized under the equity method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35 Other comprehensive income

Item	Balance at the beginning of the year attributable to shareholders of the Company	Movements during the year				Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	Balance at the end of the year attributable to shareholders of the Company
		Before-tax amount	Less: Previously recognized amount transferred to profit or loss	Less: Income tax expense				
Items that will not be reclassified to profit or loss	806,954,969.94	206,997,375.79	(34,419,723.22)	(48,197,022.01)	124,380,630.56	6,976,125.00	931,335,600.50	
Including: Other comprehensive income recognised under equity method (Note 1)	305,529,760.35	(20,210,435.46)	-	-	(20,210,435.46)	-	285,319,324.89	
Changes in fair value of investments in other equity instruments (Note 2)	501,425,209.59	227,207,811.25	(34,419,723.22)	(48,197,022.01)	144,591,066.02	6,976,125.00	646,016,275.61	
Total	806,954,969.94	206,997,375.79	(34,419,723.22)	(48,197,022.01)	124,380,630.56	6,976,125.00	931,335,600.50	

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 ordinary shares of A-share listed company Jiangsu Financial Leasing Co., Ltd.

36 Specific reserve

Item	Balance at the beginning of the year	Addition during the year	Reductions during the year	Balance at the end of the year
General risk reserve	3,487,713.71	3,017,379.17	-	6,505,092.88

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).

37 Surplus reserve

Item	Balance at the beginning of the year	Addition during the year	Reductions during the year	Balance at the end of the year
Statutory surplus reserve	3,331,534,368.10	116,303,446.71	-	3,447,837,814.81
Discretionary surplus reserve	318,870,937.45	65,653,376.28	-	384,524,313.73
Total	3,650,405,305.55	181,956,822.99	-	3,832,362,128.54

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

37 Surplus reserve (Continued)

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.

As of 31 December 2021, the Group appropriated the statutory surplus reserve of RMB116,303,446.71 (2020: RMB59,899,411.41).

As of 31 December 2021, the Group appropriated the discretionary surplus reserve amounting to RMB65,653,376.28 (2020: RMB39,338,893.72).

38 Retained earnings

Item	Note	2021	2020
Retained earnings at the beginning of the year		8,208,531,658.34	8,164,265,960.12
Add: Net profits for the year attributable to shareholders of the Company		4,178,794,496.71	2,464,213,675.74
Transfer of other comprehensive income to retained earnings	(1)	34,419,723.22	-
Less: Appropriation for statutory surplus reserve		116,303,446.71	59,899,411.41
Appropriation for discretionary surplus reserve		65,653,376.28	39,338,893.72
Appropriation for general risk reserve		3,017,379.17	3,345,822.39
Dividends to ordinary shares	(2)	2,317,363,850.00	2,317,363,850.00
Retained earnings at the end of the year		9,919,407,826.11	8,208,531,658.34

(1) Transfer of other comprehensive income to retained earnings:

Transfer of other comprehensive income to retained earnings is mainly the income generated by the disposal of partial investments in other equity instruments held by the Group in 2021. This financial asset is designated to be measured at fair value and its change is included in other comprehensive income. The accumulated profit of RMB34,419,723.22 is transferred from other comprehensive income to undistributed profit.

(2) Dividends to ordinary shares

Pursuant to the shareholders’ approval at the shareholders’ general meeting on 29 March 2021, a cash dividend of RMB0.46 per share (2020: RMB0.46 per share), totalling RMB2,317,363,850.00 (2020: RMB2,317,363,850.00), was declared and paid to the Company’s ordinary shareholders on 25 June 2021.

39 Operating income and operating costs

(1) Operating income and operating costs

Item	Note	2021		2020	
		Income	Cost	Income	Cost
Principal activities		12,649,032,397.83	7,969,504,590.31	7,327,791,802.90	4,275,414,011.85
Other operating activities		1,143,554,844.67	812,155,097.44	704,674,943.44	411,476,012.08
Total		13,792,587,242.50	8,781,659,687.75	8,032,466,746.34	4,686,890,023.93
Including: revenue from contracts with customers	V.39(2)	13,548,148,059.43	8,580,484,360.76	7,845,201,834.64	4,511,054,276.93
Rental income		244,439,183.07	201,175,327.00	187,264,911.70	175,835,747.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39 Operating income and operating costs (Continued)

(2) Disaggregation of revenue from contracts with customers

Type of contract	2021	2020
By type of goods or services		
Toll road income	8,263,073,263.06	6,016,298,931.46
Construction income	2,948,829,334.42	–
Ancillary services income	1,198,494,447.83	1,124,227,959.74
Real estate income	1,028,544,320.23	621,675,771.55
Advertising and others income	109,206,693.89	82,999,171.89
Total	13,548,148,059.43	7,845,201,834.64
By timing of transferring goods or services		
Revenue recognized at a point in time	10,500,694,281.05	7,736,395,047.92
Revenue recognized over time	3,047,453,778.38	108,806,786.72
Total	13,548,148,059.43	7,845,201,834.64

(3) Information related to transaction price allocated to the remaining performance obligations

At the end of the period of this report, the amount of income corresponding to the performance obligation which have been signed but have not been performed or have not been completed is RMB427,561,162.30 (2020: RMB875,844,018.90), which refers to the transaction price of the real estate sales contract that has not met the agreed delivery conditions and the expected future income of the construction contract. RMB427,561,162.30 of the total is expected to be recognized in 2022.

40 Taxes and surcharges

Item	2021	2020
Land appreciation tax	205,526,418.59	86,669,277.25
City maintenance and construction tax	21,180,104.09	16,738,275.52
Education surcharges	15,465,980.70	12,197,090.89
Property tax	11,775,310.53	4,405,204.49
Land use tax	9,211,743.48	2,087,609.62
Others	2,901,633.08	3,767,273.58
Total	266,061,190.47	125,864,731.35

41 Selling and distribution expenses

Item	2021	2020
Commission fee for agent of real estate sales	12,157,603.81	9,444,819.57
Advertisement and promotion fee	6,071,282.02	8,932,913.40
Production and planning fee	1,771,657.12	1,043,064.29
Depreciation	1,624,805.97	1,295,969.91
Others	4,485,843.30	3,981,619.72
Total	26,111,192.22	24,698,386.89

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

42 General and administrative expenses

Item	2021	2020
Salaries and additional remuneration	79,490,716.55	77,519,882.34
Depreciation and amortisation	75,843,104.16	78,196,095.95
Consulting and intermediary service fee	32,241,655.23	25,100,250.44
Labor protection fee	6,011,805.53	1,260,986.74
Maintenance and repair fee	3,427,719.46	985,701.79
Publicity fee related to the Party building	2,728,251.13	2,580,759.36
Vehicle related expenses	1,487,144.80	994,518.26
Office expenses	1,102,600.02	1,316,403.95
Travelling expenses	1,033,915.78	713,697.92
Others	16,707,499.53	8,558,113.24
Total	220,074,412.19	197,226,409.99

43 Financial expenses

Item	2021	2020
Interest expenses from loans and payables	942,943,499.65	750,972,644.14
Interest expenses from lease liabilities	232,859.52	267,372.11
Less: Borrowing costs capitalised	154,665,311.04	315,160,255.85
Interest income from deposits and receivables	14,386,287.05	6,900,927.45
Net exchange losses/gains	5,195,727.56	(9,311,596.13)
Bond issuance fee and commission charges for other loans	4,552,109.11	19,266,251.03
Other financial expenses	3,296,673.21	5,185,866.91
Total	787,169,270.96	444,319,354.76

The interest rate per annum, at which the borrowing costs were capitalised by the Group, was 3.85% – 4.16% (2020: 4.16% – 4.90%) for the year.

44 Other income

Item	2021	2020
Government grants	29,762,256.45	33,219,560.42
Others	256,147.39	–
Total	30,018,403.84	33,219,560.42

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

45 Investment income

Item	2021	2020
Investment income from long-term equity investments accounted for using the equity method	756,769,348.87	375,141,407.68
Investment income from disposal of long-term equity investments	(1,230,578.75)	-
Investment income from financial assets held for trading during the holding period	23,845,990.01	18,019,419.03
Investment income from disposal of financial assets held for trading	2,235,387.50	4,392,063.25
Investment income from other non-current financial assets during the holding period	106,091,275.32	71,617,152.68
Investment income from other equity instruments during the holding period	313,818,000.00	149,290,000.00
Total	1,201,529,422.95	618,460,042.64

46 Gains from changes in fair value

Item	2021	2020
Financial assets held for trading	4,657,109.79	5,555,018.12
Other non-current financial assets	485,221,898.42	27,992,470.58
Total	489,879,008.21	33,547,488.70

47 Credit losses

Item	2021	2020
Accounts receivable	(115,014.62)	84,304.87
Other receivables	-	9,697.73
Total	(115,014.62)	94,002.60

48 Impairment losses

Item	2021	2020
Inventories	5,497,868.60	-

49 Gains from asset disposals

Item	2021	2020
Gains from disposal of fixed assets	7,868,251.48	220,298.98

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

50 Non-operating income and non-operating expenses

(1) Non-operating income by item is as follows:

Item	2021	2020	Amount recognised in extraordinary gain and loss in 2021
Income from highway property compensation	6,258,180.53	7,470,944.34	6,258,180.53
Government grants	-	37,273,288.86	-
Luode liquidated damages	-	26,000,000.00	-
Others	6,690,802.84	12,181,944.55	6,690,802.84
Total	12,948,983.37	82,926,177.75	12,948,983.37

(2) Non-operating expenses

Item	2021	2020	Amount recognised in extraordinary gain and loss in 2021
Losses on retirement of fixed assets	13,242,640.81	5,235,486.61	13,242,640.81
Expenditure for repair of damaged highway property	10,638,799.50	21,800,440.49	10,638,799.50
Non-profit donations	944,000.00	1,067,000.04	944,000.00
Penalty for delayed delivery of buildings	-	56,606,338.25	-
Others	4,025,122.97	3,402,196.15	4,025,122.97
Total	28,850,563.28	88,111,461.54	28,850,563.28

51 Income tax expenses

(1) Income tax expenses:

Item	2021	2020
Current tax expense for the year based on tax law and regulations	1,157,249,732.23	723,293,700.58
Changes in deferred tax	130,258,268.09	(9,187,359.75)
Tax filing differences for prior year	(634,624.19)	774,920.85
Total	1,286,873,376.13	714,881,261.68

Ninghu International Company, a Hong Kong subsidiary of the Group, has no taxable income in 2021 (2020: nil), therefore, there is no provision for Hong Kong Profits tax.

(2) The analysis of changes in deferred tax is set out below:

Item	2021	2020
Origination and reversal of temporary differences	130,258,268.09	(9,187,359.75)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51 Income tax expenses (Continued)

(3) Reconciliation between income tax expenses and accounting profit:

Item	2021	2020
Profits before taxation	5,419,522,141.50	3,233,635,943.77
Expected income tax expenses at tax rate of 25%	1,354,880,535.38	807,716,001.78
Tax filing differences for prior year	(634,624.19)	774,920.85
Effect of non-taxable income	(241,146,837.21)	(123,494,994.88)
Effect of non-deductible costs, expense and losses	66,311,854.27	30,688,401.29
Effect of using the deductible losses for which no deferred tax asset was recognised in previous periods	(28,621.51)	13,335,983.75
Effect of deductible temporary differences or deductible losses for which no deferred tax asset was recognised this year	95,686,408.19	–
Allocation of income tax for investments in partnerships	11,804,661.20	(14,139,051.11)
Income tax expenses	1,286,873,376.13	714,881,261.68

52 Basic earnings per share and diluted earnings per share

(1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding:

	2021	2020
Consolidated net profit attributable to ordinary shareholders of the Company	4,178,794,496.71	2,464,213,675.74
Weighted average number of ordinary shares outstanding	5,037,747,500.00	5,037,747,500.00
Basic earnings per share (RMB/share)	0.8295	0.4891

Weighted average number of ordinary shares is calculated as follows:

	2021	2020
Issued ordinary shares at the beginning of the year	5,037,747,500.00	5,037,747,500.00
Weighted average number of ordinary shares at the end of the year	5,037,747,500.00	5,037,747,500.00

(2) Diluted earnings per share

There are no dilutive underlying common shares in the Company during the reporting period and diluted earnings per share are the same as basic earnings per share.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53 Supplementary information on income statement

Item	2021	2020
Operating income	13,792,587,242.50	8,032,466,746.34
Less: Employee benefits expenses	1,185,887,981.76	1,039,814,552.68
Depreciation and amortisation expenses	1,969,105,208.79	1,635,574,915.56
Toll related expenses	234,040,992.86	187,124,608.79
Road maintenance expenses	678,232,861.37	551,889,351.53
System maintenance expenses	127,865,800.26	95,132,016.72
Construction services expenses	2,948,829,334.42	-
Real estate development land and construction cost	764,291,668.37	351,563,142.96
Petroleum in the service zone	964,405,795.48	791,580,543.13
Cartering cost in the service zone	4,355,721.61	4,405,636.98
Taxes and surcharges	266,061,190.47	125,864,731.35
Financial expenses	787,169,270.96	444,319,354.76
Credit losses	(115,014.62)	94,002.60
Impairment losses	5,497,868.60	-
Others	150,829,927.24	251,730,052.47
Add: Other income	30,018,403.84	33,219,560.42
Investment income	1,201,529,422.95	618,460,042.64
Gains from changes in fair value	489,879,008.21	33,547,488.70
Gains from asset disposals	7,868,251.48	220,298.98
Operating profit	5,435,423,721.41	3,238,821,227.55

54 Cash flow statement

(1) Proceeds relating to other operating activities:

Item	2021	2020
Changes in restricted cash and bank balances	29,393,086.44	18,309,995.33
Receipts from government grants and non-operating income etc.	30,240,069.71	122,158,804.34
Receipts from interest income of bank deposit	14,386,287.05	6,900,927.45
Recovery from financial factoring business	734,363,113.42	231,350,522.13
Total	808,382,556.62	378,720,249.25

(2) Payments relating to other operating activities:

Item	2021	2020
Payment of non-salary and other expenditure	163,103,304.41	78,767,152.27
Expenses on financial factoring business	1,002,041,058.68	580,121,892.63
Total	1,165,144,363.09	658,889,044.90

(3) Payments relating to other investing activities:

Item	2021	2020
Bond issue fee and other charges of loans	-	16,500,000.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

55 Supplementary information on cash flow statement

(1) Supplement to cash flow statement

a. Reconciliation of net profit to cash flows from operating activities:

Item	2021	2020
Net profit for the year	4,132,648,765.37	2,518,754,682.09
Add: Provisions for impairment of assets	5,497,868.60	–
Impairment of credit assets	(115,014.62)	94,002.60
Depreciation of fixed assets	281,910,874.87	216,388,771.54
Amortisation of intangible assets	1,673,916,538.43	1,408,658,667.39
Amortisation of long-term deferred expenses	4,579,931.50	7,869,358.10
Depreciation of ROU assets	7,669,397.16	2,658,118.53
Amortisation of investment properties	1,028,466.83	812,573.91
Amortisation of deferred income	(12,727,317.50)	(15,639,520.90)
Losses/(gains) from disposal of fixed assets, intangible assets, and other long-term assets	(7,868,251.48)	5,015,187.63
Losses from scrapping of fixed assets	6,984,460.28	–
Gains from changes in fair value	(489,879,008.21)	(33,547,488.70)
Financial expenses	798,507,162.28	446,034,415.30
Gains arising from investments	(1,201,529,422.95)	(618,460,042.64)
Decrease/(increase) in deferred tax assets	15,176,282.02	(17,574,231.93)
Increase in deferred tax liabilities	115,081,986.08	8,386,872.17
Decrease in gross inventories	253,760,744.92	16,107,260.91
Decrease/(increase) in operating receivables	45,176,891.78	(592,225,153.22)
Increase in operating payables	(191,947,906.11)	(234,241,937.72)
Decrease in restricted monetary funds	29,393,086.44	18,309,995.33
Net cash from operating activities	5,467,265,535.69	3,137,401,530.39

b. Net Changes in cash and cash equivalents:

Item	2021	2020
Cash and cash equivalents at the end of the year	489,796,813.01	350,989,093.35
Less: Cash and cash equivalents at the beginning of the year	350,989,093.35	449,410,135.63
Net increase/(decrease) in cash and cash equivalents	138,807,719.66	(98,421,042.28)

(2) Details of cash and cash equivalents

Item	2021	2020
Cash and cash equivalents	489,796,813.01	350,989,093.35
Including: Cash on hand	130,003.71	253,967.19
Bank deposits available on demand	486,778,096.64	347,806,162.16
Other monetary funds available on demand	2,888,712.66	2,928,964.00
Closing balance of cash and cash equivalents	489,796,813.01	350,989,093.35

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

56 Assets with restrictive ownership title or right of use

Item	Balance at the beginning of the year	Additions during the year	Decreases during the year	Balance at the end of the year	Reason for restriction
Cash at bank and on hand (Note V.1)	35,723,609.49	3,575,000.00	32,968,086.44	6,330,523.05	Customer mortgage margin, pre-sale regulatory funds and bill margin
Intangible assets (Note V.15)	14,759,841,687.55	6,696,952,359.81	318,275,721.15	21,138,518,326.21	Pledge of toll road rights
Total	14,795,565,297.04	6,700,527,359.81	351,243,807.59	21,144,848,849.26	

The amortisation of intangible assets used as pledge for current year is RMB318,275,721.15.

57 Government grants

Details of government grants

Item	Amount	Presentation item	Amount recognised in profit or loss for the current period
Additional deduction of VAT	15,574,003.35	Other income	15,574,003.35
Subsidy for reconstruction of highway provincial boundary toll station	10,467,837.46	Deferred income	10,467,837.46
Subsidy for constcution of Ningchang Expressway	2,259,480.04	Deferred income	2,259,480.04
Post allowance	508,550.11	Other income	508,550.11
Others	952,385.49	Other income	952,385.49
Total	29,762,256.45		29,762,256.45

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58 Leases

(1) As a lessee

Right-of-use assets

Item	2021
Cost	
Balance at the beginning of the year	25,975,386.27
Additions during the year	5,424,740.92
Decrease during the year	-
Balance at the end of the year	31,400,127.19
Accumulated depreciation	
Balance at the beginning of the year	7,082,251.38
Charge for the year	7,669,397.16
Reductions during the year	-
Balance at the end of the year	14,751,648.54
Provision for impairment	
Balance at the beginning of the year	-
Balance at the end of the year	-
Carrying amounts	
At the end of the year	16,648,478.65
At the beginning of the year	18,893,134.89

Lease liabilities

Item	Note	2021	2020
Long-term lease liabilities		14,712,175.09	16,803,250.67
Less: lease liabilities due within one year	V.27	6,792,205.16	4,967,648.97
Total		7,919,969.93	11,835,601.70

Item	2021	2020
Short-term lease expenses applied the practical expedient	1,803,527.20	90,600.00
Variable lease payments not included in the measurement of lease liabilities	558,085.71	1,930,204.00
Total cash outflow for leases	9,560,179.63	5,008,523.33

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

58 Leases (Continued)

(2) As a lessor

Operating lease

Item	2021	2020
Lease income	244,439,183.07	187,264,911.70
Including: Income relating to variable lease payments not included in lease receipts	68,655,803.61	42,964,216.88

The Group mainly leases some plant and buildings in the service zone along the expressway, the lease term is subject to the actually signed contract. The lessee guarantees the residual value of the leased assets at the end of the lease term. The Group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The undiscounted lease receipts to be received after the balance sheet date are as follows:

Item	2021	2020
Within 1 year (inclusive)	168,455,986.53	179,720,860.00
Over 1 year but within 2 years (inclusive)	162,171,633.19	179,334,286.00
Over 2 years but within 3 years (inclusive)	82,016,056.14	60,941,430.00
Over 3 years but within 4 years (inclusive)	45,930,348.91	68,083,573.00
Over 4 years but within 5 years (inclusive)	30,198,528.74	76,493,609.00
Over 5 years	20,353,629.19	27,561,292.00
Total	509,126,182.70	592,135,050.00

VI. CHANGE OF CONSOLIDATION SCOPE

Other reasons for change of consolidation scope

Two new subsidiaries of the group were included in the consolidation scope this year:

Name of Subsidiary	Basis for the judgement of control
Ninghu International Company (<i>Note</i>)	Wholly-owned subsidiary
Jiangsu Yangtze Commerce and Energy Co., Ltd. ("Yangtze Commerce and Energy Company")	Wholly-owned subsidiary

Note: Ninghu international was incorporated in Hong Kong on January 17, 2020, and the company contributed its registered capital in 2021.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

VII. INTERESTS IN OTHER ENTITIES

1 Interests in subsidiaries

(1) Composition of the Group

Name of the Subsidiary	Principal place of business	Registration place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Jinagsu Ninghu Investment Development Co., Ltd. ("Ninghu Investment Company")	Nanjing	Nanjing	Investment and service	RMB1,940,000,000.00	100.00	-	Set-up
Jinagsu Ninghu Properties Co., Ltd. ("Ninghu Properties Company")	Nanjing, Zhenjiang	Nanjing	Real estate	RMB500,000,000.00	100.00	-	Set-up
Nanjing Hanwei Property Development Company Limited ("Hanwei Company")	Nanjing	Nanjing	Real estate	RMB290,000,000.00	100.00	-	Business combination not under common control
Jiangsu Yangtze Commerce and Energy Co., Ltd. ("Yangtze Commerce and Energy Company")	Nanjing	Nanjing	Operation of service zone	RMB100,000,000.00	100.00	-	Set-up
Jiangsu Yangtze River Expressway Management Co., Ltd. ("Yangtze River Management")	Wuxi	Nanjing	Construction and operation of expressway	RMB50,000,000.00	100.00	-	Set-up
Ninghu International Company	Hong Kong	Hong Kong	Investment	USD113,176.86	100.00	-	Set-up
Jiangsu Guangjing Xicheng Expressway Company Limited ("Guangjing Xicheng Company")	Wuxi	Nanjing	Construction and operation of expressway	RMB2,500,000,000.00	85.00	-	Set-up
Jiangsu Zhendao Expressway Co., Ltd. ("Zhendao Company")	Zhenjiang	Nanjing	Construction and operation of expressway	RMB605,590,000.00	70.00	-	Set-up
Jiangsu Wufengshan Bridge Co., Ltd. ("Wufengshan Bridge")	Zhenjiang, Yangzhou	Zhenjiang	Construction and operation of expressway	RMB4,826,350,000.00	64.50	-	Set-up
Jiangsu Longtan Bridge Co., Ltd. ("Longtan Bridge")	Nanjing	Nanjing	Construction and operation of expressway	RMB2,501,570,000.00	53.60	-	Set-up

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1 Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued)

Name of the Subsidiary	Principal place of business	Registration place	Business nature	Registered capital	Shareholding (or similar equity interest) percentage		Acquisition method
					Direct	Indirect	
Ninghu Properties (Kunshan) Co., Ltd. ("Kunshan Properties")	Kunshan	Kunshan	Real estate	RMB200,000,000.00	-	100.00	Set-up
Ninghu Properties (Suzhou) Co., Ltd. ("Suzhou Properties")	Suzhou	Suzhou	Real estate	RMB100,000,000.00	-	100.00	Set-up
Ninghu Commercial Factoring (Guangzhou) Co., Ltd. ("Ninghu Factoring Company")	Guangzhou	Guangzhou	Business services	RMB90,000,000.00	-	100.00	Set-up
Kunshan Fengyuan	Kunshan	Kunshan	Real estate	RMB9,000,000.00	-	100.00	Set-up
Jiangsu Tongcheng Times Property Management Co., Ltd. ("Tongcheng Property Management")	Kunshan	Kunshan	Property Management	RMB3,000,000.00	-	100.00	Set-up
Wuxi Jingcheng Advertising Co., Ltd. ("Jiangcheng Advertising")	Wuxi	Wuxi	Service	RMB1,000,000.00	-	100.00	Set-up
Jiangsu Yichang Expressway Company Limited ("Yichang Company")	Yixing, Changxing	Yixing	Construction and operation of expressway	RMB1,591,480,880.00	-	60.00	Set-up
Jiangsu Changyi Expressway Company Limited ("Changyi Company")	Changzhou, Yixing	Wuxi	Construction and operation of expressway	RMB1,519,846,000.00	-	60.00	Set-up

(2) Material non-wholly owned subsidiaries

Name of the Subsidiary	Proportion of ownership interest held by non-controlling interests (%)	Profit or loss allocated to non-controlling interests during the year	Dividend declared to non-controlling shareholders during the year	Balance of non-controlling interests at the end of the year
Guangjing Xicheng Company	15.00%	96,456,007.66	11,107,452.34	982,290,468.35
Zhendan Company	30.00%	(12,428,557.40)	-	134,745,016.73
Wufengshan Bridge	35.50%	(45,108,383.88)	-	1,669,208,750.93
Changyi Company	40.00%	(40,346,266.62)	-	574,356,894.02
Yichang Company	40.00%	(44,891,962.58)	-	608,157,268.40
Longtan Company	46.40%	173,431.47	-	1,160,850,835.74

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1 Interests in subsidiaries (Continued)

(3) Key financial information about material non-wholly owned subsidiaries

Significant financial Information	Guangjing Xicheng Company		Zhendan Company		Wufengshan Bridge		Changyi Company		Yichang Company		Longtan Company	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Current assets	170,304,084.76	224,374,128.83	13,741,305.97	6,653,267.32	115,352,336.09	507,989,836.47	52,325,721.98	99,566,683.00	45,812,192.63	66,484,852.78	234,670,389.49	291,802,353.37
Non-current assets	14,492,289,541.99	13,223,866,776.99	1,703,179,971.85	1,766,840,363.63	12,601,025,617.16	10,967,603,588.54	3,728,287,979.54	3,801,200,998.55	3,855,761,770.97	2,828,084,011.28	2,034,868,654.88	1,338,064,187.44
Total assets	14,662,593,626.75	13,448,240,905.82	1,716,921,277.82	1,773,493,630.95	12,716,377,953.25	11,475,593,425.01	3,780,613,701.52	3,900,767,681.55	3,901,573,963.60	2,896,568,864.06	2,269,539,044.37	1,629,866,540.81
Current Liabilities	2,157,368,353.35	1,674,711,016.59	1,267,781,222.08	1,282,925,050.56	549,026,456.05	17,690,083.16	290,472,551.41	423,420,864.90	591,029,707.65	10,354,701.67	100,509,922.53	38,691,027.50
Non-current liabilities	4,755,682,757.01	4,461,232,012.38	-	-	7,465,395,877.80	6,628,885,431.58	2,054,160,000.00	1,940,500,000.00	1,790,240,000.00	1,253,680,000.00	3,000,000.00	-
Total liabilities	6,913,051,110.36	6,135,943,028.97	1,267,781,222.08	1,282,925,050.56	8,014,422,333.85	6,646,575,514.74	2,344,632,551.41	2,363,920,864.90	2,381,269,707.65	1,264,034,701.67	103,509,922.53	38,691,027.50
Operating income	2,715,461,849.94	1,128,883,798.58	90,694,184.51	71,109,702.74	1,352,159,266.14	-	85,930,654.39	418,722.28	1,228,438,402.30	-	668,140,944.80	-
Net profit	557,801,821.85	465,769,696.17	(41,428,524.65)	(51,490,307.78)	(127,062,290.87)	208,944.57	(100,865,666.54)	(1,787,267.40)	(112,229,906.44)	2,002,424.80	323,607.86	(74,207.80)
Total comprehensive income	426,056,092.66	580,808,259.13	(41,428,524.65)	(51,490,307.78)	(127,062,290.87)	208,944.57	(100,865,666.54)	(1,787,267.40)	(112,229,906.44)	2,002,424.80	323,607.86	(74,207.80)
Cash flows from operating activities	1,007,187,547.16	749,647,715.45	57,191,307.47	(86,527,085.47)	197,976,037.69	281,517.88	120,928,043.42	(1,704,827.80)	43,204,740.28	(2,228,404.24)	42,745,079.29	108,553.47

2 Interests in associates

Item	2021	2020
Associates		
– material associates	8,479,016,433.10	5,984,422,198.12
– immaterial associates	1,208,109,574.70	1,146,104,892.48
Sub-total	9,687,126,007.80	7,130,527,090.60
Less: Provision for impairment	-	-
Total	9,687,126,007.80	7,130,527,090.60

(1) Material associates:

Name of associates	Principal place of business	Registered place	Nature of business	Shareholding percentage		Accounting treatment of investments in associates	Registered capital	Strategic to the Group's activities
				Direct	Indirect			
Yangtze Bridge Company	Nanjing	Nanjing	Construction and operation of expressway	26.66	-	Equity method	RMB2,137.25 million	Yes
Suzhou Expressway Management	Suzhou	Suzhou	Construction and operation of expressway	30.01	-	Equity method	RMB2,543.39 million	Yes
Zijin Trust	Suzhou	Suzhou	Trust	20.00	-	Equity method	RMB3,271.08 million	Yes
Yanjiang Company	Suzhou	Suzhou	Construction and operation of expressway	-	25.15	Equity method	RMB3,976.45 million	Yes

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

2 Interests in associates (Continued)

(2) Key financial information of material associates:

The following table sets out the key financial information of the Group's material associates, adjusted for fair value adjustments at the time of acquisition and any differences in accounting policies of the Group. The table also reconciles the key financial information to the carrying amount of the Group's investments in the associates when using the equity method:

	Yangtze Bridge Company		Suzhou Expressway Management		Yanjiang Company		Zijin Trust		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Current assets	1,161,130,480.55	2,892,724,151.06	1,156,249,085.04	2,048,309,912.47	2,203,448,676.99	1,550,322,650.10	981,670,152.41	5,502,498,394.99	6,491,356,713.63	
Non-current assets	23,726,134,770.77	19,757,165,390.14	7,772,617,824.99	6,479,350,936.30	9,064,558,994.79	9,801,256,259.72	7,581,547,564.64	48,144,859,155.19	36,037,772,586.16	
Total assets	24,887,265,251.32	22,649,889,541.20	8,928,866,910.03	8,527,660,848.77	11,268,007,671.78	11,351,578,909.82	8,563,217,717.05	53,647,357,550.18	42,529,129,299.79	
Current liabilities	4,368,374,628.74	2,833,883,860.89	475,496,277.99	244,661,477.60	659,251,937.72	1,084,963,608.39	722,541,344.32	6,225,664,188.77	4,163,508,946.88	
Non-current liabilities	9,094,869,918.63	10,178,388,863.92	1,453,987,515.63	1,645,789,560.10	1,916,682,550.49	2,081,792,575.00	74,662,313.66	12,540,202,298.41	13,905,970,999.02	
Total liabilities	13,463,244,547.37	13,012,272,724.81	1,929,483,793.62	1,890,451,037.70	2,575,934,488.21	3,166,756,183.39	797,203,657.98	18,765,866,487.18	18,069,479,945.90	
Net assets	11,424,020,703.95	9,637,616,816.39	6,999,383,116.41	6,637,209,811.07	8,692,073,183.57	8,184,822,726.43	7,766,014,059.07	34,881,491,063.00	24,459,649,353.89	
Non-controlling interests	4,093,149,688.91	3,259,534,330.27	17,693,205.41	20,457,664.52	106,105,125.50	196,491,821.50	-	4,216,948,019.82	3,476,483,816.29	
Equity attributable to shareholders of the Company	7,330,871,015.04	6,378,082,486.12	6,981,689,911.00	6,616,752,146.55	8,585,968,058.07	7,988,330,904.93	7,766,014,059.07	30,664,543,043.18	20,983,165,537.60	
Group's share of net assets	1,954,410,212.61	1,700,396,790.80	2,095,205,142.29	1,985,687,319.18	2,369,727,184.03	2,204,779,329.76	1,553,202,811.82	7,972,545,350.75	5,890,863,439.74	
Add: Goodwill derived from acquiring investments	53,174,434.00	53,174,434.00	27,211,243.38	27,211,243.38	13,173,081.00	13,173,081.00	412,912,323.97	506,471,082.35	93,558,758.38	
Carrying amount of interests in associates	2,007,584,646.61	1,753,571,224.80	2,122,416,385.67	2,012,988,562.56	2,382,900,265.03	2,217,952,410.76	1,966,115,135.79	8,479,016,433.10	5,984,422,198.12	
Operating income	2,494,826,646.50	1,683,175,741.53	1,986,834,819.21	1,636,466,129.63	2,289,275,448.58	1,763,909,977.43	116,169,396.09	6,887,106,310.38	5,083,551,848.59	
Net profit	1,156,841,698.69	392,774,815.84	546,964,930.92	374,455,854.55	664,751,453.22	265,088,993.34	28,025,678.95	2,396,583,761.78	1,032,319,663.73	
Net profit from discontinued operations	-	-	-	-	-	-	-	-	-	
Other comprehensive income	(75,808,084.98)	62,839,500.00	-	-	-	-	-	(75,808,084.98)	62,839,500.00	
Total comprehensive income	1,081,033,613.71	455,614,315.84	546,964,930.92	374,455,854.55	664,751,453.22	265,088,993.34	28,025,678.95	2,320,775,676.80	1,095,159,163.73	
Dividends received from associates during the year	34,190,139.60	68,380,279.20	54,620,883.00	54,620,883.00	18,523,546.82	66,038,451.62	29,072,000.00	136,406,569.42	189,039,613.82	

(3) Summarised financial information of immaterial associates:

	2021	2020
Associates:		
Aggregate carrying amount of investments	1,208,109,574.70	1,146,104,892.48
Aggregate amount of share of		
- Net profit	95,140,109.00	84,888,877.67
- Other comprehensive income	-	-
- Total comprehensive income	95,140,109.00	84,888,877.67

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS

The Group has exposure to the following main risks from its use of financial instruments in the normal course of the Group's operations:

- Credit risk
- Liquidity risk
- Interest rate risk
- Other price risks

The following mainly presents information about the Group's exposure to each of the above risks and their sources, their changes during the year, and the Group's objectives, policies and processes for measuring and managing risks, and their changes during the year.

The Group aims to seek appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank, bills receivable, accounts receivable, other receivables, factoring receivable disclosed in Notes V, 1, 3, 4, 6 and 8, and the guarantee contract amount related to real estate sales disclosed in Note XII "Contingencies". Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. Except for the financial guarantees given by the Group as set out in Note XII, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in Note XII.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country/region in which the customers operate. Therefore, significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at the balance sheet date, 74.90% (2020: 86.16%) of total accounts receivable and contract assets were due from the Group's five largest customers.

For details of accounts receivable, refer to Note V.4.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

2 Liquidity risk (Continued)

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables set out the remaining contractual maturities at the balance sheet date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group can be required to pay:

Item	2021 Contractual undiscounted cash flow				Total	Carrying amount at balance sheet date
	Within 1 year or demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
Bills payable	100,300,000.00	-	-	-	100,300,000.00	100,300,000.00
Accounts payable	2,328,898,028.92	-	-	-	2,328,898,028.92	2,328,898,028.92
Other payables	253,009,905.05	-	-	-	253,009,905.05	253,009,905.05
Short-term loans	1,110,995,036.45	-	-	-	1,110,995,036.45	1,077,145,209.09
Other current liabilities	7,697,085,136.65	-	-	-	7,697,085,136.65	7,671,965,597.07
Long-term loans (includes long-term loans due within one year)	1,098,167,249.20	2,219,681,437.86	2,475,467,400.72	13,772,011,030.49	19,565,327,118.27	13,611,395,674.98
Debentures payable (includes Debentures payable due within one year)	296,776,109.59	207,890,000.00	6,121,883,890.41	-	6,626,550,000.00	5,865,971,891.37
Lease liabilities (includes lease liabilities due within one year)	7,344,780.00	4,112,059.69	4,333,250.00	-	15,790,089.69	14,712,175.09
Total	12,892,576,245.86	2,431,683,497.55	8,601,684,541.13	13,772,011,030.49	37,697,955,315.03	30,923,398,481.57

Item	2020 Contractual undiscounted cash flow				Total	Carrying amount at balance sheet date
	Within 1 year or demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
Bills payable	38,400,000.00	-	-	-	38,400,000.00	38,400,000.00
Accounts payable	1,313,481,227.00	388,100,866.30	-	-	1,701,582,093.30	1,701,582,093.30
Other payables	240,226,212.82	-	-	-	240,226,212.82	240,226,212.82
Short-term loans	1,515,704,133.34	-	-	-	1,515,704,133.34	1,475,103,433.33
Other current liabilities	8,365,355,518.78	-	-	-	8,365,355,518.78	8,327,987,272.56
Long-term loans (includes long-term loans due within one year)	648,037,828.49	-	3,384,065,265.81	12,520,209,507.80	16,552,312,602.10	11,588,975,638.64
Debentures payable (includes Debentures payable due within one year)	1,065,639,903.40	-	3,466,400,000.00	-	4,532,039,903.40	3,039,501,056.50
Lease liabilities (includes lease liabilities due within one year)	5,739,867.69	5,850,592.39	6,726,047.62	-	18,316,507.70	16,803,250.67
Total	13,192,584,691.52	393,951,458.69	6,857,191,313.43	12,520,209,507.80	32,963,936,971.44	26,428,578,957.82

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

3 Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure.

(1) As at 31 December, the Group held the following interest-bearing financial instruments:

Fixed rate instruments:

Item	2021		2020	
	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial assets				
– Cash at bank	0.01% – 1.30%	486,778,096.64	0.30% – 0.39%	347,806,162.16
– Factoring receivable	6.00% – 8.00%	650,509,287.86	6.08% – 7.50%	348,771,370.50
Financial liabilities				
– Short-term loans	3.15% – 4.35%	1,077,145,209.09	3.15% – 4.35%	1,475,103,433.33
– Long-term loans (includes long-term loans due within one year)	1.00% – 4.30%	2,741,489,240.31	1.00% – 4.30%	4,651,611,638.64
– Debentures payable (includes Debentures payable due within one year)	3.00% – 4.00%	5,865,971,891.37	3.70% – 3.98%	3,039,501,056.50
– Lease liabilities (includes lease liabilities due within one year)	4.75%	14,712,175.09	4.75%	16,803,250.67
– Other current liabilities	2.23% – 2.89%	7,638,282,907.00	1.80% – 2.20%	8,257,078,476.00
Total		18,474,888,807.36		18,136,675,387.80

Variable rate instruments:

Item	2021		2020	
	Effective interest rate	Amounts	Effective interest rate	Amounts
Financial liabilities				
– Long-term loans	Floating interest rate based on LPR benchmark interest rate	10,869,906,434.67	Floating interest rate based on benchmark interest rate	8,835,580,000.00
Total		10,869,906,434.67		8,835,580,000.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS (CONTINUED)

3 Interest rate risk

(2) Sensitivity analysis

As at 31 December 2021, it is estimated that a general increase of 100 basis points in interest rates, with all other variables held constant, would decrease the Group's equity and net profit by RMB81,524,298.26 (2020: RMB66,266,850.00).

The sensitivity analysis above indicates the instantaneous change in the net profit and equity that would arise assuming that the change in interest rates had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the previous year.

4 Other price risks

Other price risks include assets price risk and commodity price risk.

In order to avoid the risk of equity investment, the Group uses the stock capital to invest in some domestic listed companies with certain scale, competitive advantage and development potential through the securities market in accordance with the authorization of the board of directors of the Company. At the same time, the Group reasonably controls its investment scale and collectively studies on specific investment strategies based on the the stock market and the management of target enterprises. On the other hand, the Group divides stock investment into other equity instrument investment in strict accordance with national laws and regulations and in combination with the Group's investment arrangement, and carries out targeted tracking management. For the stock investment divided into other equity instruments, the Group pay attention to the operation and development of the target company, and understand the operation and management of the company through attending its shareholders' meeting.

As at 31 December 2021, the value of held-for-trading financial assets and other non-current financial assets measured at fair value held by the Group was RMB5,650,660,544.70 (31 December 2020: 3,573,011,122.55), the value of other equity instruments was RMB5,805,587,078.89 (31 December 2020: RMB5,471,025,963.66). As at 31 December 2021, 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 or decreased by 1% and other variables remain unchanged, shareholders' equity or net profit of the Group would have been increased or decreased by RMB42,379,954.09 (31 December 2020: shareholders' equity or net profit of the Group would have been increased or decreased by RMB26,797,583.42); if the price of the other equity instruments had increased or decreased by 1% and other variables remain unchanged, shareholders' equity of the Group would have been increased or decreased by RMB43,541,903.09 (31 December 2020: shareholders' equity of the Group would have been increased or decreased by RMB41,032,694.73), no impact on net profit (31 December 2020: none).

The above sensitivity analysis assumes that the asset price changes on the balance sheet date, and the changed asset price is used to re-measure the other equity instruments held by the group and exposed to asset price risk on the balance sheet date. The above sensitivity analysis also assumes that the fair value of other equity instruments held by the group will change according to the correlation with relevant asset prices in the past, and will not be impaired due to the fluctuation of short-term asset prices. The analysis is performed on the same basis for the previous year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

IX. FAIR VALUE DISCLOSURE

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

1 Fair value of assets and liabilities measured at fair value at the end of the year

Item	Note	31 December 2021			Total
		Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements					
Financial assets held for trading	V.2	36,325,316.44	2,610,193,360.00	-	2,646,518,676.44
Including: Fund investments		36,323,820.44	-	-	36,323,820.44
Stock investments		1,496.00	-	-	1,496.00
Financial products		-	2,610,193,360.00	-	2,610,193,360.00
Investments in other equity instruments	V.10	5,805,587,078.89	-	-	5,805,587,078.89
Other non-current financial assets	V.11	-	-	3,004,141,868.26	3,004,141,868.26
Including: Equity instruments		-	-	3,004,141,868.26	3,004,141,868.26
Total assets measured at fair value on a recurring basis		5,841,912,395.33	2,610,193,360.00	3,004,141,868.26	11,456,247,623.59

Item	Note	31 December 2020			Total
		Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	
Recurring fair value measurements					
Financial assets held for trading	V.2	34,818,523.40	1,499,000,000.00	-	1,533,818,523.40
Including: Fund investments		30,249,184.94	-	-	30,249,184.94
Gold investments		4,326,538.14	-	-	4,326,538.14
Stock investments		242,800.32	-	-	242,800.32
Financial products		-	1,499,000,000.00	-	1,499,000,000.00
Investments in other equity instruments	V.10	4,217,955,963.66	-	1,253,070,000.00	5,471,025,963.66
Other non-current financial assets	V.11	-	-	2,039,192,599.15	2,039,192,599.15
Including: Equity instruments		-	-	2,039,192,599.15	2,039,192,599.15
Total assets measured at fair value on a recurring basis		4,252,774,487.06	1,499,000,000.00	3,292,262,599.15	9,044,037,086.21

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

IX. FAIR VALUE DISCLOSURE (CONTINUED)

2 Basis of determining the market price for recurring and non-recurring fair value measurements categorised within Level 1

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.

3 Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 2

The fair value of the held-for-trading financial assets – financial products are determined by discounted future cash flows based on expected yield rate.

4 Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 3

Non-current financial assets in Level 3 fair value measurements on recurring basis mainly include private equity fund shares held by the group. The group adopts valuation technology for fair value measurement, which is mainly calculated and recognized by market method.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

IX. FAIR VALUE DISCLOSURE (CONTINUED)

5 Reconciliation from the opening balances to the closing balances, and sensitivity analysis on unobservable inputs for items measured at recurring Level 3 fair value measurements

- (1) Reconciliation between carrying amount at the beginning of the year and that at the end of the year for items measured at recurring Level 3 fair value measurements

	Total gains or losses for the year				Purchases and settlements		Balance at the end of the year	Unrealised gains or losses for the year included in profit or loss for assets and liabilities held at the end of the year
	Balance at the beginning of the year	Transfer out of Level 3	Included in profit or loss Note	Included in other comprehensive income Note	Purchases	Settlements		
2021								
Assets								
Investments in other equity instruments	1,253,070,000.00	(1,253,070,000.00)	-	-	-	-	-	-
Other non-current financial assets	2,039,192,599.15	-	591,313,173.74	-	479,727,370.69	(106,091,275.32)	3,004,141,868.26	485,221,898.42
Including: Equity instruments	2,039,192,599.15	-	591,313,173.74	-	479,727,370.69	(106,091,275.32)	3,004,141,868.26	485,221,898.42
Total	3,292,262,599.15	(1,253,070,000.00)	591,313,173.74	-	479,727,370.69	(106,091,275.32)	3,004,141,868.26	485,221,898.42

	Total gains or losses for the year				Purchases and settlements		Balance at the end of the year	Unrealised gains or losses for the year included in profit or loss for assets and liabilities held at the end of the year
	Balance at the beginning of the year	Transfer out of Level 3	Included in profit or loss Note	Included in other comprehensive income Note	Purchases	Settlements		
2020								
Assets								
Investments in other equity instruments	1,099,800,000.00	-	56,160,000.00	153,270,000.00	-	(56,160,000.00)	1,253,070,000.00	-
Other non-current financial assets	1,446,175,745.21	-	27,992,470.58	-	565,024,383.36	-	2,039,192,599.15	27,992,470.58
Including: Equity instruments	1,446,175,745.21	-	27,992,470.58	-	565,024,383.36	-	2,039,192,599.15	27,992,470.58
Total	2,545,975,745.21	-	84,152,470.58	153,270,000.00	565,024,383.36	(56,160,000.00)	3,292,262,599.15	27,992,470.58

Note: The above gains or losses for the year included in profit or loss or other comprehensive income are as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

IX. FAIR VALUE DISCLOSURE (CONTINUED)

5 Reconciliation from the opening balances to the closing balances, and sensitivity analysis on unobservable inputs for items measured at recurring Level 3 fair value measurements

- (1) Reconciliation between carrying amount at the beginning of the year and that at the end of the year for items measured at recurring Level 3 fair value measurements

	2021	2020
Realised gains or losses included in profit or loss for the year		
– Investment income	106,091,275.32	56,160,000.00
Unrealised gains or losses included in profit or loss for the year		
– Gains from changes in fair value	485,221,898.42	27,992,470.58
Total	591,313,173.74	84,152,470.58
Gains or losses included in other comprehensive income		
– Changes in fair value of investments in other equity instruments	-	153,270,000.00
Total	-	153,270,000.00

- (2) Sensitivity analysis on unobservable inputs for recurring fair value measurements categorised within Level 3

The Group determines the fair value of other non-current financial assets – investments in other equity instruments based on the net value of the partnership's share of the investment with reference to observable market prices, to which the liquidity discount is adjusted. The fair value measurement is negatively correlated with the liquidity discount. As at 31 December 2021, the Group's other comprehensive income would increase or decrease by RMB0 (2020: RMB1,149,525.00) for every 1% decrease or increase in the liquidity discount, respectively, assuming other variables remain unchanged.

6 Reasons for transfers between different levels, and the policy about the timing of those transfers for recurring fair value measurement

At end of the period, the Group held investments in other equity instruments transferred from level 3 to level 1 totaling RMB1,191,060,000.00, mainly due to the release of restricted shares.

7 Current changes in valuation techniques and the reasons

During 2021, there were no changes in valuation techniques for the recurring and non-recurring fair value measurements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

IX. FAIR VALUE DISCLOSURE (CONTINUED)

8 Fair values of financial assets and liabilities not measured at fair value

All financial instruments are carried at amounts not materially different from their fair value as at 31 December 2021 and 2020 except as follows:

	2021		Fair value measurements in 2021 categorised into		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Long-term loans (including long-term loans due within one year)	2,228,852,040.19	2,291,564,650.00	2,291,564,650.00	-	-
Bonds payable (including bonds payable due within one year)	5,865,971,891.37	5,897,524,972.80	5,897,524,972.80	-	-
Total	8,094,823,931.56	8,189,089,622.80	8,189,089,622.80	-	-

	2020		Fair value measurements in 2020 categorised into		
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Long-term loans (including long-term loans due within one year)	2,200,000,000.00	2,272,155,750.00	2,272,155,750.00	-	-
Bonds payable (including bonds payable due within one year)	2,984,038,590.76	3,060,930,000.00	3,060,930,000.00	-	-
Total	5,184,038,590.76	5,333,085,750.00	5,333,085,750.00	-	-

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1 Information about the parent of the Company

Company name	Registered place	Business nature	Registered capital	Shareholding percentage (%)	Percentage of voting rights (%)
Communication 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 Communication Holding.

2 Information about the subsidiaries of the Company

For information about the subsidiaries of the Company, refer to Note VII.1.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

3 Information about joint ventures and associates of the Company

For information about the associates of the Company, refer to Note VII.2.

4 Information on other related parties

Name of other related parties	Related party relationship
Jiangsu Tongxingbao Smart Transportation Science & Technology Co., Ltd. ("Tongxingbao Company")	Same ultimate shareholder
Jiangsu Freeway Petroleum Development Co., Ltd. ("Freeway Petroleum Company")	Same ultimate shareholder
Jiangsu Sutong Bridge Co., Ltd. ("Sutong Bridge Company")	Same ultimate shareholder
Jiangsu Taizhou Bridge Co., Ltd. (Taizhou Bridge 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
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
Jiangsu Shanghai Jiangsu Zhejiang Expressway Co., Ltd. ("Husuzhe Expressway")	Same ultimate shareholder
Jiangsu Communications Holding Commercial Operation Management Co., Ltd. ("Communications Holding Commercial Operation Company")	Same ultimate shareholder
Jiangsu Cuiplingshan Hotel ("Cuiplingshan Hotel")	Same ultimate shareholder
Jiangsu Communications Holding Training Co., Ltd. ("Communications Holding Training Company")	Same ultimate shareholder
Jiangsu Xitai Tunnel Co., Ltd. ("Xitai Tunnel Company")	Same ultimate shareholder
Jiangsu Dongfang Road and Bridge Construction Maintenance Co., Ltd. ("Dongfang R&B Company")	Same ultimate shareholder
Jiangsu Expressway Operation and Management Center ("Expressway Management Center")	Same ultimate shareholder
Jiangsu Runyang Bridge Development Co., Ltd. ("Runyang Bridge Company")	Same ultimate shareholder
Jiangsu Expressway Information Engineering Co., Ltd. ("Information Company")	Associate of the parent company
Suzhou Suchang Auto Repair Service Co., Ltd. (Suchang Auto Repair Company)	Subsidiary of an associate
Jiangsu Financial Leasing Co., Ltd. ("Jiangsu Financial Leasing")	Same ultimate shareholder

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5 Transactions with related parties

The transactions below with related parties were conducted under normal commercial terms or agreements.

- (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/interest expense of loans

Name of related party	Nature of transaction	2021	2020
Xiandai R&B Company*	Road maintenance fee	493,772,854.01	455,810,522.52
Xiandai R&B Company*	Wufengshan Bridge service area design and construction fees	6,240,000.00	–
Xiandai R&B Company*	Emergency on-site project construction fees	1,851,424.91	–
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
Network Operation Company*	Maintenance and operating administration fees for toll collection system	25,391,753.00	21,470,421.00
Tongxingbao Company*	Maintenance and operating administration fees for toll collection system	33,662,693.64	26,659,894.39
Maintenance Technology Company*	Road maintenance fee	25,753,467.97	14,983,174.59
Information Company*	Communication system maintenance fee	3,636,750.81	33,012,998.90
Information Company*	Spare parts commission management fee	2,797,056.18	–
Information Company*	Yangcheng Lake toll point relocation electromechanical engineering project fee	7,146,647.00	–
Information Company*	Intercom phone system upgrade project fee	1,390,000.00	–
Huatong Company*	Engineering reinforcement and maintenance fee	28,542,874.98	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5 Transactions with related parties (Continued)

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

Name of related party	Nature of transaction	2021	2020
Huatong Company*	Bridge pier replacement fee etc.	-	10,946,848.11
Kuailu Company	Lease fee of transportation service	18,163,635.68	8,983,247.48
Nanlin Hotel	Food and beverage	7,153.00	14,841.00
Micro Video Company*	Three major systems construction and maintenance and computer room and other renovation costs	10,156,648.41	8,409,368.56
Engineering Maintenance Company*	Periodic bridge inspection fee	1,832,698.87	462,936.24
Engineering Testing Company*	Bridge inspection fee	11,388,427.14	2,280,932.47
Engineering Testing Company*	ETC mast construction fee	-	826,223.36
Dongfang R&B Company	Road maintenance fee	8,457,059.30	1,219,283.00
Culture Media*	Advertising and promotion fee	9,190,089.80	1,888,956.97
Cuipingshan Hotel	Procurement and service fee	726,313.73	53,945.00
Communications Holding	Interest expenses of loans from a related party	113,133,814.85	91,612,445.43
Communications Holding Group Finance Company*	Cloud Platform Service Fee	2,548,769.33	-
	Interest expenses of working capital loan	12,238,513.89	19,401,181.25
Sutong Bridge Company	Interest expenses of entrusted loan	9,378,000.00	3,032,125.00
Training Company*	Training fee	8,841,215.66	3,926,162.00
Jinghu Company	Interest expenses of entrusted loan	-	620,277.78
Husuzhe Expressway	Interest expenses of entrusted loan	3,237,500.00	301,388.88

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.

Sale of goods/rendering of services/interest income of loans

Name of related party	Nature of transaction	2021	2020
Group Finance Company*	Interest income from deposits	3,105,573.40	2,752,695.86
Kuailu Company	Toll road income	180,000.00	270,000.00
Tongxingbao Company*	ETC customer-service network management income	388,250.41	624,369.89
Culture Media*	Advertising income	37,690,940.72	32,733,131.19
Yangtze Bridge Company*	Entrusted management income	14,142,600.00	14,679,716.98
Hutong Bridge Company*	Entrusted management income	8,005,900.00	1,707,547.17
Xiandai R&B Company*	Fueling income	1,485,967.75	1,128,665.22
Luode Fund Company	Fueling income	876.20	3,919.48
Xitai Tunnel Company	Entrusted management income	410,000.00	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5 Transactions with related parties (Continued)

(2) Leases

(a) As the lessor

Name of lessee	Type of assets leased	Lease income recognised in 2021	Lease income recognised in 2020
Freeway Petroleum Company*	Fixed assets	21,612,290.10	15,916,137.85
Taixing Hechang Petroleum Company*	Fixed assets	3,574,164.00	5,146,640.33
Railway Group Company*	Fixed assets	3,973,640.00	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
Engineering Testing Company*	Fixed assets	–	556,190.46
Culture Media*	Fixed assets	6,314,600.04	5,754,799.57
Yangtze Bridge Company*	Fixed assets	131,000.00	–

(b) As the lessee

Name of lessor	Type of assets leased	Lease expense recognised in 2021	Lease expense recognised in 2020
Commercial Operation Company*	Fixed assets	4,004,843.00	887,295.50
Yangtze Bridge Company*	Fixed assets	1,000,000.00	–

(3) Guarantee

The Group as the guarantor

Guarantee holder	Amount of guarantee	Inception date of guarantee	Maturity date of guarantee	Guarantee expired (Y/N)
Communications Holding	USD1,734,327.24	15 October 1998	18 July 2027	N

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5 Transactions with related parties (Continued)

(4) Funding from related party

In 2021:

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Balance at end of the year	Note
Funds received					
Group Finance Company*	(100,000,000.00)	25 November 2020	24 November 2021	-	Related party loans at 3.55% per annum
Group Finance Company*	(50,000,000.00)	24 November 2020	1 December 2021	-	Related party loans at 3.55% per annum
Group Finance Company*	30,000,000.00	17 September 2021	16 September 2022	30,000,000.00	Related party loans at 3.30% per annum
Group Finance Company*	100,000,000.00	17 March 2021	16 March 2022	100,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	100,000,000.00	21 April 2021	20 April 2022	100,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	100,000,000.00	15 June 2021	14 June 2022	100,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	100,000,000.00	5 August 2021	4 August 2022	100,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	50,000,000.00	30 August 2021	29 August 2022	50,000,000.00	Related party loans at 3.15% per annum
Group Finance Company*	150,000,000.00	18 September 2021	17 September 2022	150,000,000.00	Related party loans at 3.55% per annum
Group Finance Company*	10,000,000.00	13 April 2021	12 April 2022	10,000,000.00	Related party loans at 3.15% per annum
Communications Holding	-	5 December 2012	5 December 2022	250,000,000.00	Related party loans at 5.50% per annum
Communications Holding	-	17 May 2013	17 May 2023	250,000,000.00	Related party loans at 5.30% per annum
Communications Holding	-	21 June 2020	29 May 2035	500,000,000.00	Related party loans at 3.45% per annum
Communications Holding	-	22 July 2020	22 July 2025	550,000,000.00	Related party loans at 3.85% per annum
Communications Holding	-	20 November 2018	24 October 2023	500,000,000.00	Related party loans at 4.43% per annum
Communications Holding	-	8 November 2019	29 August 2024	100,000,000.00	Related party loans at 3.76% per annum
Communications Holding	-	22 July 2020	22 July 2025	50,000,000.00	Related party loans at 3.85% per annum
Communications Holding	-	20 November 2018	24 October 2023	300,000,000.00	Related party loans at 4.43% per annum
Communications Holding	-	22 July 2020	22 July 2025	200,000,000.00	Related party loans at 3.85% per annum
Sutong Bridge Company	(190,000,000.00)	1 December 2020	30 November 2021	-	Related party loans at 3.60% per annum
Sutong Bridge Company	(180,000,000.00)	2 December 2020	1 December 2021	-	Related party loans at 3.60% per annum
Husuzhe Expressway	(100,000,000.00)	1 December 2020	30 November 2021	-	Related party loans at 3.50% per annum

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5 Transactions with related parties (Continued)

(4) Funding from related party (Continued)

In 2020:

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Balance at end of the year	Note
Funds received					
Jinghu Company	100,000,000.00	13 October 2020	30 October 2020	–	Related party loans at 3.85% per annum
Jinghu Company	(100,000,000.00)	13 October 2020	30 October 2020	–	Related party loans at 3.85% per annum
Jinghu Company	260,000,000.00	15 October 2020	30 October 2020	–	Related party loans at 3.85% per annum
Jinghu Company	(260,000,000.00)	15 October 2020	30 October 2020	–	Related party loans at 3.85% per annum
Group Finance Company*	(300,000,000.00)	23 July 2019	22 July 2020	–	Related party loans at 3.915% per annum
Group Finance Company*	(60,000,000.00)	18 October 2019	28 May 2020	–	Related party loans at 3.915% per annum
Group Finance Company*	(15,000,000.00)	20 November 2019	28 May 2020	–	Related party loans at 3.915% per annum
Group Finance Company*	(85,000,000.00)	20 November 2019	20 July 2020	–	Related party loans at 3.915% per annum
Group Finance Company*	(50,000,000.00)	3 December 2019	15 October 2020	–	Related party loans at 3.915% per annum
Group Finance Company*	(100,000,000.00)	3 December 2019	2 December 2020	–	Related party loans at 3.915% per annum
Group Finance Company*	(100,000,000.00)	3 December 2019	11 August 2020	–	Related party loans at 3.915% per annum
Group Finance Company*	(100,000,000.00)	8 May 2019	9 March 2020	–	Related party loans at 4.1325% per annum
Group Finance Company*	200,000,000.00	13 October 2020	29 October 2020	–	Related party loans at 3.55% per annum
Group Finance Company*	(200,000,000.00)	13 October 2020	29 October 2020	–	Related party loans at 3.55% per annum
Group Finance Company*	150,000,000.00	14 October 2020	29 October 2020	–	Related party loans at 3.55% per annum
Group Finance Company*	(150,000,000.00)	14 October 2020	29 October 2020	–	Related party loans at 3.55% per annum
Group Finance Company*	150,000,000.00	15 October 2020	29 October 2020	–	Related party loans at 3.55% per annum

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5 Transactions with related parties (Continued)

(4) Funding from related party (Continued)

In 2020: (Continued)

Name of related party	Amount of funding (Note)	Inception date	Maturity date	Balance at end of the year	Note
Group Finance Company*	(150,000,000.00)	15 October 2020	29 October 2020	–	Related party loans at 3.55% per annum
Group Finance Company*	100,000,000.00	25 November 2020	24 November 2021	100,000,000.00	Related party loans at 3.55% per annum
Group Finance Company*	30,000,000.00	24 November 2020	27 December 2020	–	Related party loans at 3.55% per annum
Group Finance Company*	(30,000,000.00)	24 November 2020	27 December 2020	–	Related party loans at 3.55% per annum
Group Finance Company*	50,000,000.00	24 November 2020	1 December 2021	50,000,000.00	Related party loans at 3.55% per annum
Communications Holding	–	14 November 2018	24 October 2023	500,000,000.00	Related party loans at 4.43% per annum
Communications Holding	–	8 November 2019	29 August 2024	100,000,000.00	Related party loans at 3.76% per annum
Communications Holding	50,000,000.00	22 July 2020	22 July 2025	50,000,000.00	Related party loans at 3.85% per annum
Communications Holding	–	14 November 2018	24 October 2023	300,000,000.00	Related party loans at 4.43% per annum
Communications Holding	200,000,000.00	22 July 2020	22 July 2025	200,000,000.00	Related party loans at 3.85% per annum
Communications Holding	–	5 December 2012	3 December 2022	250,000,000.00	Related party loans at 5.50% per annum
Communications Holding	–	17 May 2013	15 May 2023	250,000,000.00	Related party loans at 5.30% per annum
Communications Holding	550,000,000.00	21 June 2020	23 July 2025	550,000,000.00	Related party loans at 3.85% per annum
Communications Holding	500,000,000.00	28 May 2020	29 May 2035	500,000,000.00	Related party loans at 3.45% per annum
Sutong Bridge Company	(100,000,000.00)	18 December 2019	17 December 2020	–	Related party loans at 3.915% per annum
Sutong Bridge Company	190,000,000.00	1 December 2020	30 November 2021	190,000,000.00	Related party loans at 3.60% per annum
Sutong Bridge Company	180,000,000.00	2 December 2020	1 December 2021	180,000,000.00	Related party loans at 3.60% per annum
Husuzhe Expressway	100,000,000.00	1 December 2020	30 November 2021	100,000,000.00	Related party loans at 3.50% per annum

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

5 Transactions with related parties (Continued)

- (5) Remuneration of key management personnel

Item	2021	2020
Remuneration of key management personnel	6,570,539.93	6,648,799.00

- (6) Other related party transactions

Name of related party	Nature of transaction	2021	2020
Jinagsu Leasing Company	Investment in convertible bonds	391,716,000.00	–

- (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 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6 Receivables from and payables to related parties

(1) Receivables from related parties

Item	Name of related party	2021	2020
Bank deposits (Note 1)	Group Finance Company	376,438,872.05	137,498,011.11
Accounts receivable (Note 2)	Freeway Petroleum Company (Note 3)	12,224,343.60	4,291,421.01
	Suzhou Expressway Management	3,236,739.01	3,509,922.55
	Yanjiang Company	62,213.83	226,683.55
	Yangtze Bridge Company	14,189,663.30	15,643,915.36
	Hutong Bridge Company	8,009,505.25	2,090,400.00
	Kuailu Company	48,864.10	49,929.40
	Luode Fund Company	-	334.02
	Xiandai R&B Company	233,542.71	-
	Culture Media	21,000.02	2,982,300.00
	Taixing Hechang Petroleum Company (Note 3)	1,741,251.14	1,425,207.62
	Engineering Testing Company	124.92	27,692.92
	Xitai Tunnel Company	410,000.00	-
	Sub-total		40,177,247.88
Prepayment	Information Company	3,000,000.00	2,550,000.00
	Tongxingbao Company	258,228.83	5,528.47
	Micro Video Company	241,439.96	-
	Sub-total	3,499,668.79	2,555,528.47
Other receivables	Luode Fund Company	31,598,493.35	26,000,000.00
	Xiandai R&B Company	11,287.51	-
	Network Operation Company	324.00	14,423.55
	Expressway Management Center	-	151,644.45
	Taizhou Birdge Company	-	21,011.82
	Tongxingbao Company	129,707.00	764,133.21
Sub-total		31,739,811.86	26,951,213.03
Dividends receivable	Kuailu Company	4,989,960.00	4,989,960.00

Note 1: 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 2021, the Group has deposited RMB376,438,872.05 (31 December 2020: RMB137,498,011.11) in Group Finance Company in accordance with the financial service agreement.

Note 2: As at 31 December 2021, besides the accounts receivable from related party stated above, there are split toll road fee receivables from Eastern Expressway Company, Jinghu Company and other expressway companies within the toll road network companies ("Toll Road Network Companies") which amounted to RMB187,226,147.09 (31 December 2020: RMB163,142,123.08). 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 2021, the book balances with Freeway Petroleum Company and Taixing Hechang Petroleum Company are lease receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6 Receivables from and payables to related parties

(2) Payables to related parties

Item	Name of related party	2021	2020
Accounts payable (Note)	Xiandai R&B Company	186,002,617.43	258,033,523.85
	Yangtze Bridge Company	959,867.31	392,525.03
	Yanjiang Company	1,887,868.20	1,051,989.82
	Information Company	12,835,263.00	11,583,646.79
	Suzhou Expressway Management	131,574.13	73,265.87
	Network Operation Company	1,352,863.00	2,185,555.00
	Tongxingbao Company	3,058,846.38	3,017,404.89
	Kuailu Company	1,142,183.94	871,850.00
	Micro Video Company	2,467,069.97	7,094,019.44
	Maintenance Technology Company	11,245,265.00	140,000.00
	Huatong Company	32,420,358.54	-
	Culture Media	3,038,304.92	74,833.33
	Hutong Bridge Company	28,835.87	18,863.41
	Engineering Testing Company	2,454,992.78	-
	Communications Holding	1,022,207.94	-
	Communications Holding Training		
	Company	495,030.66	71,440.00
	Donfang R&B Company	800,000.00	1,569,541.10
	Runyang Bridge Company	81,386.13	50,135.43
	Cuipingshan Hotel	3,362.00	-
Engineering Maintenance Company	826,233.00	140,000.00	
	Sub-total	262,254,130.20	286,368,593.96
Receipts in advance	Kuailu Company	-	458,689.67
	Xiandai R&B Company	80,000.00	80,000.00
	Yuxin Ninghu Company	265.00	-
	Sub-total	80,265.00	538,689.67

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

6 Receivables from and payables to related parties (Continued)

(2) Payables to related parties (Continued)

Item	Name of related party	2021	2020
Other payables	Communications Holding	930,992.20	9,941,712.30
	Tongxingbao Company	303,307.81	785,334.00
	Network Operation Company	1,320.00	1,140.00
	Xiandai R&B Company	10,541,871.27	4,240,337.64
	Luode Fund Company	15,000,000.00	10,000,000.00
	Engineering Testing Company	6,709.59	–
	Huatong Company	293,637.85	26,000.00
	Dongfang R&B Company	376,181.40	–
	Information Company	850,970.83	853,951.11
	Suchang Auto Repair Company	48,878.40	–
	Sub-total	28,353,869.35	25,848,475.05
Short-term loans	Group Finance Company	640,638,763.89	150,142,000.00
	Sutong Bridge Company	–	370,407,000.00
	Husuzhe Expressway	–	100,106,944.44
	Sub-total	640,638,763.89	620,655,944.44
Long-term loans (including long-term loans due within 1 year)	Communications Holding	2,728,852,040.19	2,721,430,637.24

Note: As at 31 December 2021, 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 RMB3,259,415.54 (31 December 2020: RMB2,170,537.54). 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 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

7 Directors' emoluments

2021:

Name	Directors' emoluments	Salaries and other benefits (including housing fund etc., for details, see Note 1)	Performance related payments (Note 2)	Post-employment benefits (Including enterprise annuity etc., for details, see Note 3)	Total
Executive directors					
Cheng Xiao Guang (Appointed in October 2021, for details, see Note 4)	310,000.00	80,391.64	466,950.00	94,997.82	952,339.46
Yao Yong Jia	300,800.00	87,977.64	491,150.00	85,265.82	965,193.46
Sun Xi Bin (Resigned in October 2021, for details, see Note 4)	129,200.00	42,640.85	473,050.00	38,861.40	683,752.25
Non-executive directors					
Chen Yan Li	-	-	-	-	-
Wang Ying Jian (Appointed in June 2021)	-	-	-	-	-
Wu Xin Hua	-	-	-	-	-
Ma Zhong Li	324,561.03	-	-	-	324,561.03
Li Xiao Yan	-	-	-	-	-
Chen Yong Bing (Resigned in May 2021)	-	-	-	-	-
Independent non-executive directors					
Lin Hui	107,900.00	-	-	-	107,900.00
Zhou Shu Dong	107,900.00	-	-	-	107,900.00
Liu Xiao Xing	107,900.00	-	-	-	107,900.00
Xu Guang Hua	53,900.00	-	-	-	53,900.00
Yu Ming Yuan	53,900.00	-	-	-	53,900.00
Zhang Zhu Ting (Resigned in June 2021)	53,900.00	-	-	-	53,900.00
Chen Liang (Resigned in June 2021)	53,900.00	-	-	-	53,900.00
Supervisors					
Yang Shi Wei	-	-	-	-	-
Ding Guo Zhen	-	-	-	-	-
Pan Ye	-	-	-	-	-
Lu Zheng Feng	532,455.00	79,823.64	-	79,817.82	692,096.46
Kong Yuan Yi	447,007.00	76,419.64	-	73,397.82	596,824.46
Yu Lan Ying (Resigned in May 2021)	-	-	6,200.00	-	6,200.00
Total	2,583,323.03	367,253.41	1,437,350.00	372,340.68	4,760,267.12

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

7 Directors' emoluments

2020:

Name	Directors' emoluments	Salaries and other benefits (including housing fund etc., for details, see Note 1)	Performance related payments (Note 2)	Post-employment benefits (Including enterprise annuity etc., for details, see Note 3)	Total
Executive directors					
Gu De Jun	-	-	-	-	-
Sun Xi Bin (Note 4)	-	350,024.00	397,300.00	79,920.00	827,244.00
Cheng Xiao Guang (Appointed in February 2020, for details, see Note 4)	-	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	-	-	-	-	-
Chen Yong Bing	-	-	-	-	-
Wu Xin Hua	-	-	-	-	-
Hu Yu	-	-	-	-	-
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 Sshu 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	-	-	-	-	-
Ding Guo Zhen	-	-	-	-	-
Kong Yuan Yi	-	-	-	-	-
Yu Lan Ying	-	-	-	-	-
Total	886,437.87	1,518,720.00	1,503,575.00	297,005.00	4,205,737.87

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: The performance related payments are determined by reference to the individual performance of the directors or supervisors.

Note 3: Post-employment benefits include annuity payment, pension insurance and unemployment insurance provided by the Company.

Note 4: On 8 October 2021, the board of directors of the Company received resignation letter from chairman of the board, Mr. Sun Xi Bin 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. Sun Xi Bin will not hold any position in the Company. 8 October 2021, the Board of Directors of the Company elected Cheng Xiao Guang, an executive director, as the Chairman of the Tenth 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 years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

8 Five individuals with the highest emoluments

Two (prior year: 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 (prior year: three) individuals are listed as follows:

	Accumulative amount for the current year	Accumulative amount for the prior year
Salaries and other benefits	1,994,639.92	1,896,722.00
Post-employment benefits	227,321.46	199,944.00
Total	2,221,961.38	2,096,666.00

Their emoluments were within the following bands:

	Current year	Prior year
Less than RMB1,000,000	3	3

XI. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group uses the asset-liability ratio to manage its capital structure. This ratio is calculated as total liabilities divided by total assets. The Group's strategy is the same for the years ending 2021 and 2020. The Group's asset-liability ratio for 2021 and 2020 is 47.74% and 45.91%, respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XII. COMMITMENTS AND CONTINGENCIES

1 Significant commitments

(1) Capital commitments

Item	2021	2020
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	4,707,197,500.00	19,341,446,316.53

2 Contingencies

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 2021, the outstanding guarantees amounted to approximately RMB367,604,074.44 (31 December 2020: RMB595,334,261.33).

XIII. SUBSEQUENT EVENTS

1 Profit appropriations after the balance sheet date

Item	Amount
Dividends proposed	2,317,363,850.00

The Board of Directors proposed on 25 March 2022, the appropriation of a cash dividend of RMB0.46 per share (2020: RMB0.46 per share) to the Company's ordinary shareholders, totaling RMB2,317,363,850.00 (2020: RMB2,317,363,850.00). The proposal is subject to approval by the shareholders' general meeting. Such cash dividends are not recognised as a liability at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XIV. OTHER SIGNIFICANT ITEMS

1 Segment reporting

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, 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. 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.

(1) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, revenue, expenses and financial performance, attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible, other non-current and current assets, such as accounts receivable, with the exception of deferred tax assets and other unallocated corporate assets.

Financial performance is operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortisation and impairment losses attributable to the individual segments. Inter-segment sales are determined with reference to prices charged to external parties for similar orders. Non-operating income and expenses and tax expenses are not allocated to individual segments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XIV. OTHER SIGNIFICANT ITEMS (CONTINUED)

1 Segment reporting (Continued)

(1) Segment results, assets and liabilities (Continued)

Information regarding the Group's reportable segments set out below is the measure of segment profit and segment assets reviewed by the chief operating decision maker or is otherwise regularly provided to the chief operating decision maker, even if not included in the measure of segment profit and segment assets:

	Shanghai-Nanjing Expressway		Guangjing Expressway and Xicheng Expressway		Xi yi Expressway and Wuxi Huantaihu Expressway		Changyi Expressway		Yichang Expressway		Ningchang Expressway and Zhenli Expressway	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Segment operating income	5,175,311,438.44	3,953,508,355.94	869,938,635.26	754,274,294.15	484,383,787.26	325,057,442.18	85,930,654.39	418,722.28	111,490,335.25	-	1,308,519,652.48
Operating costs	1,874,264,876.20	1,764,679,609.32	390,672,822.95	292,159,198.21	290,930,775.54	251,047,092.77	99,155,327.12	1,269,354.50	154,259,522.02	-	662,770,741.11	747,271,649.26
Including: Amortization of toll roads operation rights	602,056,742.01	600,518,184.83	102,731,396.26	121,386,719.72	142,388,665.82	127,192,332.25	73,200,692.56	203,590.31	124,932,204.75	-	439,112,456.73	451,614,434.44
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	-	-	-	-
Segment operating profit/(loss)	3,301,046,562.24	2,188,829,746.62	479,265,812.31	462,115,095.94	193,453,011.72	74,010,349.41	(13,224,672.73)	(850,632.22)	(42,768,186.77)	-	645,748,911.37	193,910,315.72
Reconciling items:												
Less: Taxes and surcharges	29,144,983.34	18,124,177.59	3,933,506.79	2,715,387.46	1,695,160.05	1,170,206.79	147,270.41	23,926.22	919,831.40	-	-	1,398,074.16
Selling expenses	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses	68,293,834.04	72,716,162.62	-	-	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-	-	-	-	-
Add: Other income	27,763,662.10	26,729,773.45	2,049,436.29	3,882,776.42	-	-	-	-	-	-	-	2,224,743.40
Investment income	-	-	-	-	-	-	-	-	-	-	-	-
Gains or losses from changes in fair values	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses of credit	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses of assets	-	-	-	-	-	-	-	-	-	-	-	-
Gains/(losses) from disposal of assets	5,762,600.00	171,744.99	-	-	-	-	-	-	-	-	-	-
Operating profit/(loss)	3,237,134,036.96	2,126,890,924.85	477,381,741.81	463,282,484.90	191,757,851.67	72,840,142.62	(13,371,943.14)	(874,558.44)	(43,689,018.17)	-	645,748,911.37	194,736,984.96
Non-operating income	5,253,800.00	7,129,200.00	-	-	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total profit/(loss)	3,242,387,836.96	2,134,020,124.85	477,381,741.81	463,282,484.90	191,757,851.67	72,840,142.62	(13,371,943.14)	(874,558.44)	(43,689,018.17)	-	645,748,911.37	194,736,984.96
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net profit/(loss)	3,242,387,836.96	2,134,020,124.85	477,381,741.81	463,282,484.90	191,757,851.67	72,840,142.62	(13,371,943.14)	(874,558.44)	(43,689,018.17)	-	645,748,911.37	194,736,984.96
Total segment assets	8,820,919,262.86	9,338,559,144.11	884,939,073.59	946,419,951.73	1,616,142,265.31	1,689,536,140.13	3,727,547,078.28	3,900,767,681.55	3,799,790,747.18	2,896,568,864.06	4,588,205,488.21	5,108,236,089.36
Supplementary information:												
Depreciation and amortization	703,225,933.22	780,714,355.23	128,092,695.92	104,475,472.68	152,516,125.37	127,192,428.00	77,524,037.44	179,393.61	132,397,717.36	-	471,450,289.23	478,800,217.71
Interest income	-	-	-	-	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-	-	-	-	-
Investment income from long-term equity investments under equity method	-	-	-	-	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	8,820,919,262.86	9,338,559,144.11	884,939,073.59	946,419,951.73	1,616,142,265.31	1,689,536,140.13	3,727,547,078.28	3,900,767,681.55	3,799,790,747.18	2,896,568,864.06	4,588,205,488.21	5,108,236,089.36
Capital expenditure	130,420,961.34	16,858,322.81	10,942,864.45	16,277,230.54	-	-	4,656,678.67	904,056,308.00	1,162,278,062.89	831,203,393.60	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XIV. OTHER SIGNIFICANT ITEMS (CONTINUED)

1 Segment reporting (Continued)

(1) Segment results, assets and liabilities (Continued)

	Zhendan Expressway		Wufengshan Bridge		Longtan Bridge		Ancillary services	
	2021	2020	2021	2020	2021	2020	2021	2020
Segment operating income	88,136,724.28	69,256,321.13	184,253,220.57	-	-	-	1,437,129,800.35	1,311,492,871.44
Operating costs	92,923,592.19	80,705,408.76	139,325,121.01	-	-	-	1,380,090,064.44	1,178,933,604.08
Including: Amortization of toll roads operation rights	32,903,506.64	32,747,193.32	85,246,599.93	-	-	-	-	-
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	1,022,790,032.60	845,506,820.33
Segment operating profit/(loss)	(4,786,867.91)	(11,449,087.63)	44,928,099.56	-	-	-	57,039,735.91	132,559,267.36
Reconciling items:								
Less: Taxes and surcharges	482,112.37	249,322.76	448,666.32	-	143,801.20	-	14,245,837.14	30,851,458.45
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/(loss)	(5,268,980.28)	(11,698,410.39)	44,479,433.24	-	(143,801.20)	-	42,793,898.77	101,707,808.91
Non-operating income	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-
Total profit/(loss)	(5,268,980.28)	(11,698,410.39)	44,479,433.24	-	(143,801.20)	-	42,793,898.77	101,707,808.91
Income tax expenses	-	-	-	-	-	-	-	-
Net profit/(loss)	(5,268,980.28)	(11,698,410.39)	44,479,433.24	-	(143,801.20)	-	42,793,898.77	101,707,808.91
Total segment assets	1,701,432,463.68	1,513,593,649.62	12,170,857,137.90	11,475,593,425.01	2,006,205,132.24	1,338,064,187.44	381,457,634.05	375,533,647.53
Supplementary information:								
Depreciation and amortization	51,910,484.57	47,240,092.89	105,633,318.64	-	-	-	57,637,695.85	61,462,501.55
Interest income	-	-	-	-	-	-	-	-
Interest expenses	-	-	-	-	-	-	-	-
Investment income from long-term equity investments under equity method	-	-	-	-	-	-	-	-
Non-current assets other than long-term equity investments	1,701,432,463.68	1,513,593,649.62	12,170,857,137.90	11,475,593,425.01	2,006,205,132.24	1,338,064,187.44	381,457,634.05	375,533,647.53
Capital expenditure	30,430,295.51	138,196,263.94	1,341,142,693.96	1,960,301,992.14	668,140,944.80	966,987,101.55	44,714,644.90	3,875,405.65

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XIV. OTHER SIGNIFICANT ITEMS (CONTINUED)

1 Segment reporting (Continued)

(1) Segment results, assets and liabilities (Continued)

	Real estate development		Advertising and others		Unallocated items and Consolidation offset		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Segment operating income	1,028,544,320.23	621,675,771.55	133,836,926.26	96,251,907.74	2,885,111,747.73	(40,651,905.05)	13,792,587,242.50	8,032,466,746.34
Operating costs	732,545,827.31	351,563,142.96	79,609,270.13	59,912,869.12	2,885,111,747.73	(40,651,905.05)	8,781,659,687.75	4,686,890,023.93
Including: Amortization of toll roads operation rights	-	-	-	-	-	-	1,602,572,264.70	1,333,662,454.87
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	1,022,790,032.60	845,506,820.33
Segment operating profit/(loss)	295,998,492.92	270,112,628.59	54,227,656.13	36,339,038.62	-	-	5,010,927,554.75	3,345,576,722.41
Reconciling items:								
Less: Taxes and surcharges	213,435,837.88	71,660,162.43	1,464,213.57	1,672,015.49	-	-	266,061,190.47	125,864,731.35
Selling expenses	26,111,192.22	24,698,106.87	-	280.00	-	-	26,111,192.22	24,698,386.89
Administrative expenses	-	-	-	-	151,780,578.15	124,510,247.37	220,074,412.19	197,226,409.99
Financial expenses	-	-	-	-	787,169,270.96	444,319,354.76	787,169,270.96	444,319,354.76
Add: Other income	96,173.65	279,215.48	-	-	109,131.80	103,051.67	30,018,403.84	33,219,560.42
Investment income	-	-	-	-	1,201,529,422.95	618,460,042.64	1,201,529,422.95	618,460,042.64
Gains or losses from changes in fair values	-	-	-	-	489,879,008.21	33,547,488.70	489,879,008.21	33,547,488.70
Impairment losses of credit	-	-	-	-	115,014.62	(94,002.60)	115,014.62	(94,002.60)
Impairment losses of assets	-	-	-	-	(5,497,868.60)	-	(5,497,868.60)	-
Gains(losses) from disposal of assets	-	-	-	-	2,105,651.48	48,553.99	7,868,251.48	220,298.98
Operating profit/(loss)	56,547,636.47	174,033,574.77	52,763,442.56	34,666,743.13	749,290,511.35	83,235,532.27	5,435,423,721.41	3,238,821,227.56
Non-operating income	-	-	-	-	7,695,183.37	75,796,977.75	12,948,983.37	82,926,177.75
Non-operating expenses	-	-	-	-	28,850,563.28	88,111,461.54	28,850,563.28	88,111,461.54
Total profit/(loss)	56,547,636.47	174,033,574.77	52,763,442.56	34,666,743.13	728,135,131.44	70,921,048.48	5,419,522,141.50	3,233,635,943.77
Income tax expenses	-	-	-	-	1,286,873,376.13	714,881,261.68	1,286,873,376.13	714,881,261.68
Net profit/(loss)	56,547,636.47	174,033,574.77	52,763,442.56	34,666,743.13	(558,738,244.69)	(643,960,213.20)	4,132,648,765.37	2,518,754,682.09
Total segment assets	2,836,469,080.78	2,788,804,491.62	1,072,986,949.87	2,741,818,417.41	24,055,068,408.50	16,982,064,675.59	67,662,020,722.45	61,095,560,365.16
Supplementary information:								
Depreciation and amortization	1,407,240.12	1,302,810.85	3,565,009.05	4,498,666.23	83,744,662.02	29,708,976.81	1,969,105,208.79	1,635,574,915.56
Interest income	-	-	-	-	14,386,287.05	6,900,927.45	14,386,287.05	6,900,927.45
Interest expenses	-	-	-	-	788,511,048.13	436,079,760.40	788,511,048.13	436,079,760.40
Investment income from long-term equity investments under equity method	-	-	-	-	756,769,348.87	375,141,407.68	756,769,348.87	375,141,407.68
Non-current assets other than long-term equity investments	152,564,820.59	64,629,350.39	2,751,075,787.56	2,237,315,446.92	6,925,729,174.27	5,543,011,873.94	49,526,866,065.72	46,427,829,451.79
Capital expenditure	793,080.18	1,123,103.83	3,878,106.57	1,008,383.63	94,537,270.42	105,873,882.05	3,491,935,603.69	4,945,761,387.74

(2) Geographical information

All income and non-current assets of the Group are from/located in Jiangsu Province.

(3) Major customers

there is no reliance on specific customers.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XIV. OTHER SIGNIFICANT ITEMS (CONTINUED)

2 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 16% and 0.5% of the employee's monthly average basic wage based on last year's salary. The Group participates in annuity scheme which operated by an independent third party and makes a monthly contribution equivalent to 8.00% of the employee's monthly average 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 RMB101,269,073.74, RMB59,919,368.51 and RMB3,215,571.93 (2020: RMB55,755,320.17, RMB54,904,088.32 and RMB1,817,800.26) to basic pension insurance, annuity scheme, unemployment insurance plan respectively, which have been fully paid up by the Group as at 31 December 2021.

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

Unit: RMB

Item	Current year	Prior year
Staff costs	1,223,815,056.35	1,048,768,808.34
Audit fee	3,000,000.00	3,200,000.00
Depreciation and amortization (Included in operating costs and administrative expenses)	1,904,446,986.15	1,570,916,692.92
Amortization of land use rights (Included in operating costs and administrative expenses)	64,658,222.64	64,658,222.64
Sales cost of inventories	1,728,697,463.85	1,143,437,020.21

The financial statements also include relative disclosure requirements, which are in accordance with the Hong Kong Companies Ordinance and the Listing Rules of the stock exchange.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

1 Accounts receivable

(1) Accounts receivable by customer type are as follows :

Type	2021	2020
Amounts due from related party	218,453,512.50	189,859,784.64
Amounts due from third party	171,248,008.51	99,028,488.89
Sub-total	389,701,521.01	288,888,273.53
Less: Provision for bad and doubtful debts	129,013.48	244,028.10
Total	389,572,507.53	288,644,245.43

(2) The ageing analysis of accounts receivable is as follows:

Ageing	2021	2020
Within 1 year (inclusive)	383,250,847.02	272,753,083.31
Over 1 year but within 2 years (inclusive)	6,450,673.99	16,135,190.22
Sub-total	389,701,521.01	288,888,273.53
Less: Provision for bad and doubtful debts	129,013.48	244,028.10
Total	389,572,507.53	288,644,245.43

The ageing is counted starting from the date when accounts receivable are recognised.

(3) Accounts receivable by provisioning method

Category	Book value		2021			Book value		2020		
	Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount	Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount
Collective assessment	389,701,521.01	100.00	129,013.48	100.00	389,572,507.53	288,888,273.53	100.00	244,028.10	100.00	288,644,245.43

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

1 Accounts receivable

- (4) Movements of provisions for bad and doubtful debts

	Note	2021	2020
Balance at the beginning of the year		244,028.10	1,859,703.23
Additions during the year		-	84,304.87
Recoveries or reversals during the year		(115,014.62)	-
Written-off during the year	(5)	-	(1,699,980.00)
Balance at the end of the year		129,013.48	244,028.10

- (5) Accounts receivable written off during the year

Item	2021	2020
Accounts receivable written off	-	1,699,980.00

- (6) Five largest accounts receivable by debtor at the end of the year:

The five largest accounts receivable of the Company amounted to RMB297,229,258.60, accounting for 76.41% of the total accounts receivable at the end of the year, and the corresponding balance of provision for bad and doubtful debts is RMB0.

- (7) Derecognition of accounts receivable due to transfer of financial assets:

The Company has no accounts receivable derecognition due to transfer to financial assets this year (2020: nil).

- (8) Assets and liabilities recognised due to the continuing involvement of accounts receivable transferred:

The Company does not transfer receivables this year and continues to involve in the formation of assets and liabilities (2020: nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2 Other receivables

	Note	2021	2020
Dividends receivable	(1)	4,989,960.00	4,989,960.00
Others	(2)	5,944,028.98	8,226,786.07
Total		10,933,988.98	13,216,746.07

(1) Dividends receivable

(a) Dividends receivable by category:

investee	2021	2020
Kuailu Company	4,989,960.00	4,989,960.00

(2) Others

(a) Others by customer type:

Customer type	2021	2020
Amounts due from related party	–	165,744.00
Amounts due from third party	21,856,385.88	23,973,398.97
Sub-total	21,856,385.88	24,139,142.97
Less: Provision for bad and doubtful debts	15,912,356.90	15,912,356.90
Total	5,944,028.98	8,226,786.07

(b) The ageing analysis is as follows:

Ageing	2021	2020
Within 1 year (inclusive)	4,928,122.77	6,703,102.00
Over 1 year but within 2 years (inclusive)	237,769.54	939,076.36
Over 2 years but within 3 years (inclusive)	734,423.50	457,163.64
Over 3 years	15,956,070.07	16,039,800.97
Sub-total	21,856,385.88	24,139,142.97
Less: Provision for bad and doubtful debts	15,912,356.90	15,912,356.90
Total	5,944,028.98	8,226,786.07

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2 Other receivables (Continued)

(2) Others (Continued)

(c) Others by method of provisioning

Category	Book value		2021			Book value		2020		
	Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount	Amount	Percentage (%)	Provision for bad and doubtful debts Amount	Percentage (%)	Carrying amount
Individual assessment	15,812,140.02	72.35	15,812,140.02	99.37	-	15,812,140.02	65.50	15,812,140.02	99.37	-
Collective assessment	6,044,245.86	27.65	100,216.88	0.63	5,944,028.98	8,327,002.95	34.50	100,216.88	0.63	8,226,786.07
Total	21,856,385.88	100.00	15,912,356.90	100.00	5,944,028.98	24,139,142.97	100.00	15,912,356.90	100.00	8,226,786.07

(d) Movements of provision for bad and doubtful debts

Provision for bad and doubtful debts	2021				2020			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired (%)	Stage 3 Lifetime ECL - Credit impaired	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired (%)	Stage 3 Lifetime ECL - Credit impaired	Total
Balance at the beginning of the year	100,216.88	-	15,812,140.02	15,912,356.90	80,744.83	-	15,812,140.02	15,892,884.85
Transfer to stage 2	-	-	-	-	-	-	-	-
Transfer to stage 3	-	-	-	-	-	-	-	-
Reverse to stage 2	-	-	-	-	-	-	-	-
Reverse to stage 1	-	-	-	-	-	-	-	-
Transfer from merger of Ningchang Zhenli	-	-	-	-	4,829.75	-	-	4,829.75
Additions during the year	-	-	-	-	14,642.30	-	-	14,642.30
Recoveries or reversals during the year	-	-	-	-	-	-	-	-
Written-off during the year	-	-	-	-	-	-	-	-
Balance at the end of the year	100,216.88	-	15,812,140.02	15,912,356.90	100,216.88	-	15,812,140.02	15,912,356.90

(e) Others categorised by nature

Nature of other receivables	2021	2020
Amounts of investment clearance	15,812,140.02	15,812,140.02
Petty cash	3,720,899.80	4,723,955.89
Construction deposit	-	1,000,000.00
Other insignificant amounts	2,323,346.06	2,603,047.06
Sub-total	21,856,385.88	24,139,142.97
Less: Provision for bad and doubtful debts	15,912,356.90	15,912,356.90
Total	5,944,028.98	8,226,786.07

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

2 Other receivables (Continued)

(2) Others (Continued)

(f) Five largest others-by debtor at the end of the year

Debtor	Nature of the receivable	Balance at the end of the year	Ageing	Percentage of ending balance of others of others (%)	Ending balance of provision for bad and doubtful debts
Jiangsu Yixing Highway Administration Department	Amounts of investment clearance	15,812,140.02	Over 3 years	72.35	15,812,140.02
Ping An of China Property and Casualty Insurance Co., Ltd.	Insurance premiums	157,527.25	Within 1 year	0.72	-
Wuxi China Resources Gas Co., Ltd.	Natural gas deposit	135,000.00	Over 3 years	0.62	-
Suzhou Power Supply Company of State Grid Jiangsu Province Electric Power Co., Ltd.	Electricity	106,900.00	Within 1 year	0.49	-
Shanghai Chitra Auto Service Co., Ltd.	Water bill advance	42,624.10	Within 1 year	0.20	-
Total		16,254,191.37		74.38	15,812,140.02

3 Other current assets

Item	2021	2020
Enterprise income tax in advance	-	69,541,654.67
Subsidiary transactions	3,277,474,000.63	3,021,907,512.05
Others	2,062,005.93	3,584,213.36
Total	3,279,536,006.56	3,095,033,380.08

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

4 Long-term equity investments

Item	2021			2020		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investments in subsidiaries	9,611,646,488.85	-	9,611,646,488.85	9,195,914,177.98	-	9,195,914,177.98
Investments in associates	7,029,300,299.87	-	7,029,300,299.87	4,656,181,197.67	-	4,656,181,197.67
Less: Provisions	-	-	-	-	-	-
Total	16,640,946,788.72	-	16,640,946,788.72	13,852,095,375.65	-	13,852,095,375.65

(1) Investments in subsidiaries:

Subsidiary	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year	Provision made during the year	Impairment at the end of the year
Guangjing Xicheng Company	2,125,000,000.00	-	-	2,125,000,000.00	-	-
Ninghu Properties	500,000,000.00	-	-	500,000,000.00	-	-
Ninghu Investment	1,824,434,377.98	95,000,000.00	-	1,919,434,377.98	-	-
Zhendan Company	423,910,000.00	-	-	423,910,000.00	-	-
Wufengshan Bridge	3,112,980,000.00	-	-	3,112,980,000.00	-	-
Hanwei Company	374,499,800.00	-	-	374,499,800.00	-	-
Longtan Bridge	785,090,000.00	220,000,000.00	-	1,005,090,000.00	-	-
Ninghu International	-	732,310.87	-	732,310.87	-	-
Yangtze Commerce and Energy Company	-	100,000,000.00	-	100,000,000.00	-	-
Yangtze River Management	50,000,000.00	-	-	50,000,000.00	-	-
Total	9,195,914,177.98	415,732,310.87	-	9,611,646,488.85	-	-

(2) Investments in associates

Investee	Movements during the year							Balance at the end of the year	Balance of provision for impairment at the end of the year
	Balance at the beginning of the year	Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Declared distribution of cash dividends or profits	Provision for impairment		
Associates									
Kualu Company	49,180,096.57	-	(17,905,426.79)	(2,534,450.17)	-	-	-	28,740,219.61	-
Zijin Trust	-	1,989,582,000.00	-	5,605,135.81	-	(29,072,000.00)	-	1,966,115,135.81	-
Suzhou Expressway Management	2,012,898,562.56	-	-	164,138,706.12	-	(54,620,883.00)	-	2,122,416,385.68	-
Yangtze Bridge Company	1,753,571,224.80	-	-	308,413,996.87	(20,210,435.46)	(34,190,139.60)	-	2,007,584,646.61	-
Group Finance Company	660,920,608.97	-	-	34,080,027.34	-	(12,500,000.00)	-	682,500,636.31	-
Xiandai R&B Company	78,034,450.56	-	-	33,673,158.19	-	-	-	111,707,608.75	-
Culture Media	66,509,478.71	-	-	4,994,833.25	-	-	-	71,504,311.96	-
Network Operation Company	23,739,846.69	-	-	3,496,579.64	-	-	-	27,236,426.33	-
Yuexin Ninghu Company	11,326,928.81	-	-	188,000.00	-	-	-	11,494,928.81	-
Total	4,656,181,197.67	1,989,582,000.00	(17,905,426.79)	552,035,987.05	(20,210,435.46)	(130,383,022.60)	-	7,029,300,299.87	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XV. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS (CONTINUED)

5 Operating income and operating costs

(1) Operating income and operating costs

Item	Note	2021		2020	
		Income	Cost	Income	Cost
Principal activities		7,828,369,363.53	3,842,837,113.80	6,132,653,163.44	3,636,258,512.46
Other operating activities		42,446,715.68	-	27,961,049.93	224,904.52
Total		7,870,816,079.21	3,842,837,113.80	6,160,614,213.37	3,636,483,416.98
Including: revenue from contracts with customers	XV.5(2)	7,688,515,915.54	3,685,940,950.79	5,980,967,537.97	3,487,476,732.54
Rental income		182,300,163.67	156,896,163.01	179,646,675.40	149,006,684.44

(2) Disaggregation of revenue from contracts with customers

Type of contract	2021	2020
By type of goods or services		
Toll road income	6,438,939,906.05	4,867,292,151.72
Ancillary services income	1,207,631,060.49	1,085,714,336.32
Advertising and others income	41,944,949.00	27,961,049.93
Total	7,688,515,915.54	5,980,967,537.97
By timing of transferring goods or services		
Revenue recognized at a point in time	7,646,069,199.86	5,953,006,488.04
Revenue recognized over time	42,446,715.68	27,961,049.93
Total	7,688,515,915.54	5,980,967,537.97

6 Investment income

Item	2021	2020
Income from long-term equity investments accounted for using equity method	552,035,987.05	282,140,450.10
Investment income from disposal of long-term equity investments	(1,230,578.75)	-
Income from long-term equity investments accounted for using cost method	62,942,229.96	87,486,915.86
Income from investments in other equity instruments during the holding period	234,765,260.00	87,139,100.00
Investment income from financial assets held for trading during the holding period	18,131,533.87	16,155,630.70
Investment income from disposal of financial assets held for trading	507,756.31	469,949.97
Interest income from loans	65,512,413.00	64,537,634.74
Total	932,664,601.44	537,929,681.37

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

XVI. EXTRAORDINARY GAINS AND LOSSES IN 2021

Item	Amount	Note
(1) Disposal of non-current assets	7,868,251.48	<i>Note 1</i>
(2) Government grants recognised through profit or loss (excluding those having close relationships with the Group's operation and enjoyed in fixed amount or quantity according to uniform national standard)	30,018,403.84	<i>Note 1</i>
(3) Changes in fair value of financial assets and liabilities held for trading and derivative financial assets and liabilities, and disposal of financial assets and liabilities held for trading, derivative financial assets and liabilities and other debt investments, other than those held for effective hedging related to normal operations	620,818,161.05	<i>Note 1</i>
(4) Other non-operating income and expenses besides items above	(15,901,579.91)	<i>Note 1</i>
Sub-total	642,803,236.46	
(5) Tax effect	(134,177,990.28)	
(6) Effect on non-controlling interests after taxation	(8,653,967.59)	
Total	499,971,278.59	

Note: Extraordinary gain and loss items listed above are presented in the amount before taxation.

XVII. RETURN ON NET ASSETS AND EARNINGS PER SHARE

In accordance with "Regulation on the Preparation of Information Disclosures by Companies Issuing Securities No.9 – Calculation and Disclosure of the Return on Net Assets and Earnings Per Share" (2010 revised) issued by the CSRC and relevant accounting standards, the Group's return on net assets and earnings per share are calculated as follows:

Profit for the reporting period	Weighted average return on net assets (%)	Basic earnings per share	Diluted earnings per share
Net profit attributable to the Company's ordinary equity shareholders	14.37	0.8295	0.8295
Net profit excluding extraordinary gain and loss attributable to the Company's ordinary equity shareholders	12.76	0.7303	0.7303



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