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This announcement is for informational purposes only and is not an offer to sell or the solicitation of an offer to buy securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Neither this announcement nor anything herein forms the basis for any contract or commitment whatsoever. Neither this announcement nor any copy hereof may be taken into or distributed in the United States. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration. No public offer of securities is to be made by the Issuer in the United States.

PUBLICATION OF OFFERING CIRCULAR

ANHUI TRANSPORTATION HOLDING GROUP (H.K.) LIMITED
安徽省交通控股集團(香港)有限公司
(Incorporated in Hong Kong with limited liability)
(the "Issuer")

US$400,000,000 1.618 PER CENT. GUARANTEED BONDS DUE 2026 (THE "BONDS")
(Stock Code: 40815)

unconditionally and irrevocably guaranteed by

ANHUI TRANSPORTATION HOLDING GROUP CO., LTD.
安徽省交通控股集團有限公司
(incorporated in the People's Republic of China with limited liability)
(the "Guarantor")

This announcement is issued pursuant to Rule 37.39A of the Listing Rules. Please refer to the offering circular dated 19 August 2021 (the "**Offering Circular**") appended herein in relation to the issuance of the Bonds. The Offering Circular is published in English.

Notice to Hong Kong investors: the Issuer and the Guarantor confirm that the Bonds are intended for purchase by professional investors (as defined in Chapter 37 of the Listing Rules) only and have been listed on The Stock Exchange of Hong Kong Limited on that basis. Accordingly, the Issuer and the Guarantor confirm that the Bonds are not appropriate as an investment for retail investors in Hong Kong or elsewhere. Investors should carefully consider the risks involved.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any bonds to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any bonds, nor is it circulated to invite offers by the public to subscribe for or purchase any bonds.

The Offering Circular must not be regarded as an inducement to subscribe for or purchase any bonds of the Issuer, and no such inducement is intended. No investment decision should be made based on the information contained in the Offering Circular.

Hong Kong, 27 August, 2021

As at the date of this announcement, the Directors of the Issuer are Mr. Xinyu Xie and Ms. Bing Liang; the Directors of the Guarantor are Mr. Xiaolong Xiang, Mr. Dongsheng Qian, Mr. Qingen Sun, Ms. Bing Liang, Mr. Shibing Zhao, Mr. Jinrong Wu and Mr. Xiaohong Fang.

IMPORTANT NOTICE

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

IMPORTANT: **You must read the following disclaimer before continuing**. The following disclaimer applies to the offering circular following this page (the "**Offering Circular**"). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information as a result of such access. You acknowledge that the access to the Offering Circular is intended for use by you only and you agree you will not forward or otherwise provide access to any other person.

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THE SECURITIES (THE "**SECURITIES**") AND THE GUARANTEE (EACH AS DESCRIBED IN THE OFFERING CIRCULAR) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES AND THE GUARANTEE MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed to Anhui Transportation Holding Group (H.K.) Limited(安徽省交通控股集團(香港)有限公司)(the "**Issuer**"), Anhui Transportation Holding Group Co., Ltd.(安徽省交通控股集團有限公司)(the "**Guarantor**") and Guotai Junan Securities (Hong Kong) Limited, Standard Chartered Bank, CNCB (Hong Kong) Capital Limited, Industrial and Commercial Bank of China (Asia) Limited, China Construction Bank (Asia) Corporation Limited, CMB Wing Lung Bank Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Industrial Bank Co., Ltd. Hong Kong Branch, DBS Bank Ltd., BOCOM International Securities Limited, CMBC Securities Company Limited, China International Capital Corporation Hong Kong Securities Limited, CLSA Limited and China Merchants Securities (HK) Co., Limited (the "**Joint Lead Managers**") that: (1) you and any customers you represent are not in the United States, (2) the e-mail address that you provided and to which this e-mail has been delivered is not located in the United States, its territories or possessions, (3) you consent to delivery of this document and any amendments or supplements by electronic transmission, and (4) to the extent you purchase the Securities, you will be doing so in an offshore transaction as defined in regulations under the Securities Act in compliance with Regulation S thereunder.

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

Restrictions: The Offering Circular is being furnished in connection with an offering in offshore transactions outside the United States in compliance with Regulation S under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

Nothing in this electronic transmission constitutes, and may not be used in connection with, an offer or an invitation by or on behalf of any of the Issuer, the Guarantor or the Joint Lead Managers to subscribe or purchase any of the Securities, in any place where offers or solicitations are not permitted by law and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by Joint Lead Managers or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction. Any Securities to be issued in respect thereof will not be registered under the Securities Act and may not be offered or sold in the United States unless registered under the Securities Act or pursuant to an exemption from such registration. Access has been limited so that it shall not constitute a general solicitation in the United States or elsewhere. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the Securities.

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STRICTLY CONFIDENTIAL

ANHUI TRANSPORTATION HOLDING GROUP (H.K.) LIMITED
(安徽省交通控股集團(香港)有限公司)

(incorporated in Hong Kong with limited liability)

U.S.$400,000,000 1.618 per cent. Guaranteed Bonds due 2026
Unconditionally and Irrevocably Guaranteed by

安徽省交通控股集团有限公司
ANHUI TRANSPORTATION HOLDING GROUP CO.,LTD.

ANHUI TRANSPORTATION HOLDING GROUP CO., LTD.
(安徽省交通控股集團有限公司)

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

Issue Price: 99.78 per cent.

The 1.618 per cent. guaranteed bonds in the aggregate principal amount of U.S.$400,000,000 (the "**Bonds**") will be issued by Anhui Transportation Holding Group (H.K.) Limited (安徽省交通控股集團(香港)有限公司)(the "**Issuer**") and will be unconditionally and irrevocably guaranteed (the "**Guarantee**") by Anhui Transportation Holding Group Co., Ltd.(安徽省交通控股集團有限公司)(the "**Guarantor**" or the "**Company**"), a company incorporated under the laws of the People's Republic of China (the "**PRC**").

The Bonds will constitute direct, unsubordinated, unconditional and (subject to Condition 4(a) of the terms and conditions of the Bonds (the "**Terms and Conditions of the Bonds**")) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions of the Bonds, at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations.

The Bonds will bear interest from and including the Issue Date at the rate of 1.618 per cent. of their principal amount per annum and such interest will be payable semi-annually in arrear on 26 February and 26 August in each year (each an "**Interest Payment Date**"), commencing on 26 February 2022.

All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made without set-off or counterclaim and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or the PRC or, in each case, any political subdivision or authority therein or thereof having power to tax to the extent described in "*Terms and Conditions of the Bonds – Taxation*".

The Guarantor has made an application for the pre-issuance registration (the "**Pre-Issuance Registration**") in relation to the Bonds with the National Development and Reform Commission (the "**NDRC**") in accordance with the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Corporates (Fa Gai Wai Zi [2015] No. 2044) (the "**NDRC Notice**")(國家發展改革委關於推進企業發行外債備案登記制管理改革的通知) promulgated by the NDRC effective from 14 September 2015. The Guarantor has received an Enterprise Foreign Debt Filing Registration Certificate dated 2 July 2021 from the NDRC in connection with the Pre-Issuance Registration. Pursuant to the requirements of the NDRC Notice, the Guarantor will be required to file or cause to be filed with the NDRC the requisite information and documents in respect of the issuance of the Bonds within 10 PRC Business Days (as defined in the Terms and Conditions of the Bonds) after the Issue Date (the "**Post-Issuance Filing**").

The Guarantor will enter into a deed of guarantee (the "**Deed of Guarantee**") with Citicorp International Limited (the "**Trustee**") on or around the Issue Date. The Guarantor will be required to file or cause to be filed with the State Administration of Foreign Exchange of the PRC or its local branch ("**SAFE**"), the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "**Cross-Border Security Registration**"). The Guarantor shall complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline (being the day falling 120 PRC Business Days after the Issue Date (as defined in the Terms and Conditions of the Bonds)) and comply with all applicable PRC laws and regulations in relation to the Guarantee. The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions of the Bonds, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 26 August 2026. The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, at their principal amount together with interest accrued up to but excluding the date fixed for redemption, in the event of certain changes affecting taxes of Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 19 August 2021. See "*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Tax Reasons*". At any time following the occurrence of a Change of Control or a No Registration Event (each as defined in the Terms and Conditions of the Bonds), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Bonds on the Put Settlement Date (as defined in the Terms and Conditions of the Bonds) at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together with accrued interest up to but excluding such Put Settlement Date. See "*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Relevant Events*".

The Bonds will be issued in the specified denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

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

The Bonds and the Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds and the Guarantee are being offered in offshore transactions outside the United States in reliance on Regulation S under the Securities Act. For a description of these and certain further restrictions on offers and sales of the Bonds and the distribution of this Offering Circular, see "*Subscription and Sale*".

Application will be made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of, and permission to deal in, the Bonds by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange ("**Professional Investors**") only. This document is for distribution to Professional Investors only. **Investors should not purchase the Bonds in the primary or secondary markets unless they are Professional Investors and understand the risks involved. The Bonds are only suitable for Professional Investors.**

Notice to Hong Kong Investors: The Issuer and the Guarantor confirm that the Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer and the Guarantor confirm that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Bonds on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Bonds, the Issuer, the Guarantor, the Group or the quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability howsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

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

The Bonds are expected to be rated "A3" by Moody's Investors Services, Inc. ("**Moody's**") and "A-" by Fitch Ratings Ltd. ("**Fitch**"), respectively. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, qualification, suspension, reduction or withdrawal at any time by the assigning rating agency.

Joint Global Coordinators

Guotai Junan International | **Standard Chartered Bank** | **CNCB Capital**

Joint Lead Managers and Joint Bookrunners

ICBC (Asia) | **China Construction Bank (Asia)** | **CMB Wing Lung Bank Limited** | **China Minsheng Banking Corp., Ltd., Hong Kong Branch**

Shanghai Pudong Development Bank Hong Kong Branch | **Industrial Bank Co., Ltd. Hong Kong Branch** | **DBS Bank Ltd.** | **BOCOM International** | **CMBC Capital** | **China International Capital Corporation** | **CLSA**

China Merchants Securities (HK)

Offering Circular dated 19 August 2021

IMPORTANT NOTICE

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER, THE GUARANTOR OR ANY OF THE GUARANTOR'S OTHER SUBSIDIARIES (COLLECTIVELY, THE "**GROUP**") OR THAT THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

Each of the Issuer and the Guarantor confirms, having made all reasonable enquiries, that (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor, the Group and to the Guarantee and the Bonds (including the information which, is required by applicable laws of Hong Kong and according to the particular nature of the Issuer, the Guarantor, the Guarantee and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and the Guarantor and of the rights attaching to the Guarantee and the Bonds); (ii) the statements contained in this Offering Circular relating to the Issuer, the Guarantor and the Group are in every material particular true and accurate and not misleading; (iii) the opinions and intentions with regard to the Issuer, the Guarantor and to the Group expressed in this Offering Circular are, honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Guarantor, the Group, or the Guarantee or the Bonds the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Offering Circular misleading in any material respect; (v) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements in this Offering Circular; and (vi) this Offering Circular does not include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements herein, in the light of the circumstances under which they were made, not misleading.

Each of the Issuer and the Guarantor has prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds and giving of the Guarantee described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of Guotai Junan Securities (Hong Kong) Limited, Standard Chartered Bank, CNCB (Hong Kong) Capital Limited, Industrial and Commercial Bank of China (Asia) Limited, China Construction Bank (Asia) Corporation Limited, CMB Wing Lung Bank Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch, Industrial Bank Co., Ltd. Hong Kong Branch, DBS Bank Ltd., BOCOM International Securities Limited, CMBC Securities Company Limited, China International Capital Corporation Hong Kong Securities Limited, CLSA Limited and China Merchants Securities (HK) Co., Limited (the "**Joint Lead Managers**"), the Issuer or the Guarantor to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor, and Joint Lead Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds and giving of the Guarantee or the distribution of this Offering Circular or any offering or publicity material relating to the Bonds in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the Guarantor giving the Guarantee, and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see "*Subscription and Sale*". By purchasing the Bonds, investors are deemed to have represented and agreed to all of those provisions contained in that section of this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, or the Bonds or the Guarantee other than as contained herein and, if given or made, any such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents (as defined in the Terms and Conditions of the Bond below) or any of their respective affiliates, officers, employees, agents, representative, directors or advisers or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the Guarantor or the Group since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them to subscribe for or purchase the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer and the Guarantor in connection with the offering of the Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and the Guarantor and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than the consideration of an investment in the Bonds offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular each investor is deemed to have agreed to these restrictions.

None of the Joint Lead Managers, the Trustee or the Agents, or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them has independently verified the information contained in this Offering Circular. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of the respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds.

Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or the Agents, or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and such person must rely on its own examination of the Issuer, the Guarantor and the Group and the merits and risks involved in investing in the Bonds. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them accepts any responsibility for the contents of this Offering Circular and assumes no responsibility for the content, accuracy, completeness or sufficiency of any such information or for any other statement, made or purported to be made by the Joint Lead Managers, the Trustee or any Agent or any of their respective affiliates, officers, employees, agents, representatives, directors or

advisers or any person who controls any of them or on their behalf in connection with the Issuer, the Guarantor, the Group, the issue and offering of the Bonds or the giving of the Guarantee. Each of the Joint Lead Managers, the Trustee and the Agents and each of their respective affiliates, officers, employees, agents, representatives, directors and advisers and each person who controls any of them accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Offering Circular or any such statement. None of the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them undertakes to review the results of operations, financial condition or affairs of the Issuer, the Guarantor or the Group during the life of the arrangements contemplated by this Offering Circular or to advise any investor or potential investor in the Bonds of any information coming to the attention of the Joint Lead Managers, the Trustee or the Agents, or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them.

This Offering Circular may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation. This Offering Circular does not constitute an offer or an invitation to subscribe for or to purchase any Bonds, is not intended to provide the basis of any credit or other evaluation, and should not be considered as a recommendation by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them that any recipient of this Offering Circular should subscribe for or purchase any Bonds. Each recipient of this Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor with its own tax, legal and business advisers as it deems necessary.

IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY OF THE JOINT LEAD MANAGERS APPOINTED AND ACTING IN THE CAPACITY OF A STABILISATION MANAGER (OR PERSONS ACTING ON ITS BEHALF) (THE "**STABILISATION MANAGER**") (OR PERSONS ACTING ON ITS BEHALF) MAY OVER-ALLOT BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISATION MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISATION MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer, the Guarantor may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. These entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer, the Guarantor, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer, the Guarantor, as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Bonds under applicable laws or regulations.

The Bonds are expected to be assigned a rating of "A3" by Moody's and "A-" by Fitch, respectively. A rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of prepayment and may be subject to revision, qualification, suspension or withdrawal at any time by the assigning rating organisation. A revision, qualification, suspension or withdrawal of any rating assigned to the Bonds may adversely affect the market price of the Bonds.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange for the purpose of giving information with regard to the Issuer, the Guarantor and the Group. Each of the Guarantor and the Company accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Singapore SFA Product Classification – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

INDUSTRY AND MARKET DATA

Market data and certain information and statistics included in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although each of the Issuer and the Guarantor believes the information to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them and none of the Issuer, the Guarantor, the Joint Lead Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them makes any representation as to the accuracy or completeness of such information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, the Guarantor, the Group and the terms of the offering and the Bonds, including the merits and risks involved. Where information has been sourced from a third party, the Issuer, the Guarantor, and the Company, confirm that this information has been accurately reproduced and that, as far as the Issuer, the Guarantor, are aware and are able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains the audited consolidated financial information of the Issuer as at and for the years ended 31 December 2019 and 2020 and the audited consolidated financial information of the Guarantor as at and for the years ended 31 December 2018, 2019 and 2020.

The consolidated financial information of the Guarantor as at and for the years ended 31 December 2018 and 2019 has been extracted from the Guarantor's consolidated financial statements for the year ended 31 December 2019 (the "**2019 Guarantor's Audited Financial Statements**"), which were prepared and presented in accordance with the Accounting Standards for Business Enterprises in China ("**PRC GAAP**") and audited by RSM CHINA CPA LLP in accordance with the Chinese Auditing Standards issued by the Ministry of Finance of the PRC ("**MOF**").

The consolidated financial information of the Guarantor as at and for the year ended 31 December 2020 has been extracted from the Guarantor's consolidated financial statements for the year ended 31 December 2020 (the "**2020 Guarantor's Audited Financial Statements**" and together with the 2019 Guarantor's Audited Financial Statements, the "**Guarantor's Audited Financial Statements**"), which were prepared and presented in accordance with the Accounting Standards for Business Enterprises in China ("**PRC GAAP**") and audited by Baker Tilly China in accordance with the Chinese Auditing Standards issued by the MOF. The Guarantor has not prepared its consolidated financial statements in accordance with International Financial Reporting Standards ("**IFRS**").

CERTAIN TERMS AND CONVENTIONS

This Offering Circular has been prepared using a number of conventions, which investors should consider when reading the information contained herein. Unless indicated otherwise, in this Offering Circular all references to (i) the "**Issuer**" are to Anhui Transportation Holding Group (H.K.) Limited (安徽省交通控股集團(香港)有限公司), (ii) "**we**", "**our**", "**us**" or the "**Guarantor**" are to Anhui Transportation Holding Group Co., Ltd.(安徽省交通控股集團有限公司) and (iii) the "**Group**" are to the Guarantor and its subsidiaries taken as a whole.

Unless otherwise specified or the context otherwise requires, references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China, to the "**PRC**" or "**China**" are to the People's Republic of China, for the purpose of this Offering Circular only, excluding Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan, to the "**U.S.**" or "**United States**" are to the United States of America, to "**Renminbi**" or "**RMB**" are to the lawful currency of the PRC, and to "**U.S.$**" or "**U.S. dollars**" are to the lawful currency of the United States of America.

Unless otherwise stated in this Offering Circular, all translations from Renminbi into U.S. dollars were made at the rate of RMB6.5250 to U.S.$1.00, the noon buying rate in New York City for cable transfers payable in Renminbi on 31 December 2020. All such translations in this Offering Circular are provided solely for investors' convenience and no representation is made that the amounts referred to herein have been, could have been or could be converted into U.S. dollars, Renminbi or Hong Kong dollars, or vice versa, at any particular rate or at all. For further information relating to the exchange rates, see "*Exchange Rate Information*".

Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding.

The English names of the PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purpose only. In the event of any inconsistency, the Chinese name prevails.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes "forward-looking statements". All statements other than statements of historical facts contained in this Offering Circular constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms, such as "anticipate", "target", "believe", "can", "would", "could", "estimate", "expect", "aim", "intend", "may", "plan", "will" "would" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include, but are not limited to, statements as to the business strategy, revenue, profitability, planned projects and other matters as they relate to the Issuer, the Guarantor, and/or the Group discussed in this Offering Circular regarding matters that are not historical facts.

The factors that could cause the actual results, performances and achievements of the Issuer, the Guarantor, or the Group or any member of the Group to be materially different include, among others:

- general economic, political and business conditions and competitive environment, including those related to the PRC and globally;
- ability to successfully implement business plans and strategies;
- capital expenditure plans and ability to carry out those plans;
- ability of the Group to control its costs;
- the continued availability of capital and financing;
- interest rates and foreign exchange rates, taxes and duties;
- the actions and developments of the Group's competitors;
- financial condition and performance;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions in which the Group operates and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of the Group's business;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and the industry and markets in which the Group operates;
- various business opportunities that the Group may pursue;
- macroeconomic measures taken by the PRC government to manage economic growth;
- natural disasters, industrial action, terrorist attacks and other events beyond the Group's control;
- other risks associated with industries in which the Group operates; and
- other factors, including those discussed in "*Risk Factors*" below.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "*Risk Factors*" below and elsewhere in this Offering Circular. Each of the Issuer and the Guarantor cautions investors not to place undue reliance on these forward-looking statements which reflect their managements' view only as at the date of this Offering Circular. None of the Issuer or the Guarantor undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

TABLE OF CONTENTS

	Page
IMPORTANT NOTICE	i
INDUSTRY AND MARKET DATA	v
PRESENTATION OF FINANCIAL INFORMATION	vi
CERTAIN TERMS AND CONVENTIONS	vii
FORWARD-LOOKING STATEMENTS	viii
SUMMARY	1
THE OFFERING	3
SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE GUARANTOR	7
RISK FACTORS	12
TERMS AND CONDITIONS OF THE BONDS	35
SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM	55
USE OF PROCEEDS	57
CAPITALISATION AND INDEBTEDNESS	58
DESCRIPTION OF THE GROUP	59
DIRECTORS AND SENIOR MANAGEMENT	81
EXCHANGE RATE INFORMATION	85
PRC REGULATIONS	87
TAXATION	90
SUBSCRIPTION AND SALE	94
GENERAL INFORMATION	99
INDEX TO FINANCIAL INFORMATION	F-1

SUMMARY

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

Overview

The Group believes it is a leading infrastructure company in the PRC and the largest toll road operator and manager in Anhui Province in terms of toll revenue and daily traffic volume. The Group's business comprises three business segments, namely (i) transportation business, (ii) real estate and construction and (iii) investment and asset management. The Group's complementary yet diversified business portfolio allows it to generate steady recurring cash flow, without over-exposure to one particular sector.

The Group was formed pursuant to the approval by Anhui SASAC of the merger between Anhui Expressway and Anhui Transport in 2014, both of which were SOEs engaged in expressway construction and management as well as integrated logistics service. Located in Anhui Province, one of the most dynamic regions in the PRC, the Group benefits from the continued economic growth and infrastructure investment in the region, presented by the central PRC government's plan to further develop the Wanjiang urban-city region and the Yangtze delta urban-city region. The Group is well-positioned to capture future business opportunities resulting from the increased demand for expressways, toll roads and related infrastructure, as well as logistics and passenger transportation services.

The Group's total revenue for the years ended 31 December 2018, 2019 and 2020 was RMB31,161.9 million, RMB35,351.3 million and RMB36,142.8 million respectively; and the Group's net profit (which equals to the revenue minus the profit from operation) for the same years was RMB3,308.1 million, RMB3,182.8 million and RMB1,887.4 million respectively.

Leveraging the Group's experience and competitive position in the transportation business, the Group aims to further strengthen its leading position as the largest key investor and operator of toll roads in Anhui Province and generate synergies with its non-road-related industrial business drive growth in its financial investment business.

Competitive Strengths

The Group believes that the following competitive strengths have contributed to its success in its principal business sectors and will continue to secure its leading market position and future prospects.

- The Group is the leading transportation company in China with rich experience and good branding.
- Strategic location with strong support from the Anhui provincial government.
- The largest key investor and operator of toll roads in Anhui Province with leading industry expertise and national operational services.
- Diversified business portfolio enabling the Group to generate synergy.
- Key provider of passenger transportation and logistics services in Anhui Province.
- Predictable and steady recurring cash flow.
- Strong liquidity and diversified financing channels.

Strategies

The Group intends to achieve its overall business objectives by pursuing the following strategies:

- Further improve the Group's transportation business, which is the "ballast stone" for the high-quality development of the Group.

- Take advantage of the Group's real estate and construction business segment as the "powerful propeller" for the high-quality development of the Group.

- Optimise the investment and asset management business as the "catalyst" for the high-quality development of the Group.

THE OFFERING

The following summary contains some basic information about the Bonds. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in the Terms and Conditions of the Bonds" shall have the same meanings in this summary. For a more complete description of the terms and conditions of the Bonds, see "*Terms and Conditions of the Bonds*".

Issuer	Anhui Transportation Holding Group (H.K.) Limited (安徽省交通控股集團(香港)有限公司).
Guarantor	Anhui Transportation Holding Group Co., Ltd. (安徽省交通控股集團有限公司).
Bonds	U.S.$400,000,000 1.618 per cent. Guaranteed Bonds due 2026.
Guarantee	The Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. Its obligations in that respect will be contained in the Deed of Guarantee. The Guarantor will undertake to file or cause to be filed with SAFE, the Deed of Guarantee within 15 PRC Business Days (as defined in the Terms and Conditions of the Bonds) after the execution of the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) (the "**Cross-Border Security Registration**"). The Guarantor shall complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline and comply with all applicable PRC laws and regulations in relation to the Guarantee.
Issue Price	99.78 per cent.
Form, Specified Denomination and Title	The Bonds will be issued in registered form in the specified denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.
Interest	The Bonds will bear interest on their outstanding principal amount from and including the Issue Date at the rate of 1.618 per cent. per annum and such interest will be payable semi-annually in arrear on 26 February and 26 August in each year (each an "**Interest Payment Date**"), commencing on 26 February 2022.
Issue Date	26 August 2021.
Maturity Date	26 August 2026.
Use of Proceeds	The net proceeds from the offering of the Bonds will be used for interest repayment and refinancing. See "*Use of Proceeds*".

Status of the Bonds	The Bonds will constitute direct, unsubordinated, unconditional and (subject to Condition 4(a) of the Terms and Conditions of the Bonds) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions of the Bonds, at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations. Neither the Anhui Provincial Government nor any other PRC governmental entity has any payment or other obligations under the Bonds or the Trust Deed and will not provide a guarantee of any kind for the Bonds. The Bondholders shall have no recourse to the Anhui Provincial Government or any other PRC governmental entity in respect of any obligation arising out of or in connection with the Bonds or the Trust Deed. The Bonds are solely to be repaid by the Issuer and/or the Guarantor and the obligations of the Issuer and the Guarantor under the Bonds or the Trust Deed shall solely be fulfilled by the Issuer and the Guarantor as independent legal persons.
Status of the Guarantee	The obligations of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a) of the Terms and Conditions of the Bonds, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.
Negative Pledge	The Bonds will contain a negative pledge provision as further described in Condition 4(a) of the Terms and Conditions of the Bonds.
Events of Default	Upon the occurrence of certain events as described in Condition 9 of the Terms and Conditions of the Bonds, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (provided in any such case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer and the Guarantor declaring that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with any accrued interest.

Taxation.	All payments of principal, premium (if any) and interest by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Guarantee shall be made without set-off or counterclaim and free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong or the PRC or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer or the Guarantor, as the case may be, shall pay (except in certain circumstances set out in Condition 8 of the Terms and Conditions of the Bonds) such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required. See "*Terms and Conditions of the Bonds – Taxation*".
Final Redemption	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 26 August 2026.
Redemption for Tax Reasons . .	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount together with any interest accrued up to but excluding the date fixed for redemption, at any time in the event of certain changes affecting taxes of Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, as further described in "*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Tax Reasons*".
Redemption for Relevant Events	At any time following the occurrence of a Change of Control or a No Registration Event (each a "**Relevant Event**"), the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Bonds on the Put Settlement Date at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together with accrued interest up to but excluding such Put Settlement Date. See "*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for Relevant Events*".
Further Issues	The Issuer may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and any modification to the timing for performance of the obligations set out in Conditions 4(c), 4(d), 4(e) and 6(c) of the Terms and Conditions of the Bonds) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds.

Clearing Systems.	The Bonds will be initially represented by beneficial interests in a Global Certificate in registered form, which will be registered in the name of a nominee for, and shall be deposited on or about the Issue Date with, a common depository for Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except in the limited circumstances as described in the Global Certificate, definitive certificates for Bonds will not be issued in exchange for interests in the Global Certificate.
Governing Law	English law.
Exclusive Jurisdiction	The courts of Hong Kong.
Trustee	Citicorp International Limited.
Principal Paying Agent, Registrar and Transfer Agent.	Citibank, N.A., London Branch.
Listing.	Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only.
ISIN	XS2374621493.
Common Code	237462149.
Legal Entity Identifier	30030080CN4AQSINSE71.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF THE GUARANTOR

*The summary audited consolidated financial information of the Guarantor as at and for the years ended 31 December 2018 and 2019 as set forth below has been extracted from the Guarantor's Audited Financial Statements, which have been audited by RSM CHINA CPA LLP in accordance with the generally accepted accounting principles in the PRC ("**PRC GAAP**").*

The summary audited consolidated financial information of the Guarantor as at and for the years ended 31 December 2020 as set forth below has been extracted from the Guarantor's Audited Financial Statements, which have been audited by Baker Tilly China in accordance with the PRC GAAP.

The summary consolidated financial information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the Guarantor's Audited Financial Statements and the notes thereto included elsewhere in this Offering Circular. The Guarantor's historical consolidated financial information should not be taken as an indication of its future financial performance.

The following table set forth the Guarantor's selected consolidated financial information as at the dates and for the periods indicated.

Consolidated Statement of Financial Position

	As at 31 December		
	2018	**2019**	**2020**
	(RMB) *(Audited)*	*(RMB)* *(Audited)*	*(RMB)* *(Audited)*
Current assets:			
Cash and cash equivalents	14,820,361,552.3	15,034,079,690.8	16,734,362,419.4
Held-for-trading financial assets	–	974,373,486.3	1,264,558,548.0
Financial assets at fair value through profits and losses	–	–	29,999,000.0
Notes receivable	45,980,512.7	48,949,274.7	99,915,737.0
Accounts receivable	1,944,776,287.9	2,187,735,976.4	1,222,554,827.2
Advances to suppliers	905,925,741.9	1,008,807,857.8	341,424,826.4
Other receivables	1,000,188,874.4	1,374,991,417.0	1,443,374,751.4
Of which: Dividend receivable	–	21,608,230.9	82,752,723.1
Inventories	20,959,582,704.3	22,713,876,711.9	22,770,803,962.2
Raw materials	32,484,535.2	30,184,218.4	24,713,361.9
Finished goods	4,680,498,660.8	4,873,176,702.5	4,754,500,685.5
Contract assets	–	–	1,235,302,665.9
Non-current assets maturing within one year	540,007,982.7	713,669,196.7	700,885,304.0
Other current assets	2,339,725,632.3	2,313,616,682.4	2,990,852,226.2
Total current assets	**42,556,549,288.6**	**46,370,100,294.0**	**48,834,034,267.6**
Non-current assets:			
Available-for-sale financial assets	3,734,163,274.0	4,004,042,837.6	5,674,079,662.2
Long-term receivables	1,124,724,503.5	850,940,648.3	577,440,335.3
Long-term equity investments	2,921,861,649.6	5,802,434,202.8	5,807,471,398.4
Other equity instruments investment	121,299,364.7	100,530,888.1	100,530,888.1
Other non-current financial assets	–	141,052.8	390,029.2
Investment properties	2,604,389,281.5	3,546,440,227.7	3,622,152,654.2
Fixed assets	173,619,417,383.2	180,590,779,568.3	176,232,097,762.2
Of which: Original cost of fixed assets	–	231,624,176,286.6	234,774,980,710.9
Accumulated depreciation	–	51,035,730,510.8	58,543,132,102.5
Construction in progress	14,533,426,513.3	8,660,654,180.2	21,778,711,880.2
Intangible assets	537,595,264.2	744,139,929.1	667,720,627.9
Development expenditures	–	–	1,611,737.4
Goodwill	37,395,104.8	33,873,932.5	30,352,760.1
Long-term deferred expenses	115,050,945.5	212,746,798.5	253,259,666.8
Deferred tax assets	918,269,002.3	1,228,735,180.9	1,213,072,913.0
Other non-current assets	1,858,603,442.9	347,607,759.7	4,599,270,728.7
Total non-current asset	**202,126,195,729.3**	**206,123,067,206.3**	**220,558,163,043.7**
Total assets	**244,682,745,017.9**	**252,493,167,500.3**	**269,392,197,311.3**

	As at 31 December		
	2018	2019	2020
	(RMB) *(Audited)*	*(RMB)* *(Audited)*	*(RMB)* *(Audited)*
Current liabilities:			
Short-term borrowings	4,221,980,000.0	3,517,880,000.0	4,421,163,701.4
Notes payable	64,237,136.9	21,739,894.1	146,269,815.0
Accounts payable	12,754,194,810.8	11,587,776,345.3	13,768,600,171.2
Advances from customers	6,943,756,641.2	10,261,597,041.6	11,461,171,704.0
Contract liabilities	–	–	212,459,237.9
Employee benefits payable	218,721,850.0	235,584,529.6	221,801,561.6
Salaries payable	119,283,731.4	120,273,756.4	105,530,403.0
Welfare payable	8,612,171.3	7,294,983.6	6,172,893.1
Taxes payable	1,050,777,237.7	1,026,979,920.9	841,444,366.5
Tax payable	839,516,594.2	993,654,787.0	812,164,114.0
Other payables	3,824,019,769.8	3,627,582,981.3	4,382,454,874.9
Of which: Dividend payable	–	31,493,397.11	22,045,928.4
Non-current liabilities maturing within one year	17,840,039,032.5	19,052,245,638.9	16,188,256,509.9
Other current liabilities	4,633,881,372.9	7,136,481,738.9	4,346,762,872.8
Total current liabilities	**51,551,607,851.8**	**56,467,868,090.7**	**55,990,384,815.1**
Non-current liabilities:			
Long-term borrowings	85,535,834,195.0	84,883,785,606.2	99,659,690,810.6
Bonds payable	19,584,210,561.3	17,529,912,897.9	14,700,000,000.0
Long-term payables	1,301,059,201.5	1,121,096,199.8	788,244,213.8
Estimated liabilities	18,314,587.8	15,738,682.3	15,738,682.3
Deferred income	315,642,452.0	322,880,078.7	389,110,497.0
Deferred tax liabilities	1,778,318,484.8	2,026,862,082.1	2,405,921,808.4
Other non-current liabilities	70,000,000.0	70,000,000.0	70,000,000.0
Total non-current liabilities	**108,603,379,482.3**	**105,970,275,546.9**	**118,028,706,012.0**
Total liabilities	**160,154,987,334.1**	**162,438,143,637.6**	**174,019,090,827.1**
Equity:			
Share capital	16,000,000,000.0	16,000,000,000.0	16,000,000,000.0
State-owned capital	16,000,000,000.0	16,000,000,000.0	16,000,000,000.0
Net share capital	16,000,000,000.0	16,000,000,000.0	16,000,000,000.0
Other equity instruments	2,000,000,000.0	2,000,000,000.0	2,000,000,000.0
Perpetual capital securities	2,000,000,000.0	2,000,000,000.0	2,000,000,000.0
Capital reserves	43,337,654,174.0	46,319,580,594.7	49,325,494,169.7
Other comprehensive income	978,673,866.4	1,088,984,285.1	2,140,449,993.6
Specific reserves	41,836,390.4	55,637,711.4	53,043,297.9
Surplus reserves	785,741,766.0	1,002,226,620.1	1,023,325,168.4
Statutory reserves	785,741,766.0	1,002,226,620.1	1,023,325,168.4
Retained earnings	9,179,174,042.8	10,940,091,768.6	11,700,052,175.3
Total owner's equity attributable to parent company	**72,323,080,239.6**	**77,406,520,979.9**	**82,242,364,804.9**
Non-controlling interests	12,204,677,444.2	12,648,502,882.8	13,130,741,679.3
Total owners' equity	**84,527,757,683.8**	**90,055,023,862.7**	**95,373,106,484.2**
Total liabilities and owners' equity	**244,682,745,017.9**	**252,493,167,500.3**	**269,392,197,311.3**

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year 31 December		
	2018	**2019**	**2020**
	(RMB)	*(RMB)*	*(RMB)*
	(Audited)	*(Audited)*	*(Audited)*
Revenue	**31,161,918,764.8**	**35,351,285,710.3**	**36,142,768,622.8**
Including: Operating revenue	31,152,503,529.9	35,338,929,127.9	36,129,729,318.8
Interest income	9,415,234.9	12,356,582.4	13,039,304.0
Cost of sales	**26,999,146036.6**	**30,491,493,839.2**	**34,179,439,973.7**
Operating cost	19,625,834,417.6	23,082,809,624.3	27,011,231,625.2
Taxes and surcharges	505,861,821.6	568,604,865.1	415,438,443.2
Selling and distribution expenses	717,882,630.4	857,553,932.1	866,225,598.9
General and administrative expenses	896,335,088.6	1,005,996,086.9	1,046,898,657.5
Research and development expenses	64,929,716.7	75,844,393.4	132,420,888.9
Finance costs	5,188,302,361.7	4,900,684,937.5	4,707,224,760.1
Interest expense	5,603,099,057.5	5,327,154,567.3	5,462,721,313.7
Interest income	601,658,246.4	523,543,045.9	556,280,652.7
Exchange net loss	168,754,149.5	69,956,902.3	-221,320,737.2
Add: Other income	289,047,149.5	385,332,448.3	456,985,172.9
Investment income/(losses)	305,737,329.9	499,636,411.5	986,207,172.7
Investment income from associates and joint ventures	211,821,959.6	335,154,724.4	751,794,264.4
Gains/(losses) from changes in fair values	–	13,942,846.0	43,611,786.6
Impairment loss of credit	-2,711,811.5	-111,539,688.6	-16,473,757.1
Impairment loss of asset	-163,950,855.1	-879,023,481.4	-692,096,462.8
Gains/(losses) from disposal of assets	49,518,620.3	4,551,156.4	117,276,134.2
Profit/(loss) from operations	**4,640,413,161.2**	**4,772,691,563.2**	**2,858,838,695.6**
Add: Non-operating income	62,121,368.7	76,558,785.7	72,044,612.7
including: government grants	–	–	19,671,525.4
Less: Non-operating expenses	27,728,325.5	158,232,194.5	95,375,641.9
Profit/(loss) before tax	**4,674,806,204.5**	**4,691,018,154.4**	**2,835,507,666.3**
Less: Income tax expenses	1,366,687,476.3	1,508,222,591.6	948,062,825.5
Net profit/(loss) for the year	**3,308,118,728.2**	**3,182,795,562.8**	**1,887,444,840.8**
(I) Net profit/(loss) by ownership attribution			
Attributable to owners of the parent	2,526,013,455.8	2,480,165,338.6	1,276,448,091.6
Attributable to non-controlling interests	782,105,272.4	702,630,224.2	610,996,749.3
(II) Net profit/(loss) from continuing operation	3,308,125,831.5	3,182,795,562.8	1,887,444,840.8
Net profit/(loss) from discontinued operation	-7,103.4	–	–
Other comprehensive income for the year, after tax	**-468,819,595.3**	**99,660,863.1**	**1,051,465,708.5**
Attributable to owners of the parent	-433,670,893.3	110,310,418.7	1,051,465,708.5
Items that will not be reclassified subsequently to profit or loss	-16,260,837.3	-4,926,801.9	–
Changes in fair value of other equity instrument investment	-16,260,837.3	-4,926,801.9	–
Items that may be reclassified subsequently to profit or loss	-417,410,056.0	115,237,220.5	1,051,465,708.5
Other comprehensive income using the equity method which will be reclassified subsequently to profit or loss	-32,366,655.3	2,168,489.4	169,284.6
Gains/(losses) arising from changes in fair value of available-for-sale financial assets	-385,043,400.7	113,068,731.1	1,051,296,423.9
Attributable to non-controlling interests	-35,148,702.0	-10,649,555.6	–
Total comprehensive income for the year	**2,839,299,132.9**	**3,282,456,425.9**	**2,938,910,549.3**
Attributable to owners of the parent	2,092,342,562.6	2,590,475,757.3	2,327,913,800.0
Attributable to non-controlling interests	746,956,570.4	691,980,668.6	610,996,749.3

Consolidated Statement of Cash Flows

	For the year 31 December		
	2018	**2019**	**2020**
	(RMB) (Audited)	*(RMB) (Audited)*	*(RMB) (Audited)*
Cash flows from operating activities:			
Cash received from the sales of goods and the rendering of services	32,560,921,739.9	36,404,473,211.8	36,499,393,449.0
Cash received from interests, fees and commissions	3,254,031.5	6,893,734.8	7,474,197.0
Cash received from tax refund	4,843,269.2	1,247,396.3	77,473,703.9
Other Cash received relating to operating activities	4,162,482,098.8	3,305,875,630.0	3,921,168,377.6
Sub-total of cash inflows from operating activities	36,731,501,139.5	39,718,489,972.9	40,505,509,727.4
Cash payments for goods purchased and services received	13,133,888,652.2	13,986,286,548.2	14,501,746,663.1
Net increase of loans and advances to customers	51,052,616.0	15,194,694.0	-13,930,516.9
Cash payments to or payments on behalf of employees	3,210,226,465.9	3,592,230,844.7	3,425,678,709.5
Payments of taxes	2,523,685,652.3	2,954,640,610.5	2,778,784,707.4
Other cash payments relating to operating activities	4,037,402,594.9	3,314,690,159.0	3,785,920,162.8
Sub-total of cash outflows from operating activities	22,956,255,981.3	23,863,042,856.3	24,478,199,725.8
Net cash flow from operating activities	**13,775,245,158.2**	**15,855,447,116.6**	**16,027,310,001.6**
Cash flows from investing activities:			
Cash received from capital contributions	1,249,461,716.4	2,306,152,627.2	2,968,408,000.0
Cash received from returns on investments	261,557,542.2	246,237,741.8	365,801,156.8
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	61,020,113.2	97,557,275.3	112,987,442.1
Net cash received from the disposal of subsidiaries & other business units	–	–	10,274,234.7
Other cash received relating to investing activities	664,056,676.6	1,268,136,605.8	5,249,974,466.5
Sub-total of cash inflows from investing activities	2,236,096,048.5	3,918,084,250.1	8,707,445,300.1
Cash payments to acquire fixed, intangible and other long-term assets	11,762,212,677.5	11,572,475,641.5	17,294,923,035.9
Cash payments to acquire investments	3,167,199,900.0	2,662,673,268.0	3,704,977,803.7
Other cash payments relating to investment activities	236,170,786.7	1,748,155,634.7	5,866,016,764.0
Sub-total of cash outflows from investing activities	15,165,583,364.2	15,983,304,544.2	26,865,917,603.5
Net cash flow from investment activities	**-12,929,487,315.7**	**-12,065,220,294.1**	**-18,158,472,303.4**
Cash flows from financing activities:			
Cash received from investors	3,432,087,086.0	3,209,457,300.0	3,454,237,000.0
Including: Cash received from non-controlling interest of subsidiaries	445,187,086.0	22,713,300.0	9,000,000.0
Cash received from borrowings	28,769,657,900.0	27,221,173,204.2	38,154,222,156.1
Cash received from bond issue	2,388,834,044.8	–	–
Cash received from other financing activities	320,000,000.0	5,000,000.0	9,545,312.0
Sub-total of cash inflows from financing activities	34,910,579,030.8	30,435,630,504.2	41,618,004,468.1
Cash repayments of debts	25,519,941,562.0	27,471,177,256.1	30,520,124,136.3
Cash payments for dividends, distribution of profit and interest expenses	6,381,612,580.9	6,500,517,765.4	7,280,161,270.5
Other cash payments relating to financing activities	467,999,369.6	539,585,595.3	498,571,523.4
Including: Dividends, distribution of profit paid by subsidiaries to minority shareholders	271,000,555.7	157,924,966.4	57,701,604.4
Other cash payments relating to financing activities	32,172,554,698.6	34,129,619,987.9	37,857,987,011.1
Sub-total of cash outflows from financing activities	2,738,024,332.2	-3,693,989,483.7	3,760,017,457.0
Net cash flow from financing activities	**3,958,999.2**	**2,616,651.1**	**-1,940,166.0**
Net increase in cash and cash equivalents	**3,587,741,173.9**	**98,853,989.8**	**1,626,914,989.2**
Plus: Cash and cash equivalents at the beginning of the period	10,764,622,707.0	14,352,363,880.9	14,451,217,870.7
Cash and cash equivalents at the end of the period	**14,352,363,880.9**	**14,451,217,870.7**	**16,078,132,859.8**

Other Financial Data of the Company

	For the year 31 December		
	2018	**2019**	**2020**
	(RMB in billions)	*(RMB in billions)*	*(RMB in billions)*
EBITDA[(1)]	16.7	17.1	16.7
EBITDA Margin[(2)] (per cent.)	53.5	48.3	46.3

Notes:

(1) EBITDA, as presented, represents profit from operations before total interest expenses (including interest expense, depreciation of fixed assets, oil and gas asset and productive biological assets, amortisation of intangible assets and amortisation of long-term deferred expenses). EBITDA is not a standard measure under PRC GAAP. EBITDA is a widely used financial indicator of a company's ability to service and incur debt. EBITDA should not be considered in isolation or construed as an alternative to cash flows, net income or any other measure of financial performance or as an indicator of the Company's consolidated operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities. EBITDA does not account for taxes, interest expense or other non-operating cash expenses. In evaluating EBITDA investors should consider, among other things, the components of EBITDA such as sales and operating expenses and the amount by which EBITDA exceeds capital expenditures and other charges. The Company has included EBITDA because it is a useful supplement to cash flow data as a measure of its performance and its ability to generate cash flow from operations to cover debt service and taxes. EBITDA presented herein may not be comparable to similarly titled measures presented by other companies and components of the Company's EBITDA may not be comparable to similarly named components presented by other companies whose financial statements were prepared under generally accepted accounting principles other than PRC GAAP. Investors should not compare the Company's EBITDA or components of its EBITDA to EBITDA or components of EBITDA presented by other companies.

(2) EBITDA margin is calculated as EBITDA divided by revenue.

RISK FACTORS

An investment in the Bonds is subject to a number of risks. Investors should carefully consider all of the information in this Offering Circular and, in particular, the risks described below before deciding to invest in the Bonds. The following describes some of the significant risks that could affect the Group and the value of the Bonds. Some risks may be unknown to the Group and other risks, currently believed to be immaterial, could in fact be material. Any of these could materially and adversely affect the business, financial condition, results of operations and prospects of the Group. The market price of the Bonds could decline due to any of these risks, and investors could lose part or all of their investment. This Offering Circular also contains forward-looking statements that involve risks and uncertainties. The actual results of the Group could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described below and elsewhere in this Offering Circular. The Group is affected materially by requirements and restrictions that arise under PRC laws, regulations, judicial interpretations and government policies in nearly all aspects of its business in the PRC.

Risks Relating to the Group's Business

A large part of the Group's business operations are based in a single geographical region, Anhui Province. Any factors that lead to a significant decrease in the demand for infrastructure construction, road transportation and related businesses in Anhui Province would materially and adversely affect the Group's business, financial condition and results of operations.

A large part of the Group's current and anticipated business operations are located in Anhui Province. Any material region-wide adverse events may negatively impact the demand for and the operations of infrastructure construction, road transportation and related businesses in Anhui Province, which would in turn affect the Group's revenue and profitability. Such adverse events include changes in economic conditions and regulatory environment, changes in the government's development plans and policies for Anhui Province, significant natural disasters and man-made incidents. Due to the limited geographical coverage of the Group's operations, the Group may not be able to effectively manage any potential losses arising from these adverse events, which may materially and adversely affect the Group's business, financial condition and results of operations. In particular, the Group's business growth has been historically driven by rapid economic development and strong infrastructure spending in Anhui Province. The Group cannot assure you that Anhui Province will continue to experience rapid economic development, or that it will maintain its current level of infrastructure spending.

Pandemics (such as COVID-19), epidemics, or fear of spread of contagious diseases could disrupt the Group's industry and the Group's operations, which could materially and adversely affect the Group's business, financial condition, and results of operations.

Global pandemics, epidemics in China or elsewhere in the world, or fear of spread of contagious diseases, such as Ebola virus disease (EVD), coronavirus disease 2019 (COVID-19), Middle East respiratory syndrome (MERS), severe acute respiratory syndrome (SARS), H1N1 flu, H7N9 flu, and avian flu could disrupt the Group's industry and business operations in China and elsewhere in the world, reduce or restrict demand for the Group's products and services, or result in regional or global economic distress, which may materially and adversely affect the Group's business, financial condition, and results of operations. Any one or more of these events or recurrence may adversely affect the Group's sales results, or even for a prolonged period of time, which could materially and adversely affect the Group's business, financial condition, and results of operations.

The current COVID-19 pandemic has had a significant impact on the Group's business. According to the unified requirements of the Ministry of Transport, from 12:00 am on 17 February 2020 to 12:00 am on 6 May 2020, all vehicles using toll roads in accordance with the law will be exempted from toll payments across the country. Being an enterprise engaging in expressway operations, the Group has been on the front line of epidemic prevention. In addition to properly carrying out work to prevent and control the epidemic, the Group has also promptly taken active steps to resume its production and operations in a

full manner, while mitigating the negative impacts of the epidemic through measures to broaden revenue streams and reduce expenditure, such as increasing market development efforts in quality projects, improving production efficiency and reducing operating costs, etc. During the Spring Festival in 2021, as part of its epidemic prevention and control measures, the PRC governmental authorities encouraged people to stay at home. People who were returning from travels were subject to stringent preventive and control measures, leading to a decline of travelling needs nationwide during the period, and thus a decrease in the Group's toll revenue as compared with pre-pandemic years. In addition, the latest epidemic resurgence in Guangdong has caused the local government to step up measures and control efforts to fight the spread of the coronavirus. The toll roads operated and invested by the Group resumed their pre-pandemic operational performance during the first quarter in 2021. As of the date of this Offering Circular, the Group does not recognize any significant negative impact caused by the COVID-19 pandemic on the production and operation of the Group. Vaccination is currently China's top COVID-19 prevention and control strategy. As of middle June 2021, there have been over 966.7 million vaccine doses administered in China, according to the National Health Commission of the PRC. However, there is no assurance that the COVID-19 pandemic can be eliminated or contained in the near future, or at all, or a similar outbreak will not occur again. Starting from the fourth quarter of 2020, another wave of COVID-19 infections emerged. If the COVID-19 pandemic and the resulting disruption to the Group's business were to extend over a prolonged period, it could materially and adversely affect the Group's business, financial condition, and results of operations.

Reduction of traffic volume or the rate of growth in traffic volume could adversely affect the Group.

Revenue from the Group's toll roads and the Group's earnings are principally dependent upon the number and classes of motor vehicles using such roads, the applicable toll regime and relevant policies. The number and classes of vehicles using toll roads and bridges is to a large extent dependent on factors outside the Group's control, including:

- toll rates;
- vehicle prices and the cost of owning and operating vehicles such as fuel prices and maintenance costs;
- the mix between different vehicle classes using the toll roads, bridges or tunnels;
- population growth, vehicle ownership growth and growth in the number of people of driving age;
- the occurrence of natural disasters, such as flooding, earthquakes and forest fires;
- weather conditions that can make driving difficult or dangerous, such as heavy snowfall, fog or rain;
- environmental legislation or regulation, including measures to restrict motor vehicle use;
- the quality and proximity of the Group's toll roads compared to alternative roads and other competing modes of transportation, including air travel, waterways and railways;
- capacity constraints on the number of vehicles that can efficiently use the toll roads, bridges or tunnels in any given period;
- general development of the provinces, cities and townships served by the Group's toll roads; and
- general economic conditions in the PRC.

The volume of traffic on a given toll road is also influenced by the basis and extent of the road's connection with other parts of the local and national expressway and road network. There can be no assurance that future changes in the expressway system and network in the provinces in which the

Group's projects are located will not adversely affect the traffic volume on the Group's toll expressways and roads. See "*– Risks relating to the Group's business – The Group's profitability may be affected by the existence and development of other competing means of transport.*"

Future growth in traffic volume is expected to depend on the continued economic growth and development policies of the PRC, and the principal municipalities and counties within the PRC. Any adverse changes in these economies may adversely affect the traffic volume on the Group's toll roads.

The Group's toll rates are subject to the regulation by the Anhui provincial government.

All toll rates charged by the Group's toll roads are determined by the relevant pricing department and relevant transportation department of the Anhui provincial government. While the Group has not encountered a reduction in toll rates in the past three years, it is possible that the relevant governmental authorities could mandate the Group to reduce the toll rates charged by its toll roads or keep the toll rates at the present level despite increased construction and operation costs. If the toll rates of the toll roads operated by the Group were to be reduced or fail to reflect the Group's costs, it could adversely affect the Group's revenues and results of operations.

In addition, the State Council promulgated the Notice on Approval and Forwarding of Toll-Free on Major Festivals and Holidays for Small Passengers Vehicles Implementation Policy Promulgated by the Ministry of Transport etc.(《關於批准交通運輸部等部門重大節假日免收小型客車通行費實施方案的通知》) on 24 July 2012, with regard to the Toll-Free on Major Festivals and Holdings for Small Passenger Vehicles Implementation Policy(《重大節假日免收小型客車通行費實施方案》)("**Holiday Toll-Free Policy**"). Pursuant to the Holiday Toll-Free Policy, small passenger vehicles with seven or fewer than seven seats would be entitled to use certain toll roads during major statutory holidays in the PRC free of charge. The Group's toll revenue and results of operations have not been significantly affected by the implementation of the Holiday Toll-Free Policy to date, but since the Regulation on the Administration of Toll Roads(《收費公路管理條例》) encourages the promotion and development of toll-free roads, there can be no guarantee that the PRC government will not adopt any other polices in the future which may have further negative impact on the Group's toll revenue and results of operations.

Changes to the transportation-related policies of the Anhui provincial government and the PRC central government and may impact the Group's revenue and earnings.

The Group's operations, along with those of other toll road operators in the PRC, are sensitive to changes in the provincial and PRC central governments' policies relating to all aspects of the transportation infrastructure sector, for example, construction and operation of provincial and municipal transportation networks, traffic regulation, licensing and registration of vehicles, transfers of operating rights and toll pricing and regulation in the PRC. There is no assurance that changes in such policies would not have an adverse effect on the Group's revenue or results of operations.

The Group's profitability may be affected by the existence and development of other competing means of transportation.

The profitability of the Group's toll roads may be affected by the existence, proximity, affordability and efficiency of other competing means of transportation and alternative routes of similar quality. A few of the Group's existing toll road projects have directly competing routes nearby. There can be no assurance that alternative routes that avoid tolls or impose lower or no tolls will not be developed, or that alternative means of transportation competing with the Group's existing toll roads, such as high-speed rail and commercial aviation service, will not be constructed or developed in the future. Most of the Group's toll road projects were assigned by the Anhui provincial government, while some Public–Private–Partnership (PPP) projects are obtained by way of bidding. However, if the Anhui provincial government or the central PRC government approves transportation projects that compete with the Group's toll roads, the traffic volume using the Group's toll roads may be reduced and the Group's results may be negatively affected.

A breakdown in the Group's toll receipt collection system would have an adverse effect on the Group's revenues and results of operations.

The Group has implemented a toll collection control system in respect of all of its toll roads. The Group relies on computer systems to ascertain the level of toll receipts on a daily basis. Any malfunction of these computer systems or any inadequacy in the Group's controls could cause the information on toll receipts to become unreliable, inaccurate or permanently lost, which could have an adverse effect on the Group's toll management, delay the Group's receipt of toll receipts and, consequently, the Group's revenues and results of operations.

Capital expenditures on, and operation of, toll roads is subject to events outside the Group's control.

The Group is responsible for the maintenance and repair of its toll road at its own cost throughout the operating concession period. Such costs are typically stable and predictable, including periodic road upgrades that require higher capital expenditures. However, the condition and operation of the toll roads operated by the Group may be affected by catastrophic events including but not limited to serious adverse weather conditions, natural disasters, epidemics and major road accidents. Such catastrophic events could damage and disrupt the operation of the toll roads, leading to loss of toll revenues, or require significant unexpected capital expenditures to fix the toll roads and related infrastructure and equipment. There can be no guarantee that such events will not occur. If the condition or the Group's operation of the toll roads were seriously affected as a result of any such events, the Group's toll revenue and earnings from toll-related business may be adversely affected, which could in turn have an adverse effect on the Group's results of operations and financial results.

The Group's integrated transportation business is dependent on its clients' business performance and their continuing outsourcing of logistics operations.

As a logistics service provider, the Group is primarily engaged in providing services to manufacturers, retailers and other clients to serve their needs along their supply chains. The Group is therefore dependent on its clients' business performance and development in their markets and industries. If the sales of the Group's clients decline in a geographic market served by the Group, it will likely lead to a corresponding decrease in demand for the Group's integrated transportation service. In addition, as the Group serves as a third-party logistics provider for its clients, adverse changes in their outsourcing decisions could materially and adversely affect the Group's business, financial condition and results of operations. If the Group's clients change their supply chain strategy and decide to reduce their outsourcing of logistics operations and perform certain or all of the operations themselves, this will have a direct negative impact on the Group's integrated logistics business. Adverse developments in the business performance and outsourcing decisions of the Group's clients could therefore materially and adversely affect the Group's business, financial condition and results of operations.

Significant increases in transportation costs may materially and adversely affect the Group's business, financial condition and results of operations.

Transportation costs are significantly affected by a variety of factors, including fuel prices, vehicle taxes and duties, the supply of cargo space and other factors, many of which are beyond the Group's control. The Group generally prices its integrated transportation services by reference to transportation costs. The inability to pass on to the Group's clients any significant increases in transportation costs could therefore materially and adversely affect the Group's business, financial condition and results of operations.

Costs of compliance with existing or future environmental laws and regulations could significantly increase the Group's costs of operations.

The Group maintains a fleet of self-owned and leased vehicles, including passenger coaches, buses, delivery trucks, cargo vans and container trucks, for the Group's integrated transportation business. The Group's motor vehicles are subject to regular inspections to confirm they are in compliance with environmental laws and regulations governing, among other things, greenhouse gas emission. As climate change initiatives become more prevalent globally, the PRC central and local governments have

increased their focus on reducing greenhouse gas emissions and enhancing environmental sustainability in the business sector. Clients may also demand higher environmental standards with respect to the Group's logistics facilities and motor vehicles. Any change in environmental laws and regulations, including those which require the Group to modify or retire its existing fleet or require the Group to modify its operations, could cause the Group to incur substantial additional costs, as a result of which the Group could suffer increased costs of operations, reduced profitability and a loss of business.

The Group may not be able to replenish its land reserves for development.

The Group's main source of revenue from its property development business is derived from the sale of properties it has developed. In order to maintain business growth in the future, the Group must replenish its land reserves for property development. The Group's ability to identify and acquire suitable development sites is subject to a number of factors, some of which are beyond the Group's control. The availability of substantially all of the land in the PRC is controlled by the PRC government. Thus, the PRC government's land policies have a direct impact on the Group's ability to acquire land use rights for development and the Group's costs of acquisition. In recent years, the PRC central and provincial governments have implemented various measures to regulate the means by which property developers obtain land for property development. The PRC government also control land supply through zoning, land usage regulations and other means. All these measures further intensify the competition for land in the PRC among property developers and the Group may not be able to obtain land suitable for its property development.

The Group's businesses will be adversely affected if it fails to obtain, or experiences material delays in obtaining, necessary government approvals for any property development.

Real estate markets in the PRC are strictly regulated by the PRC government. Property developers must comply with various laws and regulations of the PRC government, including rules issued by local governments to enforce these laws and regulations. To develop and complete a property project, the Group must apply for various licences, permits, certificates and approvals, including land use rights certificates, construction land planning permits, construction works planning permits, construction permits, pre-sale permits and certificates of completion, at the relevant government departments. Before the government issues any certificate or permit, the Group must first meet specific conditions. The Group cannot guarantee that it will not encounter serious delays or other difficulties in fulfilling such conditions, or that the Group will be able to adapt to new rules and regulations that may come into effect from time to time with respect to the property industry. There may also be delays on the part of the relevant regulatory bodies in reviewing the Group's applications and granting approvals. Therefore, in the event that the Group fails to obtain, or encounter significant delays in obtaining, the necessary governmental approvals for any of its property projects, the Group will not be able to continue with its development plans, and its business, financial condition and results of operations will be adversely affected.

If the Group cannot continue to obtain formal qualification certificates, its business may be adversely affected.

As a precondition to engaging in real estate property development in the PRC, a property developer must obtain a qualification certificate and renew it on an annual basis unless the rules and regulations allow a longer renewal period. According to the current PRC regulations on qualification of property developers, a newly established property developer must first apply for a provisional qualification certificate with a one-year validity, which can be extended for a maximum of two years. If the newly established property developer fails to commence a property development project within the one-year period when the provisional qualification certificate is in effect, it will not be allowed to extend its provisional qualification certificate. Experienced property developers must also apply for renewal of their qualification certificates once every two to three years in most cities, subject to an annual verification by relevant governmental authorities. It is mandatory under government regulations that developers fulfil all statutory requirements before obtaining or renewing their qualification certificates.

Property developers in the PRC must also produce valid qualification certificates when they apply for pre-sale permits. The Group cannot assure you that it will be able to pass the annual verification of the qualification certificates or that the Group or each of its project companies will be able to obtain formal qualification certificates in a timely manner, or at all, as and when they become due to expire. If the Group or its project companies do not possess valid qualification certificates, the government will refuse to issue pre-sale and other permits necessary for the Group's property development business. In addition, the government may impose a penalty on the Group and its project companies for failure to comply with the relevant licensing requirements. If the Group or any of its project companies are unable to meet the relevant requirements, and therefore unable to obtain or renew the qualification certificates or pass the annual verification, the Group's business and financial condition could be materially adversely affected.

The Group may be liable to its clients for damages if it does not complete all the formalities for the issuance of the residential property ownership certificates in a timely manner.

In the PRC, property developers are required to complete all requisite formalities for the purchasers to apply for the residential property ownership certificates, including passing various governmental clearances, formalities and procedures within 90 days of delivery of the properties or such other period set out in the relevant sale contracts. There is no assurance that there will not be any delay in the Group's property development schedules, or in the examination and approval processes of the relevant government agencies or otherwise due to other unforeseeable factors that are beyond the Group's control, which may result in the delay for the purchasers to obtain the residential property ownership certificates. Under the PRC law, the Group may be required to compensate such purchasers for the delay in completing the necessary formalities, which may adversely affect the Group's business and financial conditions.

The Group may not be able to complete its property development projects on time.

Property development projects require substantial capital expenditures prior to and during the construction period, and construction of a property project may take longer than six months before it may generate positive cash flow through pre-sales or sales. The progress and costs for a development project can be adversely affected by many factors, including but not limited to:

- delays in obtaining necessary licences, permits or approvals from government agencies or authorities;
- relocation and/or compensation of existing residents and/or demolition of existing structures;
- shortages and/or rise in cost of materials, equipment, contractors and skilled labour;
- labour disputes;
- construction accidents;
- natural catastrophes;
- adverse weather conditions; and
- lack of performance or failure of consultants or third party contractors to deliver on their obligations.

Construction delays or failure to commence or complete the construction of a project according to the permits for commencement of construction and its planned specifications, schedule or budget as a result of the above factors may affect the Group's results of operations and financial position and may also cause reputational damage. The Group cannot assure you that it will not experience any significant delays in completion or delivery or that it will not be subject to any liabilities for any such delays.

The Group is exposed to pre-sale related contractual and legal risks.

The Group makes certain undertakings in its pre-sale contracts. These pre-sale contracts and PRC laws and regulations provide for remedies with respect to any breach of such undertakings. For example, if the Group pre-sells a property project and it fails to complete that property project, it will be liable to the purchasers for their losses. Should the Group fail to complete a pre-sold property project on time, its purchasers may seek compensation for late delivery pursuant to either their contracts with the Group or PRC laws and regulations. If the Group's delay extends beyond a specified period, its purchasers may terminate the pre-sale contracts and claim compensation. The Group cannot assure you that it will not experience delays in completion and delivery of its projects.

The Group's property business is subject to multiple regulations of the PRC governmental authorities and any non-compliance or perceived non-compliance with these regulations may have a material and adverse effect on its business, financial condition and results of operations.

The Group's business is regulated by various PRC governmental authorities and departments. If any PRC authority believes that the Group or any of its suppliers or contractors in the course of its operations are not in compliance with PRC regulations, the authority could delay or even shut down the Group's construction or sales operations, refuse to grant or renew any necessary approvals or licences, institute legal proceedings to seize the Group's properties, enjoin future actions or impose civil and/or criminal penalties, pecuniary or otherwise, against the Group, its officers or its employees. Any such action by the PRC governmental authorities would have a material adverse effect on the Group's business, causing delays to its property development projects, or terminating them altogether.

The Group's property development business is subject to extensive government regulations, and the PRC government may introduce further measures to curtail growth in the property sector.

Investments in the PRC property sector have increased significantly in the past decade. In response to concerns over the rapid increase in property investments and property prices, from 2004 to the first half of 2008, the PRC government introduced various policies and measures to curtail property development. In the second half of 2008 and in 2009, in order to combat the impact of the global economic slowdown, the PRC government adopted measures to encourage consumption in the property market and to support real estate development. However, since December 2009, the PRC government has adjusted some of its policies in order to enhance regulation in the property market, restrain property purchases for investment or speculation purposes and keep property prices from rising too quickly in certain cities.

These and other future measures may limit the Group's access to capital, reduce market demand for the Group's property products and increase its finance costs. The Group cannot assure you that the PRC government will not adopt more stringent policies, regulations and measures in the future. If the Group fails to adapt its operations to new policies, regulations and measures that may come into effect from time to time with respect to the real property industry, or such policy changes negatively impact the Group's business, its financial condition, results of operations and prospects may be materially and adversely affected.

If the Group fails to develop land according to the land use right grant terms, its land use right may be subject to repossession by the PRC government.

Under PRC law, if a developer fails to develop land in accordance with the terms of the relevant land use right granting contract (including those relating to payment of fees, designated use of the land and time for commencement and completion of the development), the relevant government authorities may issue a warning to or impose a penalty on the developer or in the worst case scenario, resume possession of the land. Specifically, under current PRC laws, if the Group fails to commence development for more than one year but less than two years from the commencement date stipulated in the land grant contract, the relevant PRC land bureau may issue a warning to the Group and impose an idle land fee on the land of 20% of the land grant premium. After obtaining approval from relevant government authorities, the relevant PRC land bureau may confiscate the Group's land use rights without compensation if it fails to commence development within two years from the construction commencement date set forth in the land grant contract, unless the delay in the development is caused by government actions or force majeure. Moreover, if a property developer commences development of the land in accordance with the timeframe stipulated in the land grant contract and the developed GFA on the land is less than one-third of the total proposed GFA of the project or the total invested capital is less than one-fourth of the total investment of the project and the development of the land is suspended for more than one year without government approval, the land may be treated as idle land and subject to risk of forfeiture.

The PRC government has issued various policies and measures to enforce idle land management. Most recently, the Ministry of Land and Resources promulgated the revised Measures on the Disposal of Idle Land (《閒置土地處置辦法》), which became effective on 1 July 2012 to limit any application for new land use rights by land developers or process any title transfer transaction, lease transaction, mortgage transaction or land registration application in respect of idle land which breached the land grant contracts before the completion of the required rectification procedures.

The Group is subject to project development risks and cost overruns, and delays may adversely affect the Group's results of operations.

There are a number of construction, financing, operating and other risks associated with project developments in the PRC. Projects of the types undertaken by the Group typically require substantial capital expenditures during the construction phase and usually take many years before they become operational and generate revenue. The time taken and the costs involved in completing construction can be adversely affected by many factors, including shortages of materials, equipment and labour, adverse weather conditions, natural disasters, labour disputes, disputes with sub-contractors, accidents, changes in governmental priorities, approval time and other unforeseen circumstances. Any of these could give rise to delays in the completion of construction and/or cost overruns. Construction delays can result in loss of revenues. The failure to complete construction according to the projects' specifications may result in liabilities, reduced efficiency and lower financial returns. Although the majority of the Group's projects have been completed on schedule, there can be no assurance that this will remain the case or that future infrastructure projects will be completed on time, or at all, and generate satisfactory returns.

The Group's business is capital intensive. It may not be able to obtain sufficient funding for its business expansion on commercially reasonable terms, or at all.

The Group requires significant financing to fund capital expenditures and to support its future growth. Historically, the Group has relied on a mixture of debt and equity financing and cash from operations and investments to fund the Group's business requirements. The Group's ability to obtain external financing in the future and the cost of such financing are subject to uncertainties, some of which are beyond the Group's control, including:

- requirements to obtain PRC government approvals necessary for obtaining financing in the domestic or international markets;

- the Group's future results of operations, financial condition and cash flows;

- the condition of the international and domestic financial markets and financing availability thereof;
- changes in the monetary policies of the PRC government with respect to bank interest rates and lending practices; and
- restrictions on the Group's ability to incur additional debt and engage in other fund-raising transactions under the terms of its outstanding indebtedness.

The Group cannot assure you that the PRC government will not introduce other initiatives that may further limit the Group's access to capital, or that the Group will be able to secure adequate financing on commercially reasonable terms, or at all.

The Group had net current liabilities as at 31 December 2018, 2019 and 2020, which exposes the Group to certain liquidity risks.

As at 31 December 2018, 2019 and 2020, the Group had net current liabilities of RMB8,995.1, RMB10,097.8 million and RMB7,156.4 million, respectively. The Group cannot assure you that it will not have net current liabilities in the future. The Group's net current liabilities expose it to certain liquidity risks. The Group's future liquidity, the payment of trade and bills payables, the payment of other payables and accruals, and the repayment of outstanding debt obligations as and when they become due will primarily depend on the Group's ability to maintain adequate cash inflows from operating activities and adequate external financing. The Group's operating cash flows could be adversely affected by numerous factors, including increased market competition, decreased demand for toll road transportation and higher raw material prices.

Servicing the Group's debt and other fixed payment obligations will further divert the Group's cash flow from its operations and planned capital expenditures. Furthermore, the interest cost of such obligations could undermine the Group's future profitability.

The rising costs of labour, construction materials, building equipment or maintenance fees may adversely affect the Group's results of operations.

As the result of economic growth and the boom in the infrastructure and property development industries in the PRC, wages for construction workers and the prices of construction materials and building equipment have experienced substantial increases in recent years. In addition, the PRC Labour Contract Law that came into effect on 1 January 2008 and was amended on 28 December 2012 enhanced the protection for employees and increased employers' liability in many circumstances, which may further increase the Group's labour costs. The Group is exposed to the price volatility of construction materials and building equipment used in the toll roads constructed and properties developed by the Group. The Group may also experience substantial increases in toll road maintenance fees if the toll roads operated by the Group are heavily damaged by overloaded vehicles or natural disasters, or experience significant structural defects. No assurance can be given as to the future movements of the prices of the construction materials and building equipment required by the Group as well as the maintenance fees required to repair the Group's toll roads. Any detrimental movements in the future could have a material adverse effect upon the Group's financial condition and results of operations.

The Group depends on various contractors and their sub-contractors to construct, develop, operate and maintain toll road construction and property development projects. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect its ability to complete, effectively operate or maintain projects.

The Group depends on the availability and skills of third party contractors and their subcontractors for the development, construction, operation and maintenance of toll road construction and property development projects. The Group does not have direct control over the timing or quality of services, equipment or supplies provided by these contractors. There can be no assurance that such contractors will continue to be available at reasonable rates in the areas in which the Group conducts its operations. The Group may also be exposed to risks relating to the quality of their services, equipment and supplies. The contractors and sub-contractors may not be able to obtain adequate working capital or other financing on favourable terms as and when required for completing construction. Any delays in meeting project milestones by contractors could increase the Group's financing costs and cause the Group to exceed its forecasted budget, which may in turn result in invocation of clauses relating to payment of liquidated damages or penalties.

The Group generally does not receive guarantees or indemnities from contractors as to timely completion, cost overruns, or additional liabilities although contractors may be liable for breach of contracts. As a result, the Group assumes the risk of delayed or reduced payments, liquidated damages or penalty amounts, or termination of contracts. The Group also assumes liability for defects in connection with any design or engineering work provided by the contractors. Although the Group sub-contracts its construction work, it may still be liable for accidents on projects, due to defects in design and quality of construction of projects. Any delay, default or unsatisfactory performance by these third parties could adversely affect the Group's ability to complete its projects in a timely manner or at all. Any of the foregoing factors could have a material adverse effect on the Group's financial condition and results of operations.

The Group may be involved in legal and other proceedings arising from its operations from time to time.

The Group may be involved from time to time in disputes with various parties involved in its businesses, such as contractors, sub-contractors, suppliers, construction companies, purchasers, partners, customers and others. These disputes may lead to legal and other proceedings, and may cause the Group to suffer significant costs and delays. In addition, the Group may have disagreements with regulatory bodies and governmental authorities in the course of its operations, which may subject it to administrative proceedings and unfavourable decrees that may result in financial losses and in delays in the construction or completion of its projects. If the Group is not successful in obtaining remedies under any contractual arrangements for any such undisclosed losses or damages, the Group may be exposed to financial losses, which may have an adverse effect on its expected profitability and ability to realise synergies from such acquisitions.

The Group's success depends on the retention of its senior management team and other key personnel.

The Group depends on the services provided by its management and other qualified and experienced staff. As competition in the PRC for senior management and key personnel with experience in infrastructure, passenger transportation and logistics and property development industries is intense, and the pool of qualified candidates is very limited, the Group may not be able to retain the services of the Group's senior executives or key personnel, or attract and retain high-quality senior executives or key personnel in the future. If any key management team member leaves and the Group fails to find suitable substitutes, or if the Group cannot attract or retain qualified personnel, its business and future growth prospect may be negatively affected.

The Group's current and future borrowings give rise to financial risk.

The Group may, from time to time, require debt financing to achieve its investment strategies. The Group will be subject to risks normally associated with debt financing. Payments of principal and interest on borrowings may leave it with insufficient cash resources to operate its projects. The Group's level of debt and the limitations imposed on it by current or future loan agreements could have significant adverse consequences, including, but not limited to:

- insufficient cash flow to meet its required principal and interest payments;
- inability to borrow additional funds as needed or on commercially acceptable terms;
- inability to refinance its indebtedness upon maturity or the refinancing terms may be less favourable than the terms of the original indebtedness;
- defaults on obligations and the lenders or mortgagees may foreclose on its properties, and require a forced sale of the mortgaged property, or foreclose on its interests in the entities that own the properties and require a forced sale of those entities;
- the effects of restrictive covenants in future loan agreements, which limit or may limit or otherwise adversely affect the Group's operations, such as its ability to incur additional indebtedness, acquire properties, make certain other investments or make capital expenditures, which may require it to set aside funds for maintenance or repayment of security deposits;
- violations of restrictive covenants under current facility agreements and in future loan documents, which would entitle the lenders to accelerate debt obligations; and
- default under any one of its loan agreements could result in a cross default under other indebtedness.

If any one or more of these events were to occur, the Group's financial condition, results of operations, cash flow, and ability to satisfy its debt service obligations could be materially and adversely affected.

Risks Relating to Conducting Business in the PRC

The PRC government shall under no circumstances have any obligation arising out of or in connection with the Bonds, the Guarantee or the transaction documents in relation to the Bonds, which are solely to be fulfilled by the Issuer and/or the Guarantor.

Notwithstanding the Group's extensive relationships with the PRC government (including the Anhui provincial government, Anhui SASAC and any other entities controlled by them), neither the Issuer nor the Guarantor are part of the PRC government. The PRC government (including the Anhui provincial government and Anhui SASAC) is not an obligor and shall under no circumstances have any obligation arising out of or in connection with the Bonds, the Guarantee or the transaction documents in relation to the Bonds in lieu of the Issuer or as the case may be, the Guarantor. This position has been reinforced by the Circular of the Ministry of Finance on Issues relevant to the Regulation on the Financing Activities Conducted by Financial Institutions for Local Governments and State-owned Enterprises (財政部關於規範金融企業對地方政府和國有企業投融資行為有關問題的通知，財金[2018]23號)(the "**MOF Circular**") promulgated on 28 March 2018 and took effect on the same day, and the Circular of the National Development and Reform Commission and the Ministry of Finance on Improvement of Market Regulatory Regime and Strict Prevention of Foreign Debt Risks and Local Government Indebtedness Risks (國家發展改革委財政部關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知)(the "**Joint Circular**") promulgated on 11 May 2018 and took effect on the same day. Both the MOF Circular and the Joint Circular do not, however, prohibit the PRC government from providing support (in various forms including capital injection and subsidies, but excluding injecting any kinds of public assets and land reserves as the Group's assets) to the Group in its ordinary course of business in

compliance with PRC laws and regulations. The detailed description of the relationships between the Issuer, the Guarantor and the Anhui provincial government in this Offering Circular does not imply in any way any explicit or implicit credit support of the Anhui provincial government in respect of the Bonds, the repayment of which remains the sole responsibilities of the Issuer and the Guarantor.

The PRC government as the ultimate shareholder of the Guarantor only has limited liability in the form of its equity contribution in the Guarantor. As such, the PRC government does not have any payment obligations under the Bonds, the Guarantee or the transaction documents in relation to the Bonds. The Bonds are solely to be repaid by the Issuer (and under the Guarantee by the Guarantor), each as an obligor under the relevant transaction documents and as an independent legal person. The Bondholders do not have any recourse against the PRC government in respect of any obligation arising out of or in connection with the Bonds or the transaction documents. Therefore, investors should base their investment decision only on the financial condition of the Company and the Group and base any perceived credit risk associated with an investment in the Bonds only on the Group's own financial information reflected in its financial statements.

Changes in PRC economic, political and social conditions, as well as government policies, could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

Substantially all of the Group's business and operations are conducted in the PRC. Accordingly, the Group's business, prospects, financial condition and results of operations are, to a significant degree, subject to economic, political and social developments in the PRC. The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures since the late 1970s emphasising the utilisation of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in the PRC is still owned by the PRC government.

In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over the PRC's economic growth through allocation of resources, controlling payment of foreign currency denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Certain measures taken by the PRC government to guide the allocation of resources may benefit the overall economy of the PRC but may, however, also have a negative effect on the Group. For example, the Group's business, prospects, financial condition and results of operations may be adversely affected by government control over capital investments, changes in tax regulations that are applicable to the Group, change in interest rates and statutory reserve rates for banks or government control in bank lending activities.

Fluctuations in the value of Renminbi may have an adverse effect on the Group's financial condition and results of operations.

The value of Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other factors, changes in international and national political and economic conditions and the foreign exchange policy adopted by the PRC government. On 21 July 2005, the PRC government changed its policy of attaching the value of Renminbi to the US dollar. Under the new policy, Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. Following the removal of the U.S. dollar peg, Renminbi appreciated more than 20 per cent. against the U.S. dollar over the following three years. While the exchange rate between Renminbi and the U.S. dollar continued to fluctuate during the past three years, in particular in the past three months, it is unclear, however, whether Renminbi will further depreciate against the U.S. dollar in the future. The Group's turnover and costs are mostly denominated in Renminbi, and a significant portion of the

Group's financial assets are also denominated in Renminbi. Any fluctuation in the exchange rate between Renminbi and the U.S. dollar could result in foreign currency translation losses for financial reporting purposes.

The legal system of the PRC is still developing and there are inherent uncertainties that may affect the protection afforded to the Group's business.

The Group's business and operations in the PRC are governed by the PRC legal system that is based on written statutes. Prior court decisions may be cited for reference but have limited precedential value. Since the late 1970s, the PRC government has promulgated laws and regulations dealing with economic matters such as foreign investment, corporate organisation and governance, commerce, taxation and trade. However, as these laws and regulations are relatively new and continue to evolve, interpretation and enforcement of these laws and regulations involve significant uncertainties and different degrees of inconsistency. Some of the laws and regulations are still in the developmental stage and are therefore subject to policy changes. Many laws, regulations, policies and legal requirements have only been recently adopted by PRC central or local government agencies, and their implementation, interpretation and enforcement may involve uncertainty due to the lack of established practice available for reference. The Group cannot predict the effect of future legal developments in the PRC, including the promulgation of new laws, changes in existing laws or their interpretation or enforcement, or the pre-emption of local regulations by national laws. As a result, there is substantial uncertainty as to the legal protection available to the Group. Furthermore, due to the limited volume of published cases and the nonbinding nature of prior court decisions, the outcome of dispute resolution may not be as consistent or predictable as in other more developed jurisdictions, which may limit the legal protection available to the Group. In addition, any litigation in the PRC may be protracted and result in substantial costs and the diversion of resources and management attention. The Group's operations in the PRC are subject to PRC regulations governing PRC companies. These regulations contain provisions that are required to be included in the articles of association of PRC companies and are intended to regulate the internal affairs of these companies.

It may be difficult to effect service of process upon, or to enforce against, the Group in connection with judgments obtained in non-PRC courts.

Substantially all the Group's assets and its subsidiaries are located in the PRC. As a result, it may be difficult to effect service of process outside the PRC upon the Group, including for matters arising under applicable securities law. A judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. However, the PRC does not have treaties providing for the reciprocal enforcement of judgments of courts with Japan, the United Kingdom, the United States and many other countries. In addition, Hong Kong has no arrangement for the reciprocal enforcement of judgments with the United States. As a result, recognition and enforcement in the PRC or Hong Kong of judgments from various jurisdictions is uncertain.

Acts of God, acts of war and other disasters may affect the Group's business.

The Group's business is subject to general and social conditions in the PRC. Natural disasters, acts of God and other disasters that are beyond the Group's control may materially and adversely affect the economy, infrastructure and livelihood of the people of the PRC. Some cities in the PRC are under the threat of flood, earthquake, rainstorm, typhoon, sandstorm or drought. The Group's business, financial condition and operating results may be materially and adversely affected if any of these natural disasters occurs in the areas in which the Group operates.

Acts of war and terrorist attacks may cause damage or disruption to the Group, its employees, facilities, its distribution channels, markets, suppliers and clients, the occurrence of any of which may materially and adversely affect the Group's business, revenue, cost of sales, financial condition and operating results. Potential war or terrorist attacks may also cause uncertainties and cause the Group's business to suffer in ways that the Group cannot currently predict.

Risks Relating to the Bonds and the Guarantee

The Bonds and the Guarantee are unsecured obligations.

The Bonds and the Guarantee are unsecured obligations of the Issuer and the Guarantor, respectively. The repayment of the Bonds and payment under the Guarantee may be adversely affected if:

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

If any of these events were to occur, the Issuer's or the Guarantor's assets may not be sufficient to pay amounts due on the Bonds.

The Issuer or the Guarantor may not be able to redeem the Bonds upon the due date for redemption thereof.

Following the occurrence of a Relevant Event (as defined in the Terms and Conditions of the Bonds), the Issuer may, at the option of any Bondholder, be required to redeem all, but not some only, of such Bondholder's Bonds at 101 per cent. (in the case of a redemption for a Change of Control) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together in each case with accrued interest to but excluding the Put Settlement Date (as defined in the Terms and Conditions of the Bonds). If such an event were to occur, the Issuer may not have sufficient cash in hand and may not be able to arrange financing to redeem the Bonds in time, or on acceptable terms, or at all.

There is also no assurance that the Guarantor would have sufficient liquidity at such time to make the required redemption of the Bonds. The ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. The Issuer's and the Guarantor's failure to repay, repurchase or redeem tendered Bonds could constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's, the Guarantor's or the Group's other indebtedness.

If the Guarantor fails to complete the Cross-Border Security Registration in connection with the Guarantee within the time period prescribed by SAFE, there may be logistical hurdles for cross-border payment under the Guarantee.

Pursuant to the Deed of Guarantee executed by the Guarantor, the Guarantor will unconditionally and irrevocably guarantee the due payment of all sums expressed to be payable by the Issuer under the Bonds and the Trust Deed. The Guarantor is required to submit the Deed of Guarantee with SAFE for registration in accordance with, and within 15 PRC Business Days (as defined in the Terms and Conditions of the Bonds) after the execution date of the Deed of Guarantee as prescribed by the Cross-Border Security Provisions. As provided by the Cross-Border Security Provisions, although the non-registration does not render the Guarantee ineffective or invalid under PRC law, SAFE may impose penalties on the Guarantor if registration is not carried out within the stipulated time frame. The Guarantor intends to complete the registration of the Guarantee as soon as practicable and in any event before the Registration Deadline (being the day falling 120 PRC Business Days after the Issue Date). In addition, if the Guarantor fails to complete the SAFE registration, there may be logistical hurdles at the time of remittance of funds (if any cross-border payment is to be made by the Guarantor under the Guarantee) as domestic banks may require evidence of SAFE registration in connection with the Deed of Guarantee. As a result, there is no assurance that the Guarantor can remit money to the Issuer to comply with is obligations under the Deed of Guarantee.

Any failure to complete the relevant filings under the NDRC Circular within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer and/or the investors of the Bonds.

The NDRC issued the NDRC Circular on 14 September 2015, which came into effect on the same day. According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued outside the PRC with the NDRC prior to the issue of the securities ("**Pre-issuance Registration**"), and notify the particulars of the relevant issues within ten working days after the completion of the issue of the securities (the "**Post-Issuance Filing**").

The legal consequences of non-compliance with the post-issue notification requirement under the NDRC Circular are unclear. In the worst-case scenario, such non-compliance with the post-issue notification requirement under the NDRC Circular may result in it being unlawful for the Guarantor to perform or comply with any of its obligations under the Bonds, and the Bonds might be subject to enforcement as provided in Condition 9 of the Terms and Conditions of the Bonds. An additional risk warning was issued by the NDRC on 25 May 2016 on the NDRC official website (the "**NDRC Warning**"), which states that companies, related underwriting agencies, law firms and other intermediaries involved in debt securities issues which do not comply with the registration requirement under the NDRC Circular will be subject to a blacklist and sanctions. The NDRC Warning is silent as to how such blacklist will be implemented or the exact sanctions that will be enacted by the NDRC, or any impact on the holders of the Bonds, in the event of a noncompliance by the Issuer and/or the Guarantor with the NDRC Circular. In June 2018, the NDRC published Q&As on regulating non-compliant offshore debts issuance by PRC companies and imposing administrative penalties, such as warning on both the issuer and relevant intermediaries participating in the offering. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions. The Guarantor will undertake in the Terms and Conditions of the Bonds to file or cause to be filed with the NDRC the particulars of the issue of the Bonds within the prescribed timeframe after the Issue Date.

In addition, the administration of the NDRC Circular may be subject to a certain degree of executive and policy discretion by the NDRC. There is also a risk that the registration approval with the NDRC may be revoked or amended in the future or that future changes in PRC laws and regulations may have a negative impact on the performance or validity and enforceability of the Bonds in the PRC. Potential investors of the Bonds are advised to exercise due caution when making their investment decisions.

If any of the Guarantor or its subsidiaries, including the Issuer, is unable to comply with the restrictions and covenants in its respective debt agreements, or the Bonds, there could be a default under the terms of these agreements, or the Bonds, which could cause repayment of the relevant debt to be accelerated.

If the Issuer is unable to comply with the restrictions and covenants in the Bonds, or if any of the Guarantor or its subsidiaries, including the Issuer, is unable to comply with its current or future debt obligations and other agreements, or fails to honour its contractual obligations, there could be a default under the terms of such agreements. In the event of a default under such agreements, the creditors of the debt could terminate their commitments to lend to the Guarantor or its relevant subsidiary, including the Issuer, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, and could also bring lawsuit against the Guarantor or its relevant subsidiary, as the case may be. The Group's business, results of operations and financial condition may be materially and adversely affected as a result. See also "*The Group faces litigation risks in the course of its business*."

Furthermore, some of the debt agreements entered into by members of the Group, and the Bonds, contain (or may in the future contain) cross-acceleration or cross-default provisions. As a result, the default by the Guarantor or the relevant subsidiary, including the Issuer, under one debt agreement may cause the acceleration of repayment of debt, including the Bonds, or result in a default under its other debt agreements, including the Bonds. If any of these events occurs, there can be no assurance that the assets and cash flows of the Group would be sufficient to repay in full all of their indebtedness, or that

they would be able to find alternative financing. Even if alternative financing could be obtained, there can be no assurance that it would be on terms that are favourable or acceptable to the Guarantor or its subsidiaries, including the Issuer.

The Issuer has limited assets and will need to rely on cash flow from the Guarantor and other subsidiaries of the Guarantor (particularly onshore operating subsidiaries of the Guarantor) to service their respective obligations under the Bonds and the Guarantee.

The Issuer is a wholly-owned subsidiary of the Guarantor and has limited operations of its own and will be dependent upon payments from the Guarantor and its subsidiaries to meet its obligations under the Bonds and the Guarantee.

Bondholders' recourse to the Issuer is limited as the Issuer has only limited assets. The Issuer's ability to make payments on the Bonds is dependent directly on payments (in the form of capital injections, intercompany loans or otherwise) to the Issuer by the Guarantor and certain of the Guarantor's subsidiaries, which will depend on a number of factors, some of which may be beyond the control of the Guarantor and/or the Issuer. If the Guarantor or any of the Guarantor's subsidiaries is unable to make timely payments to the Issuer, the Issuer will not have any other source of funds to meet its payment obligations under the Bonds.

If the Guarantor does not, or is unable for any reason, to make capital injections, intercompany loans or otherwise to the Issuer, the Issuer may be unable to comply with its payment obligations under the Bonds or the Guarantee.

The Issuer and the Guarantor may not be able to meet their outstanding obligations under the Bonds and the Guarantee.

The Issuer may (and at maturity, will) be required to redeem all of the Bonds. In case of failure by the Issuer to fulfil its payment obligations under the Bonds, the Guarantor will also be required to pay on behalf of the Issuer under the Guarantee. If any of such events were to occur, the Issuer, or, as the case may be, the Guarantor may not have sufficient cash on hand and may not be able to arrange financing in time, or on acceptable terms, or at all. The ability of the Issuer to redeem the Bonds, or the ability of the Guarantor to pay under the Guarantee, may also be limited by the terms of other debt instruments. Failure to repay, purchase or redeem the Bonds by the Issuer or, as the case may be, failure to pay by the Guarantor under the Guarantee, may constitute an event of default under the Bonds, which may also constitute a default under the terms of the Issuer's or the Guarantor's other indebtedness.

Gains on the transfer of the Bonds may be subject to income tax under PRC tax laws.

The Issuer is incorporated under the laws of Hong Kong. Pursuant to the Enterprise Income Tax Law of the PRC (the "**EIT Law**") and its implementation regulations, enterprises that are established under the laws of foreign countries and regions but whose "de facto management bodies" are within the PRC are treated as PRC tax resident enterprises for the purposes of the EIT Law. If the relevant PRC tax authorities decide, in accordance with applicable tax rules and regulations, that the "de facto management body" of the Issuer is within the PRC, the Issuer may be held to be a PRC tax resident enterprise for the purposes of the EIT Law, and income or gains paid with respect to the Bonds may considered to be derived from sources within the PRC.

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

holders who are not PRC citizens or residents will be subject to PRC individual income tax. In the event the Issuer is deemed to be a PRC tax resident enterprise by the PRC tax authorities in the future or the Guarantor is required to discharge its obligations under the Guarantee, interest paid on the Bonds or the Guarantee may be considered to be a PRC source, in which case the Issuer or the Guarantor, as the case may be, would be required to withhold income tax at a rate of 10 per cent. from payments of interest in respect of the Bonds to any non-resident enterprise holders. Any capital gain realised by a non-resident enterprise from the transfer of the Bonds may be regarded as being derived from sources within the PRC and accordingly may be subject to a PRC tax of up to 10 per cent. if the Issuer is treated as a PRC tax resident. Pursuant to the Individual Income Tax Law of the PRC and its implementation regulations, if the Issuer is considered to be a PRC tax resident enterprise, or in the event that the Guarantor is required to perform its obligations under the Guarantee, the Issuer or the Guarantor, as the case may be, may be obliged to withhold such individual income tax on payments of interests to non-resident individual Bondholders. Any capital gain realised by a non-resident individual holder from transfer of the Bonds may also be regarded as being derived from sources within the PRC and be subject to PRC tax of up to 20 per cent. if the Issuer is a PRC tax resident enterprise.

According to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "**Arrangement**") which was promulgated on 21 August 2006, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds.

On 23 March 2016, the Ministry of Finance and the SAT issued the Circular of Full Implementation of Business Tax to VAT Reform Caishui [2016] No. 36 ("**Circular 36**"), which introduced a new VAT from 1 May 2016. VAT is applicable where the entities or individuals provide services within the PRC. VAT is unlikely to apply to any transfer of Bonds between entities or individuals located outside of the PRC and is therefore unlikely to apply to gains realised upon such transfers, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 and laws and regulations pertaining to VAT are relatively new, and the interpretation and enforcement of such laws and regulations involve uncertainties.

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

The Bonds may be redeemed by the Issuer in the event of certain withholding taxes being applicable.

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

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

An active trading market for the Bonds may not develop.

The Bonds are a new issue of securities for which there is currently no trading market. There can be no assurance as to the liquidity of the Bonds or that an active trading market will develop or as to liquidity or sustainability of any such market, the ability of holders to sell their Bonds or the price at which holders will be able to sell their Bonds. If the Bonds are allocated to a limited group of investors, and a limited number of investors hold a significant proportion of the Bonds, liquidity will be restricted and the development of a liquid trading market for the Bonds will be affected. If a market does develop, it

may not be liquid and the Bonds could trade at prices that may be higher or lower than the initial issue price depending on many factors, including prevailing interest rates, the Group's operations and the market for similar securities. The Joint Lead Managers are not obligated to make a market in the Bonds and any such market making, if commenced, may be discontinued at any time without notice at the sole discretion of the Joint Lead Managers. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. In addition, Bondholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Offering Circular), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Bonds. Such lack of liquidity may result in investors suffering losses on the Bonds in secondary resales even if there is no decline in the performance of the assets of the Group. It is not possible to predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Bonds and instruments similar to the Bonds at that time. Although application will be made for the listing of the Bonds on the Hong Kong Stock Exchange, no assurance can be given as to the liquidity of, or trading market for, the Bonds. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, investors will only be able to resell their Bonds in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. It is investors' obligation to ensure that offers and sales of the Bonds within relevant countries comply with applicable securities laws. Neither the Issuer nor the Guarantor can predict whether an active trading market for the Bonds will develop or be sustained.

The liquidity and price of the Bonds following this offering may be volatile.

If an active trading market for the Bonds were to develop, the price and trading volume of the Bonds may be highly volatile. Factors such as variations in the revenues, earnings and cash flows of the Group, proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies, changes in the industry that the Group operates and competition and general economic conditions could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the volume and price at which the Bonds will trade. There can be no assurance that these developments will not occur in the future.

The Group may issue additional Bonds in the future.

The Group may, from time to time, and without prior consultation of the Bondholders create and issue further Bonds (see "*Terms and Conditions of the Bonds – Further Issues*") or otherwise raise additional capital through such means and in such manner as it may consider necessary. There can be no assurance that such future issuance or capital raising activity will not adversely affect the market price of the Bonds.

The ratings of the Bonds or the Guarantor may be downgraded or withdrawn

The Guarantor is rated "A3" by Moody's (with stable outlook) and "A-" by Fitch (with stable outlook), respectively and the Bonds are expected to be assigned a rating of "A3" by Moody's and "A-" by Fitch, respectively. The ratings represent the opinions of the rating agency and its assessment of the ability of the Issuer and the Guarantor to perform their respective obligations under the Bonds and the Guarantee and credit risks in determining the likelihood that payments will be made when due under the Bonds. Such ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Bonds. A rating is not a recommendation to buy, sell or hold the Bonds and may be subject to suspension, reduction or withdrawn at any time. There can be no assurance that the ratings assigned to any Bonds will remain in effect for any given period or that the ratings will not be lowered, suspended or withdrawn by the rating agencies in the future if, in their judgment, the circumstances so warrant. None of the Issuer, the Guarantor, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents,

representatives, directors or advisers or any person who controls any of them is obligated to inform the Bondholders if the ratings are lowered or withdrawn. A reduction or withdrawal of the ratings may adversely affect the market price of the Bonds and the Issuer's ability to access the debt capital markets.

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

The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Bonds will carry a fixed interest rate. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. If Bondholders sell the Bonds they hold before the maturity of such Bonds, they may receive an offer less than their investment.

Developments in the international financial markets and world economic conditions may adversely affect the market price of the Bonds.

The market price of the Bonds may be adversely affected by declines in the international financial markets and world economic conditions. The market for the Bonds is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia, the Middle East and Russia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the global financial crisis in 2008 and 2009, the international financial markets have experienced significant volatility. If similar developments occur in the international financial markets in the future, the market price of the Bonds could be adversely affected.

For example, the trade dispute between the PRC and the United States may have an adverse effect on the global and the PRC economies, resulting in continuing uncertainty for the overall prospects for the global and the PRC economies. In 2018, the United States announced a series of tariffs on imported goods from the PRC. The PRC imposed tariffs on a wide range of products from the United States in retaliation for the new U.S. tariffs. In December 2018, the PRC and the United States commenced negotiations to resolve their trade conflicts. In May 2019, the United States raised additional tariffs on certain goods imported from the PRC, to which the PRC government responded by announcing further tariffs on certain goods of U.S. origin. In January 2020, the PRC and the United States signed a phase one trade deal, which includes, amongst others, commitments by the PRC to increase purchases of goods and services from the United States. However, the Group cannot predict as to the implementation or effect of the phase one trade deal between the PRC and the United States. It remains uncertain whether or not the PRC and the United States would be able to reach any further trade agreement or otherwise resolve their remaining trade issues in the near future or at all. The adoption and expansion of trade restrictions, the occurrence and escalation of a trade war, or other governmental action related to tariffs or trade agreements or policies, has the potential to adversely impact the PRC economy, which in turn could adversely impact the market price of the Bonds.

Further, the World Health Organisation declared the COVID-19 outbreak to be a global pandemic in March 2020. There has been rapid and widespread increase in new infections in the United States, Europe and other parts of the world and increased fatality rates in many countries. Citizens in many affected countries and areas are being advised or required to stay at their homes subject to limited exceptions. The reduced consumption, commercial activities and industrial production will severely disrupt their economies and the global supply chain and may result in recessions in these economies.

As a result, the global economy is facing significant uncertainties, and the global financial markets are experiencing significant volatilities which may adversely affect the market price of the Bonds. Investors must exercise caution before making any investment decisions.

Investors in the Bonds may be subject to foreign exchange risks.

The Bonds are denominated and payable in U.S. dollars. An investor who measures investment returns by reference to a currency other than the U.S. dollar would be subject to foreign exchange risks by virtue of an investment in the Bonds, due to, among other things, economic, political and other factors over which neither the Issuer nor the Guarantor has any control. Depreciation of the U.S. dollar against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds.

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

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

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

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Offering Circular;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, or where the currency for principal or interest payments is different from the potential investor's currency;

- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities.

The insolvency laws of Hong Kong and the PRC and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Bonds are familiar.

As the Issuer and the Guarantor are incorporated under the laws of Hong Kong and the PRC, respectively, any insolvency proceeding relating to the Issuer or the Guarantor would likely involve Hong Kong or PRC insolvency laws, respectively, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Bonds are familiar.

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

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

The Bonds will be represented by a Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System(s).

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

While the Bonds are represented by the Global Certificate, the Issuer, failing whom, the Guarantor, will discharge its payment obligations under the Bonds by making payments to the Clearing System for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the Clearing System(s) to receive payments under the Bonds. None of the Issuer, the Guarantor, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the Clearing System(s) to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer or the Guarantor in the event of a default under the Bonds but will have to rely upon their rights under the Trust Deed.

The Trustee may request the Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, including, without limitation, the giving of notice to the Issuer and the Guarantor pursuant to Condition 9 of the Terms and Conditions of the Bonds and taking steps and/or actions and/or instituting proceedings pursuant to Condition 13 of the Terms and Conditions of the Bonds, the Trustee may, at its sole discretion, request the Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes any step and/or action and/or institutes any proceeding on behalf of the Bondholders. The Trustee shall not be obliged to take such steps and/or actions and/or to institute such proceedings if not first indemnified and/or secured and/or prefunded to its satisfaction.

Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or to institute proceedings, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed or the Terms and Conditions of the Bonds and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the holders of the Bonds to take such steps and/or actions and/or to institute such proceedings directly.

Modifications and waivers may be made in respect of the Terms and Conditions of the Bonds, the Trust Deed, the Agency Agreement or the Deed of Guarantee by the Trustee or less than all of the holders of the Bonds, and decisions may be made on behalf of all holders of the Bonds that may be adverse to the interests of individual holders of the Bonds.

The Terms and Conditions of the Bonds will contain provisions for calling meetings of holders of the Bonds to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all holders of the Bonds including holders who did not attend and vote at the meeting and holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of holders of the Bonds may be adverse to the interests of the individual Bondholders.

The Terms and Conditions of the Bonds will also provide that the Trustee may (but is not obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the Terms and Conditions of the Bonds or any of the provisions of the Trust Deed, the Agency Agreement or the Deed of Guarantee which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed and the Deed of Guarantee), and any waiver or authorisation of any breach or proposed breach, of any of the Terms and Conditions of the Bonds or any of the provisions of the Trust Deed, the Agency Agreement and/or the Deed of Guarantee which is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders as soon as practicable thereafter.

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

The specified denomination of the Bonds will be U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of U.S.$200,000 that are not integral multiples of U.S.$1,000. In such a case, a Bondholder who, as a result of trading such amounts, holds a principal amount of less than U.S.$200,000 will not receive a definitive certificate in respect of such holding of Bonds (should definitive certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to one or more

denominations. If definitive certificates are issued, Bondholders should be aware that Bonds with aggregate principal amounts that are not an integral multiple of U.S.$1,000 may be illiquid and difficult to trade.

TERMS AND CONDITIONS OF THE BONDS

The following, subject to modification and other than the words in italics, is the text of the Terms and Conditions of the Bonds which will appear on the reverse of each of the definitive certificates evidencing the Bonds:

The issue of U.S.$400,000,000 1.618 per cent. guaranteed bonds due 2026 (the "**Bonds**", which term shall include, unless the context requires otherwise, any additional Bonds issued in accordance with Condition 15 and consolidated and forming a single series therewith) was authorised by a resolution of the board of directors of Anhui Transportation Holding Group (H.K.) Limited (the "**Issuer**"), a subsidiary of Anhui Transportation Holding Group Co., Ltd.(安徽省交通控股集團有限公司)(the "**Guarantor**"), passed on 12 August 2021. The guarantee of the Bonds was authorised by an approval of the shareholder of the Guarantor (namely Anhui State-owned Assets Supervision and Administration Commission of the State Council) dated 24 March 2021 and a resolution of the board of directors of the Guarantor dated 2 March 2021. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the "**Trust Deed**") dated on or about 26 August 2021 (the "**Issue Date**") between the Issuer, the Guarantor and Citicorp International Limited (the "**Trustee**" which expression shall, where the context so permits, include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds. These terms and conditions (these "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Bonds have the benefit of a Deed of Guarantee (as amended and/or supplemented from time to time, the "**Deed of Guarantee**") dated on or about the Issue Date executed by the Guarantor and the Trustee relating to the Bonds. An agency agreement (as amended and/or supplemented from time to time, the "**Agency Agreement**") dated on or about the Issue Date relating to the Bonds has been entered into between the Issuer, the Guarantor, the Trustee, Citibank, N.A., London Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Bonds), as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Bonds) and as transfer agent (the "**Transfer Agent**", which expression includes any successor or additional transfer agent appointed from time to time in connection with the Bonds) and any other agents named in it. "**Agents**" means the Principal Paying Agent, the Registrar, the Transfer Agent and any other agent or agents appointed from time to time with respect to the Bonds and "**Paying Agent(s)**" includes the Principal Paying Agent.

Copies of the Trust Deed, the Deed of Guarantee and the Agency Agreement are available for inspection at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m. from Monday to Friday other than a public holiday) at the principal office of the Trustee (being at the Issue Date at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong) following written request and provision of proof of holding and identity to the satisfaction of the Trustee. The Bondholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Deed of Guarantee and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

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

1 FORM, SPECIFIED DENOMINATION AND TITLE

The Bonds are issued in the specified denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

The Bonds are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by registration in the register of Bondholders that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as otherwise required by law, the holder (as defined below) of any Bond shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate (other than the endorsed form of transfer) representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, "**Bondholder**" and (in relation to a Bond) "**holder**" mean the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first named thereof).

No transfer of title to a Bond will be valid unless and until entered on the Register.

*Upon issue, the Bonds will be represented by a global certificate (the "**Global Certificate**") substantially in the form scheduled to the Trust Deed. The Global Certificate will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**") The Conditions are modified by certain provisions contained in the Global Certificate. See "Summary of Provisions relating to the Bonds in Global Form".*

Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.

2 TRANSFERS OF BONDS

(a) **Transfer**: A holding of Bonds may, subject to the Agency Agreement and Condition 2(d), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers and registration of Bonds scheduled to the Agency Agreement. Such regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Bondholder for inspection at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m. from Monday to Friday other than a public holiday) at the specified office of the Registrar following written request and provision of proof of holding and identity to the satisfaction of the Registrar.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

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

(c) **Transfer Free of Charge**: Certificates, on transfer, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon (i) payment by the relevant Bondholder of any tax or other governmental charges that may be imposed in relation to them (or the giving of such indemnity and/or security and/or pre-funding as the Registrar or the relevant Transfer Agent may require); (ii) the Registrar or the relevant Transfer Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the relevant Agent being satisfied that the regulations concerning transfer of the Bonds have been complied with.

(d) **Closed Periods**: No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, (ii) after any such Bond has been put or called for redemption, or (iii) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(a)(ii)).

3 STATUS AND GUARANTEE

(a) **Status**: The Bonds constitute direct, unsubordinated, unconditional and (subject to Condition 4(a)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4(a), at all times rank at least equally with all the Issuer's other present and future unsecured and unsubordinated obligations.

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

4 COVENANTS

(a) **Negative Pledge**: So long as any Bond remains outstanding (as defined in the Trust Deed): neither the Issuer nor the Guarantor will, and each of the Issuer and the Guarantor will ensure that none of its Subsidiaries (other than any Listed Subsidiary) will, create, permit to subsist or have outstanding, any mortgage, charge, lien, pledge or other security interest upon the whole or any part of its present or future undertaking, assets or revenues (including any

uncalled capital) to secure any Relevant Indebtedness outside the PRC or to secure any guarantee or indemnity in respect of any Relevant Indebtedness outside the PRC without at the same time or prior thereto securing the Bonds equally and rateably therewith or provide such other security for the Bonds as may be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

(b) **Financial Information Covenants**: For so long as any Bond remains outstanding:

(i) the Guarantor will furnish the Trustee with:

(A) a Compliance Certificate of the Guarantor (on which the Trustee may rely conclusively as to such compliance and shall not be liable to any Bondholder or any other person for such reliance) and a copy of the relevant Guarantor Audited Financial Reports within 180 days of the end of each Relevant Period prepared in accordance with the generally accepted accounting principles in the PRC ("**PRC GAAP**") (audited by a nationally or internationally recognised firm of independent accountants) and if such statements shall be in the Chinese language, together with an English translation of the same translated by (x) a nationally or internationally recognised firm of accountants or (y) a professional translation service provider and checked by a nationally or internationally recognised firm of accountants (and the Trustee shall not be obliged to check or verify such translation and may rely conclusively without liability to any Bondholder or any other person on any such translation as being a complete and accurate translation of the original); and

(B) a copy of the Guarantor Unaudited Consolidated Accounts within 120 days of the end of each Relevant Period prepared on a basis consistent with the Guarantor Audited Financial Reports and if such statements shall be in the Chinese language, together with an English translation of the same translated by (x) a nationally or internationally recognised firm of accountants or (y) a professional translation service provider and checked by a nationally or internationally recognised firm of accountants (and the Trustee shall not be obliged to check or verify such translation and may rely conclusively without liability to any Bondholder or any other person on any such translation as being a complete and accurate translation of the original);

(ii) the Issuer will furnish the Trustee with (A) a Compliance Certificate of the Issuer (on which the Trustee may conclusively rely as to such compliance and shall not be liable to any Bondholder or any other person for such reliance) and a copy of the Issuer Audited Financial Reports in English within 180 days of the end of each Relevant Period, and (B) a copy of the Issuer Unaudited Consolidated Accounts in English within 120 days of the end of each Relevant Period; and

(iii) each of the Issuer and the Guarantor will furnish the Trustee with a Compliance Certificate of the Issuer or, as the case may be, the Guarantor (on which the Trustee may conclusively rely as to such compliance and shall not be liable to any Bondholder or any other person for such reliance) within 14 days of any request therefor from the Trustee.

(c) **Undertaking Relating to the Guarantee**: The Guarantor undertakes to file or cause to be filed with the State Administration of Foreign Exchange of the PRC or its local branch ("**SAFE**") the Deed of Guarantee within 15 PRC Business Days after execution of the Deed of Guarantee in accordance with the Provisions on the Foreign Exchange Administration of Cross-Border Guarantees (跨境擔保外匯管理規定) promulgated by SAFE on 12 May 2014 which came into effect on 1 June 2014 (the "**Cross-Border Security Registration**"). The

Guarantor shall complete the Cross-Border Security Registration and obtain a registration certificate from SAFE (or any other document evidencing the completion of registration issued by SAFE) on or before the Registration Deadline and comply with all applicable PRC laws and regulations in relation to the Guarantee.

(d) **Undertaking Relating to NDRC**: The Guarantor undertakes to file or cause to be filed with the National Development and Reform Commission of the PRC (the "**NDRC**") the requisite information and documents in respect of the issuance of the Bonds within 10 PRC Business Days after the Issue Date and in accordance with the Notice on Promoting the Reform of the Filing and Registration System for Issuance of Foreign Debt by Corporates (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知) promulgated by the NDRC effective from 14 September 2015 (the "**Post-Issuance Filing**"). The Guarantor shall complete the Post-Issuance Filing and comply with all applicable PRC laws and regulations in relation to the issue of the Bonds and the Guarantee.

(e) **Notification of Completion of Cross-Border Security Registration and Post-Issuance Filing**: The Guarantor shall, on or before the Registration Deadline and as soon as reasonably practicable after the later of receipt of the registration form or filing evidence from SAFE (or any other document evidencing the completion of registration issued by SAFE) or the completion of the Post-Issuance Filing, provide the Trustee with (i) a certificate in English substantially in the form set out in the Trust Deed signed by an Authorised Signatory (as defined in the Trust Deed) of the Guarantor confirming the completion of the Cross-Border Security Registration and the Post-Issuance Filing, and (ii) a copy of the SAFE registration certificate (or any other document evidencing the registration issued by SAFE) setting out the particulars of registration and a copy of the Post-Issuance Filing setting out the particulars of filing, each certified in English by an Authorised Signatory of the Guarantor as being a true and complete copy of the original (the certificate and documents in (i) and (ii) collectively, the "**Registration Documents**"). In addition, the Guarantor shall procure that, within 10 PRC Business Days after the Registration Documents are delivered to the Trustee, the Issuer gives notice to the Bondholders (in accordance with Condition 16) confirming the completion of the Cross-Border Security Registration and the Post-Issuance Filing.

The Trustee may rely conclusively on the Registration Documents and shall have no obligation or duty to monitor or ensure the registration of the Deed of Guarantee with SAFE on or before the Registration Deadline or the submission of the Post-Issuance Filing or to assist with the Cross-Border Security Registration or the Post-Issuance Filing or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the Cross-Border Security Registration, the Post-Issuance Filing and/or the Registration Documents or any translation thereof or to give notice to the Bondholders confirming the completion of the Cross-Border Security Registration or the Post-Issuance Filing or to procure that any Registration Document or any other certificate, confirmation, information or other document not in English is translated into English or to verify the accuracy of any English translation of any certificate, confirmation or other document (if any), and the Trustee shall not be liable to the Issuer, the Guarantor, the Bondholders or any other person for not doing so.

(f) **Definitions**: In these Conditions:

"**Compliance Certificate**" means a certificate of each of the Guarantor and the Issuer (as the case may be) in English signed by any Authorised Signatory of the Issuer or any Authorised Signatory of the Guarantor (as the case may be) that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Guarantor or the Issuer (as the case may be), as at a date (the "**Certification Date**") not more than five days before the date of the certificate:

(i) no Relevant Event (as defined in Condition 6), Event of Default (as defined in Condition 9) or Potential Event of Default has occurred since the Certification Date of the last such certificate or (if none) the date of the Trust Deed or, if such an event had occurred, giving details of it; and

(ii) each of the Guarantor and the Issuer (as the case may be) has complied with all its covenants and obligations under the Trust Deed, the Bonds and the Deed of Guarantee or, if any non-compliance had occurred, giving details of it;

"**Guarantor Audited Financial Reports**" means annual audited consolidated statement of profit or loss and other comprehensive income, statement of financial position and statement of cash flows, statement of changes in owners' equity and statement of changes in state-owned assets of the Guarantor together with any statements, reports (including any Directors' and auditors' reports) and notes attached to or intended to be read with any of them, prepared in accordance with PRC GAAP consistently applied;

"**Guarantor Unaudited Consolidated Accounts**" means, for a Relevant Period, the unaudited consolidated statement of comprehensive income, statement of financial position and statement of cash-flow of the Guarantor together with any statements, reports (including any Directors' and auditors' review reports, if any) and notes (if any) attached to or intended to be read with any of them prepared in accordance with PRC GAAP consistently applied;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Issuer Audited Financial Reports**" means annual audited consolidated statement of profit or loss, statement of comprehensive income, statement of financial position and statement of cash flows of the Issuer together with any statements, reports (including any Directors' and auditors' reports) and notes attached to or intended to be read with any of them prepared in accordance with Hong Kong Financial Reporting Standards;

"**Issuer Unaudited Consolidated Accounts**" means, for a Relevant Period, the unaudited consolidated balance sheet, consolidated income statement and consolidated cash flow statement of the Issuer together with any statements, reports (including any Directors' and auditors' review reports, if any) and notes (if any) attached to or intended to be read with any of them prepared in accordance with Hong Kong Financial Reporting Standards consistently applied;

a "**Listed Subsidiary**" of any person means any Subsidiary of such person whose ordinary shares are listed or dealt in or traded on any nationally or internationally recognised stock exchange;

"**person**" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organisation, limited liability company or government or other entity;

"**Potential Event of Default**" means an event or circumstance which could with the giving of notice, lapse of time, issue of a certificate and/or fulfilment of any other requirement provided for in Condition 9 become an Event of Default;

"**PRC**" means the People's Republic of China which, for the purposes of these Conditions, shall not include Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

"**PRC Business Day**" means a working day, other than a Saturday or Sunday or other public holiday in the PRC, on which commercial banks are generally open for business in Beijing and Shanghai;

"**Registration Deadline**" means the day falling 120 PRC Business Days after the Issue Date;

"**Relevant Indebtedness**" means any present or future indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, or other securities which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) (which for the avoidance of doubt does not include bi-lateral loans, syndicated loans or club deal loans);

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

a "**Subsidiary**" of any person means (i) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (ii) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person.

5 INTEREST

The Bonds bear interest on their outstanding principal amount from and including the Issue Date at the rate of 1.618 per cent. per annum, payable semi-annually in arrear in equal instalments of U.S.$8.09 per Calculation Amount (as defined below) on 26 February and 26 August in each year (each an "**Interest Payment Date**").

Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal or premium (if any) is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (b) the day seven calendar days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant Bondholders under these Conditions).

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

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per U.S.$1,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction (determined in the same manner as stated above in this Condition 5) for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6 REDEMPTION AND PURCHASE

(a) **Final Redemption**: Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed at their principal amount on 26 August 2026. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) **Redemption for Tax Reasons**: The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable) and in writing to the Trustee and the Principal Paying Agent, at their principal amount, (together with interest accrued up to but excluding the date fixed for redemption), if the Issuer and/or the Guarantor satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or, if the Guarantee were called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Hong Kong or the PRC or, in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the 19 August 2021, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Guarantor, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds (or, the Guarantee, as the case may be) then due. Prior to the giving of any notice of redemption pursuant to this Condition 6(b), the Issuer (or the Guarantor, as the case may be) shall deliver to the Trustee (A) a certificate signed by two directors of the Issuer, each of whom are Authorised Signatories of the Issuer (or by two directors of the Guarantor, each of whom are Authorised Signatories of the Guarantor, as the case may be) stating that the obligation referred to in (i) above of this Condition 6(b) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it and (B) an opinion of legal counsel or a tax consultant, in either case, of recognised standing with respect to taxation matters of Hong Kong or the PRC, as the case may be, stating that the requirement to pay such Additional Tax Amounts results from such change or amendment as is referred to (i) above of this Condition 6(b). The Trustee shall be entitled to accept and rely on such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above of this Condition 6(b) without further enquiry and without liability to any Bondholder, and in such event the same shall be conclusive and binding on the Bondholders.

(c) **Redemption for Relevant Events**: At any time following the occurrence of a Relevant Event, the holder of any Bond will have the right, at such holder's option, to require the Issuer to redeem all but not some only of that holder's Bonds on the Put Settlement Date at 101 per cent. (in the case of a redemption for a Change of Control Put Event) or 100 per cent. (in the case of a redemption for a No Registration Event) of their principal amount, together with accrued interest up to but excluding such Put Settlement Date. To exercise such right, the holder of the relevant Bond must deposit at the specified office of the Principal Paying Agent or any other Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying

Agent (a "**Put Exercise Notice**"), together with the Certificate evidencing the Bonds to be redeemed, by not later than 30 days following a Relevant Event or, if later, 30 days following the date upon which notice thereof is given by the Issuer to the Trustee and to the Bondholders in accordance with Condition 16. The "**Put Settlement Date**" shall be the 14th day (in the case of a redemption for a Change of Control Put Event) or the fifth day (in the case of a redemption for a No Registration Event) after the expiry of such period of 30 days as referred to above.

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

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

The Trustee and the Agents shall not be required to take any steps to monitor or ascertain whether a Relevant Event or any event which could lead to the occurrence of a Relevant Event has occurred and shall not be responsible for or liable to the Bondholders, the Issuer, the Guarantor or any other person for any loss arising from any failure to do so.

In this Condition 6(c):

a "**Change of Control Put Event**" means the occurrence of any of the following events:

(i) the Guarantor ceases to own 100 per cent. of the issued share capital of the Issuer; or

(ii) Anhui SASAC and any other person directly controlled by the central government of the PRC (together, the "**Government**") ceases to own, directly or indirectly, 100 per cent. of the issued share capital of the Guarantor; or

(iii) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of its assets to any other person or persons, acting together, except where such person(s) is/are 100 per cent. owned, directly or indirectly, by the Government,

"**Anhui SASAC**" means the State-owned Assets Supervision and Administration Commission of Anhui Province;

a "**No Registration Event**" occurs when the Registration Conditions have not been satisfied in full;

references to "**principal**" in these Conditions shall, unless the context otherwise requires, include the premium referred to in this Condition 6(c);

"**Registration Conditions**" means the receipt by the Trustee of the Registration Documents on or before the Registration Deadline; and

"**Relevant Event**" means a Change of Control Put Event or a No Registration Event.

(d) **Notice of Redemption**: All Bonds in respect of which any notice of redemption is given under this Condition 6 shall be redeemed on the date specified in such notice in accordance with this Condition 6. If there is more than one notice of redemption given in respect of any

Bond (which shall include any notice given by the Issuer pursuant to Condition 6(b) and any Put Exercise Notice given by a Bondholder pursuant to Condition 6(c)), the notice given first in time shall prevail and in the event of two notices being given on the same date, the first to be given shall prevail.

(e) **Purchase**: The Guarantor, the Issuer and their respective Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Guarantor, the Issuer or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes, among other things, of calculating quorums at meetings of the Bondholders or for the purposes of Conditions 9, 12(a) or 13.

(f) **Cancellation**: All Certificates representing Bonds purchased by or on behalf of the Guarantor, the Issuer or their respective Subsidiaries shall be surrendered for cancellation to the Registrar and, upon surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer or the Guarantor in respect of any such Bonds shall be discharged.

7 PAYMENTS

(a) **Method of Payment**:

(i) Payments of principal and premium (if any) shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) by transfer to the registered account of the Bondholder.

(ii) Interest on each Bond shall be paid on the due date to the person shown on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Bond shall be made in U.S. dollars by transfer to the registered account of the Bondholder.

(iii) For the purposes of this Condition 7(a), a Bondholder's "**registered account**" means the U.S. dollar account maintained by or on behalf of it with a bank that processes payments in U.S. dollars, details of which appear on the Register at the close of business on the fifth Payment Business Day before the due date for payment.

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

(iv) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested in writing by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of premium (if any) or interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of premium (if any) or interest so paid.

(b) **Payments Subject to Fiscal Laws**: All payments are subject in all cases (i) to any applicable fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required

pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Section 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) **Payment Initiation**: Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if that date is not a Payment Business Day, on the first following day which is a Payment Business Day), or, in the case of payments of principal and premium (if any) where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a Payment Business Day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

(d) **Appointment of Agents**: The Principal Paying Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar and the Transfer Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer and the Guarantor reserve the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Principal Paying Agent, the Registrar, any Transfer Agent or any of the other Agents and to appoint additional or other Paying Agents and/or Transfer Agents, provided that the Issuer and the Guarantor shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed, in each case as approved in writing by the Trustee.

Notice of any such termination or appointment or any change of any specified office of an Agent shall promptly be given by the Issuer to the Bondholders.

(e) **Delay in Payment**: The Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Payment Business Day or if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).

(f) **Payment Business Days**: If any date for payment in respect of any Bond is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 7, "**Payment Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are generally open for business and settlement of U.S. dollar payments in New York City, London, Hong Kong and (if surrender of the relevant Certificate is required) the relevant place of presentation.

8 TAXATION

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

Where such withholding or deduction is made by the Issuer or the Guarantor (as the case may be) for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected withhold or assessed by or within the PRC up to and including the rate applicable on 19 August 2021 (the "**Applicable Rate**"), the Issuer or the Guarantor (as the case may be) will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amount which would otherwise have been receivable by them had no such withholding or deduction been required.

If (a) the Issuer is required to make any deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected withhold or assessed by or within Hong Kong or (b) the Issuer or the Guarantor (as the case may be) is required to make a deduction or withholding by or within the PRC in excess of the Applicable Rate, the Issuer or the Guarantor (as the case may be) shall pay such additional amounts ("**Additional Tax Amounts**") as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond (or the Guarantee, as the case may be):

(i) **Other connection**: to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with Hong Kong (in the case of payments made by the Issuer) or the PRC (in the case of payments made by the Issuer or the Guarantor) other than the mere holding of the Bond; or

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

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

"**Relevant Date**" in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Neither the Trustee nor the Agents shall be responsible for paying any tax, duty, assessments, governmental charge, withholding or other payment referred to in this Condition 8 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, the Bondholders or any other person to pay such tax, duty, assessment, governmental charge, withholding or other payment in any jurisdiction or to provide any notice or information to the Bondholders that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, assessment, governmental charge, withholding or other payment imposed by or in any jurisdiction.

9 EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs, the Trustee at its discretion may, and if so requested in writing by holders of at least 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall first have been indemnified and/or secured and/or pre-funded to its satisfaction), give written notice to the Issuer and the Guarantor declaring that the Bonds are, and they shall immediately become, due and payable at their principal amount together (if applicable) with accrued interest:

(a) **Non-Payment**: there is a failure to pay the principal of or any premium or interest on any of the Bonds when due and in the case of interest such failure continues for a period of seven days; or

(b) **Breach of Other Obligations**: the Guarantor or the Issuer does not perform or comply with any one or more of their respective other obligations under the Bonds, the Deed of Guarantee or the Trust Deed (other than where it gives rise to a right of redemption pursuant to Condition 6(c)), which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer or the Guarantor (as the case may be) by the Trustee; or

(c) **Cross-Default**: (i) any other present or future indebtedness of the Guarantor, the Issuer or any of their respective Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Guarantor, the Issuer or any of their respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred and are continuing equals or exceeds U.S.$100,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this Condition 9(c) operates); or

(d) **Enforcement Proceedings**: a distress, attachment, execution or other legal process is levied, enforced or sued out on or against a material part of the property, assets or revenues of the Guarantor, the Issuer or any of their respective Principal Subsidiaries and is not discharged or stayed within 45 days; or

(e) **Security Enforced**: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Guarantor, the Issuer or any of their respective Principal Subsidiaries over all or a material part of the assets of the Guarantor, the Issuer or the relevant Principal Subsidiary, as the case may be, becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and is not discharged or stayed within 45 days; or

(f) **Insolvency**: the Guarantor, the Issuer or any of their respective Principal Subsidiaries is (or is, or could be, deemed by law or a court of competent jurisdiction to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant

creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Guarantor, the Issuer or any of their respective Principal Subsidiaries, as the case may be; or

(g) **Winding-up**: an administrator is appointed, an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Guarantor, the Issuer or any of their respective Principal Subsidiaries, or the Guarantor, the Issuer or any of their respective Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for (i) the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (A) on terms approved by an Extraordinary Resolution of the Bondholders, or (B) in the case of a Principal Subsidiary of the Issuer or the Guarantor, whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Guarantor, the Issuer or any of their respective Subsidiaries; or (ii) a solvent winding up of any Principal Subsidiary of the Guarantor other than the Issuer; or (iii) a disposal on an arm's length basis where the assets (whether in cash or otherwise) resulting from such disposal are vested in the Issuer or any of its wholly-owned Subsidiaries; or

(h) **Nationalisation**: any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer, the Guarantor or any of their respective Principal Subsidiaries which has or is reasonably expected to have a material adverse impact on the Issuer or the Guarantor's ability to perform their respective obligations under the Bonds, the Trust Deed or the Deed of Guarantee; or

(i) **Authorisation and Consents**: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under the Bonds, the Trust Deed and the Deed of Guarantee, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds, the Trust Deed and the Deed of Guarantee admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done; or

(j) **Illegality**: it is or will become unlawful for any of the Guarantor and the Issuer to perform or comply with any one or more of their respective obligations under any of the Bonds or the Trust Deed or the Deed of Guarantee; or

(k) **Unenforceability of Guarantee**: the Guarantee becomes unenforceable or invalid or shall for any reason cease to be in full force and effect or is claimed to be unenforceable, invalid or not in full force and effect by the Guarantor; or

(l) **Analogous Events**: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Condition 9(d) to Condition 9(g) (all inclusive).

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

(i) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement are at least 5 per cent. of the consolidated revenue as shown by the latest audited consolidated income statement of the Issuer or the Guarantor (as applicable) and its Subsidiaries including, for the avoidance of doubt, the Issuer or the Guarantor (as applicable) and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or

(ii) whose gross profits or (in the case of a Subsidiary which itself has Subsidiaries) consolidated gross profit, as shown by its latest audited income statement are at least 5 per cent. of the consolidated gross profit as shown by the latest audited consolidated income statement of the Issuer or the Guarantor (as applicable) and its Subsidiaries including, for the avoidance of doubt, the Issuer or the Guarantor (as applicable) and its consolidated Subsidiaries' share of profits of Subsidiaries not consolidated and of jointly controlled entities and after adjustments for minority interests; or

(iii) whose gross assets or (in the case of a Subsidiary which itself has Subsidiaries) gross consolidated assets, as shown by its latest audited balance sheet are at least 5 per cent. of the amount which equals the amount included in the consolidated gross assets of the Issuer or the Guarantor (as applicable) and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Issuer or the Guarantor (as applicable) and its Subsidiaries as being represented by the investment of the Issuer or the Guarantor (as applicable) in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Issuer or the Guarantor (as applicable) and after adjustment for minority interests; or

(iv) to which the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary is transferred, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall forthwith become a Principal Subsidiary until the date on which the first audited accounts (consolidated, if appropriate), of the Issuer or the Guarantor (as applicable) prepared as of a date later than such transfer are issued, unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraphs (i), (ii) or (iii) above of this definition;

provided that, in relation to paragraphs (i), (ii) or (iii) above of this definition:

(A) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer or the Guarantor (as applicable) relate, the reference to the then latest consolidated audited accounts of the Issuer or the Guarantor (as applicable) for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer or the Guarantor (as applicable) for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are available be deemed to be a reference to the then latest consolidated audited accounts of the Issuer or the Guarantor (as applicable) adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;

(B) if at any relevant time in relation to the Issuer or the Guarantor (as applicable) or any Subsidiary which itself has Subsidiaries, no consolidated accounts are prepared and audited, revenue, gross profit or gross assets of the Issuer or the Guarantor (as applicable), and/or any such Subsidiary shall be determined on the basis of *pro forma* consolidated accounts prepared for this purpose by the Issuer or the Guarantor (as applicable);

(C) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenue, gross profit or gross assets (consolidated, if appropriate) shall be determined on the basis of *pro forma* accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Issuer or the Guarantor (as applicable); and

(D) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (A) above) are not consolidated with those of the Issuer or the Guarantor (as applicable), then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a

pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer or the Guarantor (as applicable).

In addition, any Subsidiary which is not itself a Principal Subsidiary shall nevertheless be treated as a Principal Subsidiary if the revenue (or consolidated revenue if the Subsidiary itself has subsidiaries), gross profit (or consolidated gross profit if the Subsidiary itself has subsidiaries) or gross assets (or consolidated gross assets if the Subsidiary itself has subsidiaries) attributable to such Subsidiary when aggregated with the revenue (or consolidated revenue if appropriate), gross profit (or consolidated gross profit if appropriate) or gross assets (or consolidated gross assets if appropriate) attributable to any other Subsidiary which is not itself a Principal Subsidiary and with respect to which any of the events referred to in this Condition 9 has occurred since the Issue Date of the Bonds, exceeds 5 per cent. of the consolidated revenue, consolidated gross profit or consolidated gross assets of the Issuer or the Guarantor (as applicable) and its Subsidiaries as shown in the latest audited financial statements.

A certificate prepared by a director of the Issuer who is also an Authorised Signatory of the Issuer or by a director of the Guarantor who is also an Authorised Signatory of the Guarantor (as the case may be) that in his or her opinion, a Subsidiary is or is not, or was or was not, a Principal Subsidiary of the Issuer or the Guarantor (as the case may be) shall, in the absence of manifest error, be conclusive and binding on the Bondholders and all parties. The certificate shall, if there is a dispute as to whether any Subsidiary of the Issuer or of the Guarantor (as the case may be) is or is not a Principal Subsidiary, be accompanied by a report by an internationally recognised firm of accountants addressed to the Issuer or the Guarantor (as the case may be) as to proper extraction of the figures used by the Issuer or the Guarantor (as the case may be) in determining the Principal Subsidiaries of the Issuer or the Guarantor (as the case may be) and mathematical accuracy of the calculation.

10 PRESCRIPTION

Claims against the Issuer or the Guarantor for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal or premium) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or any Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to the Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as (a) the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice) and (b) the Registrar or the relevant Transfer Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 MEETINGS OF BONDHOLDERS, MODIFICATION AND WAIVER

(a) **Meetings of Bondholders**: The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed, the Agency Agreement and/or the Deed of Guarantee. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Trustee if requested in writing to do so by Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and subject to the

Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, any premium payable in respect of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, or (v) to modify or cancel the Deed of Guarantee, in which case the necessary quorum will be two or more persons holding or representing not less than 66 per cent., or at any adjourned meeting not less than 33 per cent., in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution (A) in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate principal amount of the Bonds for the time being outstanding or (B) passed by Electronic Consent (as defined in the Trust Deed) shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) **Modification of Agreements and Deeds**: The Trustee may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement or the Deed of Guarantee that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error or to comply with any mandatory provision of applicable law, and (ii) any other modification (except as mentioned in the Trust Deed and the Deed of Guarantee), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed, the Agency Agreement and/or the Deed of Guarantee that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee otherwise agrees, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders as soon as practicable thereafter.

(c) **Entitlement of the Trustee**: In connection with the performance and exercise of its functions, rights, powers and discretions (including but not limited to those referred to in this Condition 12), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders, and the Trustee shall not be entitled to require on behalf of any Bondholders, nor shall any Bondholder be entitled to claim, from the Issuer, the Guarantor or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 ENFORCEMENT

At any time after the Bonds become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Guarantor and/or the Issuer as it may think fit to enforce the terms of the Trust Deed, the Bonds and the Deed of Guarantee, but it need not take any such steps and/or actions and/or institute any

such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the Bonds then outstanding, and (b) it shall first have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder may proceed directly against the Guarantor and/or the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 INDEMNIFICATION OF THE TRUSTEE

The Trust Deed contains provisions for the indemnification of the Trustee and its directors, officers, employees and Appointees (as defined in the Trust Deed) and for its and their relief from responsibility, including provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforce payment unless first indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee is entitled to enter into business transactions with the Guarantor, the Issuer and/or any entity related (directly or indirectly) to the Guarantor or the Issuer without accounting for any profit.

The Trustee and the Agents may rely conclusively and without liability to the Issuer, the Guarantor, the Bondholders or any other person on any report, information, confirmation or certificate or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, confirmation, certificate, opinion or advice and such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer, the Guarantor, the Trustee and the Bondholders. The Trustee shall not be responsible or liable for the Issuer, the Guarantor, the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on any such report, information, confirmation, certificate, opinion or advice.

Neither the Trustee nor any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer or the Guarantor in relation to the Bonds and/or under the Trust Deed and the Deed of Guarantee of the duties and obligations on their part expressed under or in respect of the same and, unless it has express written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall assume that the same are being duly performed. Neither the Trustee nor any Agent shall be liable to any Bondholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Bondholders. The Trustee shall be entitled to rely on any direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Bondholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising or the non-exercise of such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or in the event that no such directions are received. The Trustee shall not be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement, the Deed of Guarantee or these Conditions.

The Trustee may rely without liability to the Bondholders on any report, confirmation, certificate, opinion, advice or information of or from any legal advisers, accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, opinion, advice or information and, in such event, such report, confirmation, certificate, opinion, advice or information shall be binding on the Issuer, the Guarantor and the Bondholders.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Guarantor and the Trustee shall not at any time have any responsibility for the same and each Bondholder shall not rely on the Trustee in respect thereof.

15 FURTHER ISSUES

The Issuer may from time to time, without the consent of the Bondholders and in accordance with the Trust Deed, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date, the first payment of interest on them and any necessary modification to the timing for performance of the obligations set out in Conditions 4(c), 4(d), 4(e) and 6(c)) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds. References in these Conditions to the Bonds include (unless the context requires otherwise) any such further bonds issued pursuant to this Condition 15 and forming a single series with the outstanding Bonds. Any further bonds forming a single series with the outstanding Bonds constituted by the Trust Deed or any deed supplemental to it shall be constituted by a deed supplemental to the Trust Deed and shall be guaranteed by the Guarantor pursuant to a deed supplemental to the Deed of Guarantee.

16 NOTICES

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

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to the holders of the Bonds shall be validly given by the delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to entitled accountholders in substitution for notification as required by the Conditions.

17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

Save as contemplated in Condition 13, no person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

18 GOVERNING LAW AND JURISDICTION

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

(b) **Jurisdiction**: The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, the Agency Agreement, the Deed of Guarantee and the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Agency Agreement, the Deed of Guarantee or the Trust Deed ("**Proceedings**") may be brought in the courts of Hong Kong. Pursuant to the Trust Deed, each party irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) **Agent for Service of Process**: The Guarantor has irrevocably appointed the Issuer at its registered office (currently at Rm 2009, 20/F, Hong Kong Plaza, 188 Connaught Rd West, Hong Kong) as its authorised agent for service of process in any Proceedings in Hong Kong. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer or, as the case may be, the Guarantor). If for any reason such agent shall cease to be such agent for service of process, the Issuer and the Guarantor shall each forthwith appoint a new agent for service of process in Hong Kong and deliver to the Trustee a copy of the new agent's acceptance of that appointment within 30 days of such agent ceasing to be its agent for service of process.

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

SUMMARY OF PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM

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

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

Under the Global Certificate, the Issuer, for value received, will promise to pay such amount on the Bonds to the holder of the Bonds on such date or dates as the same may become payable in accordance with the Terms and Conditions of the Bonds.

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

In addition, the Global Certificate will contain provisions which modify the Terms and Conditions of the Bonds as they apply to the Bonds evidenced by the Global Certificate. The following is a summary of certain of those provisions:

Payment

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

Notices

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

Bondholder's Redemption

The Bondholder's redemption option in Condition 6(c) of the Terms and Conditions of the Bonds may be exercised by the holder of the Global Certificate giving notice to the Principal Paying Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the Terms and Conditions of the Bonds.

Issuer's Redemption

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

Transfers

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

Cancellation

Cancellation of any Bond represented by the Global Certificate will be effected by a reduction in the principal amount of the Bonds in the register of the Bondholders and the Global Certificate.

Meetings

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each U.S.$1,000 in principal amount of the Bonds.

Trustee's Powers

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obligated to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

USE OF PROCEEDS

The gross proceeds from this offering will be U.S.$399.12 million. The Issuer intends to use the net proceeds from the offering, after deducting commissions and other estimated expenses payable in connection with the offering, for interest repayment and refinancing.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Company's consolidated capitalisation and indebtedness at 31 December 2020 on an actual basis and on an adjusted basis after giving effect to the issuance of the Bonds, before the deduction of fees, commissions and the estimated transaction expenses payable in connection with the offering of the Bonds.

	As at 31 December 2020			
	Actual		As adjusted	
	(RMB in millions)	*(U.S.$ in millions)[1]*	*(RMB in millions)*	*(U.S.$ in millions)*
Short-term debts				
Short-term borrowings	4,421.2	677.6	4,421.2	677.6
Notes payable	146.3	22.4	146.3	22.4
Long-term borrowings due within one year	11,243.5	1723.1	11,243.5	1723.1
Bonds payable due within one year	4,804.1	736.3	4,804.1	736.3
Short-term bonds payable	2,020.0	309.6	2,020.0	309.6
Long-term debts				
Long-term borrowings	99,659.7	15,273.5	99,659.7	15,273.5
Bonds payable	14,700.0	2,252.9	14,700.0	2,252.9
Bonds to be issued[2]	–	–	2,610.0	400.0
Total debts	**136,994.8**	**20,995.4**	**139,604.8**	**21,395.4**
Equity				
Total owner's equity attributable to parent company	82,242.4	12,604.2	82,242.4	12,604.2
Non-controlling interests	13,130.7	2,012.4	13,130.7	2,012.4
Total equity	**95,373.1**	**14,616.6**	**95,373.1**	**14,616.6**
Total Capitalisation[3]	**232,367.9**	**35,612.0**	**234,977.9**	**36,012.0**

Notes:

(1) U.S. dollar translations are provided for indicative purposes only and are unaudited. These translations were calculated based on exchange rate of RMB6.5250 to U.S.$1.00 on 31 December 2020 as set forth in the H.10 statistical release of the Federal Reserve Board.

(2) This amount represents the principal amount of the Bonds to be issued, before deduction of commissions and other expenses related to the issuance of the Bonds.

(3) Total capitalisation comprises total debts and total equity of the Company.

Except for otherwise disclosed in this Offering Circular, there has been no material change in the consolidated capitalisation and indebtedness of the Company since 31 December 2020.

DESCRIPTION OF THE GROUP

Overview

The Group believes it is a leading infrastructure company in the PRC and the largest toll road operator and manager in Anhui Province in terms of toll revenue and daily traffic volume. The Group's business comprises three business segments, namely (i) transportation business, (ii) real estate and construction and (iii) investment and asset management. The Group's complementary yet diversified business portfolio allows it to generate steady recurring cash flow, without over-exposure to one particular sector.

The Group was formed pursuant to the approval by Anhui SASAC of the merger between Anhui Expressway and Anhui Transport in 2014, both of which were SOEs engaged in expressway construction and management as well as integrated logistics service. Located in Anhui Province, one of the most dynamic regions in the PRC, the Group benefits from the continued economic growth and infrastructure investment in the region, presented by the central PRC government's plan to further develop the Wanjiang urban-city region and the Yangtze delta urban-city region. The Group is well-positioned to capture future business opportunities resulting from the increased demand for expressways, toll roads and related infrastructure, as well as logistics and passenger transportation services.

The Group's total revenue for the years ended 31 December 2018, 2019 and 2020 was RMB31,161.9 million, RMB35,351.3 million and RMB36,142.8 million respectively; and the Group's net profit (which equals to the revenue minus the profit from operation) for the same years was RMB3,308.1 million, RMB3,182.8 million and RMB1,887.4 million respectively.

Leveraging the Group's experience and competitive position in the transportation business, the Group aims to further strengthen its leading position as the largest key investor and operator of toll roads in Anhui Province and generate synergies with its non-road-related industrial business drive growth in its financial investment business.

Competitive Strengths

The Group believes that the following competitive strengths have contributed to its success in its principal business sectors and will continue to secure its leading market position and future prospects.

The Group is the leading transportation company in China with rich experience and good branding.

The Group is a leading company in the transportation industry in China. It has completed a number of major highway and transportation infrastructure projects in Anhui Province, won a number of international and domestic awards, and established a good branding. Please see "*Business – Awards and Qualifications*" for more details. Since its establishment, the Group has implemented the government's initiatives to form a key consolidated state-owned enterprise in the toll road investment and operation sector in Anhui Province, and it has positioned itself as one of the leading infrastructure companies in Anhui Province. In addition, the Group enjoys favourable policy initiatives and financial backing from the Anhui provincial government, such as subsidies for vehicle purchase tax and provincial fiscal tax refunds. As at 31 December 2020, the Anhui provincial government had granted the Group concession rights to construct and operate approximately 92% of the provincial toll roads in Anhui Province with a total length of approximately 4,490.0 km. The Group's expressway projects are basically included in the national expressway network, the main framework of the "Five Vertical, Ten Horizontal" ("五縱十橫") of Anhui Province, and the eastward strategic connection line of the Anhui Provincial Government.

Strategic location with strong support from the Anhui provincial government.

Anhui Province is strategically located in the deep hinterland of the Yangtze River Delta, the PRC's most dynamic region, and enjoys the geographical advantage of linking the east to the west and the north to the south. Anhui Province is adjacent to six provinces, namely Jiangsu, Zhejiang, Jiangxi, Hubei, Henan and Shandong. As a result, Anhui Province not only benefits from the Yangtze River Delta's economic development and business opportunities, but also acts as a critical nexus connecting the PRC's coastal regions with its central and western regions. Given Anhui Province's strategic location, abundant tourism, mineral, scientific and educational resources, there is a substantial demand for logistics and passenger transportation services. Anhui Province currently ranks third in terms of the volume of cargo transported on its toll roads and eleventh in terms of the number of passengers transported out of all of the provinces and municipalities in the PRC. According to Anhui Province Statistical Bulletin of National Economy and Social Development for 2018-2020 (2018-2020《安徽省國民經濟和社會發展統計公報》) published by Anhui Provincial Statistics Bureau (安徽省統計局), the mileage of expressways in operation in Anhui Province increased by 163km, 41km and 27km respectively during the period of 2018 to 2020; and as at the end of 2020, the total mileage of Anhui's expressways reached 4,904 km. According to the Expressway Network Planning of Anhui Province (2016-2030)(《安徽省高速公路路網規劃》2016-2030年) published by the Transport Department of Anhui Province (安徽省交通運輸廳), the development plan of expressway network involves trunk lines and connecting lines, targeting a total mileage of 7,484km by 2030.

Anhui Province has enjoyed rapid economic growth over the past few years. The nominal GDP in Anhui Province increased from RMB3,000.7 billion in 2018 to RMB3,711.4 billion in 2019, and further increased to RMB3,868.1 billion in 2020. In addition, the PRC central and Anhui provincial governments have adopted various policies to invigorate Anhui Province. In 2010, the State Council approved "Plan of Industry Transfer Demonstration Zone of Wanjiang Urban-City Region"(皖江城市帶承接產業轉移示範區規劃), which aims to develop a key zone that allows the transfer and expansion of certain industries into Anhui Province, as well as the central and western regions of the PRC. In 2016, the State Council approved "Development Plan of Yangtze Delta Urban-City Region"(長江三角洲城市群發展規劃), which aims to develop a key zone including 26 cities in Shanghai, Jiangsu Province, Zhejiang Province and Anhui Province and drive the economy of the region as a whole. In 2019, the Central Committee of the Communist Party of China and the State Council issued the "Construction of a Strong Transportation State"(交通強國建設剛要), which aims to promote the transportation development from the pursuit of speed to a more quality and efficiency-oriented model, creating the first-class facilities, first-class technology, first-class management and first-class services, and building a strong transportation state at the forefront of the world. In 2021, the Central Committee of the Communist Party of China and the State Council issued the "Opinions on Promoting the High-Quality Development of the Central Region in the New Era"(關於新時代推動中部地區高質量發展的意見), which focuses on the central region's location advantages and promotes the accelerated rise of the central region. The implementation of above plans and opinions significantly boost the demand for infrastructure construction and road transportation in Anhui Province.

In addition to benefiting from the significant market opportunities arising from the rapid economic growth in Anhui Province, the Group enjoys a number of favourable policy initiatives. The Group has been designated by the Anhui provincial government as the key state-owned enterprise implementing the Anhui provincial government's toll road investment and operation plans and it has been granted concession rights to construct and operate approximately 92% of the provincial toll roads and part of bridges in Anhui Province, allowing it to become a leading infrastructure projects company in Anhui Province and the PRC. The Group has also received financial backing from the central government and Anhui provincial government. For the years ended 31 December 2018, 2019 and 2020, the vehicle purchase subsidies from the central government amounted to RMB2,409.0 million, RMB2,473.0 million and 2,690.0 million, respectively, and the subsidies granted by the Anhui provincial government amounted to RMB594.0 million, RMB694.0 million and RMB724.0 million, respectively. The Group believes the continued strong economic growth and increased infrastructure spending in Anhui Province

will likely increase the construction of infrastructure, including toll roads, and will in turn boost the demand for toll roads-related services, logistics and transportation services and other related services, which together present potential growth opportunities for the Group.

The largest key investor and operator of toll roads in Anhui Province with leading industry expertise and national operational services.

The Group believes that it is the largest key investor and operator of toll roads in Anhui Province. Toll roads operated by the Group connects all cities within Anhui Province. The Group has benefitted from concession rights to construct and operate approximately 92% of the provincial toll roads in Anhui Province with a total length of approximately 4,490.0 km. The strong support of the Anhui provincial government has ensured that the Group is the leader in toll road operations in Anhui Province with very little competition. The Group primarily operates segments of the national expressway network with high traffic flow, which leads to steady and recurring revenue streams.

Specifically, a number of toll roads operated by the Group serve as major connecting routes between Anhui Province and the adjacent provinces, such as He-Ning expressway (合寧高速), Lianhuo Expressway (連霍高速), Gaojie Expressway (高界高速), He-Chao-Wu expressway (合巢蕪高速), He-Huai-Fu expressway (合淮阜高速), He-Xu expressway (合徐高速) and He-An expressway (合安高速). Toll road projects completed by Group are of high quality and internationally-recognised. For example, the Ma'anshan Yangtze River Bridge (馬鞍山大橋) and the No.2 bridge of Wuhu Yangtze River Bridge (蕪湖二橋) has won the top award in the 33rd and 35th International Bridge Conference respectively. In 2016, the Department of Transport of Anhui Province delegated its function of toll collection network management (高速公路聯網收費管理) exclusively to the Group.

In addition, the Group has extensive industry experience in operating toll roads and conducting toll road-related business, such as oil product sales and service area operations and management. As one of the earliest infrastructure companies established in the PRC, the Group tapped into the toll road construction and operations market as early as 1991, when it finished the construction of He-Ning expressway (合寧高速) – the first toll road in Anhui Province and the third toll road in the PRC. The Group's prominent market position in Anhui Province and extensive industry expertise have long drawn the attention of international investors. The Group's controlling subsidiary, Anhui Expressway Company Limited (安徽皖通高速公路股份有限公司) was the first PRC toll road company listed on the Hong Kong Stock Exchange.

Diversified business portfolio enabling the Group to generate synergy.

Leveraging its business strategy, the Group is well-positioned to respond to market fluctuations by maintaining a diversified business portfolio, which reduces the risks associated with operating in only one particular business sector. In addition, the Group's transportation, real estate and construction and investment and asset management business segments complement each other and generate opportunities for collaboration in terms of resources sharing, cost saving and profitability enhancement. The Group's transportation business segment is the foundation of the Group's synergy strategy. The expressway and bridge operation business provides prime venues along the toll roads for the Group's toll road-related business to operate ancillary businesses, such as petrol stations, restaurants, convenience stores, hotels and car repair stations as well as other properties under the Group's property development and construction businesses, while the Group's other segments under the transportation business provides various maintenance and inspection services for the toll roads operated by the Group as well as lifestyle services to meet the expansive and diverse needs of toll road users. In addition, the Group's fleet of coaches and freight vehicles under its passenger transportation and logistics businesses utilise the toll roads operated and managed by the Group regularly, and thus contribute to the Group's toll revenue. These segments complement each other and help to ensure steady and recurring revenue and profitability in the long run. The Group believes that the synergistic effects achieved through its three business segments will support its long-term growth.

Key provider of passenger transportation and logistics services in Anhui Province.

The Group believes that it is the largest transportation provider in Anhui Province by daily traffic volume. As a leading transportation service provider in Anhui Province, the Group has a 30% market share in the Anhui road transportation market in 2020. As at 31 December 2020, the Group operated a total number of 8,711 passenger vehicles, 813 inter-provincial and intra-provincial passenger lines and a total number of 38 passenger stations above Class 3, reaching all cities and counties in the Anhui Province. For the years ended 31 December 2018, 2019 and 2020, the daily average number of passengers transported by the Group's fleet of buses and coaches was approximately 60.4 million passengers, 56.2 million passengers and 53.2 million passengers, respectively. As at 31 December 2020, the Group operated a total number of 138 cargo vehicles, and the freight covers 37 provinces and cities nationwide. The Group's leading market position in the passenger transportation and logistics services sector is supported by its management and industry expertise, as well as its operation scale and financial strength. The Group's management team has extensive experience in the passenger transportation and logistics services industry in the PRC and has on average approximately 30 years of experience in the passenger transportation and logistics services in the PRC. Leveraging its leading market position and economies of scale, the Group is well placed to enhance its bargaining power in procuring vehicles and equipment, strengthen its ability to secure financing with a low cost of capital, and effectively control its overall costs. In addition, the Group benefits from its overall financial strength, as well as revenues and profits from other business segments of the Group enhances the operating efficiency and competitiveness of the Group's passenger transportation and logistics services.

Predictable and steady recurring cash flow.

The Group's transportation business, which contributed to approximately 74.9% of the Group's total revenue in 2020, provides the Group with predictable and steady cash flows and gives the Group stability as well as flexibility in managing its operations. Expected expansion in the transportation network driven by local economic growth surrounding the Wanjiang region and growth in vehicle ownership are expected to be key drivers of the Group's transportation business going forward. For the years ended 31 December 2018, 2019 and 2020, in Anhui Province, the number of civilian vehicles amounted to approximately 8.2 million, 9.1 million and 9.9 million, respectively, while the number of private vehicles, for the same years, amounted to approximately 8.2 million, 7.1 million and 8.7 million, respectively. Overall, vehicle ownership in Anhui Province has resulted in a strong growth of toll road operations performance. The revenue from the Group's transportation business was RMB27,140.0 million, RMB29,570.9 million and RMB27,069.6 million in 2018, 2019 and 2020, respectively. The Group believes that the toll road operation revenue will continue to grow in the long term as a result of the robust growth in vehicle ownership and economic growth in Anhui Province and the PRC.

Strong liquidity and diversified financing channels.

The Group owns diversified and sustainable capital resources which provide investment returns and ensures liquidity of the Group. As at 31 December 2018, 2019 and 2020, the saleable financial assets of the Group amounted to approximately RMB3.7 billion, RMB4.0 billion and RMB5.7 billion respectively.

In addition, the Group benefits from its access to a broad range of financing channels in the market for its sustainable development. The main financing channels available to the Group include:

- Bank loans: The Group has maintained long-standing cooperation relationships with a number of banks. As at 31 December 2020, the Group obtained comprehensive credit facilities in the aggregate amount of RMB442.9 billion, of which RMB327.6 billion remained unutilised.

- Debt financing: The Group has a wide range of debt financing products, including corporate bonds, perpetual notes, medium-term notes and super short-term commercial paper, etc. In 2015, the Group achieved high investment-grade ratings and successfully issued approximately U.S.$300

million bonds. As at 31 December 2020, the Group had total debt of approximately RMB137.0 billion, of which approximately 18.2% will mature before 31 December 2021; approximately 11.5% will mature before 31 December 2022; approximately 12.2% will mature before 31 December 2023; and approximately 58.2% will mature in or after 2024.

- Equity financing: The Group directly holds two subsidiaries that are publicly traded on the Shanghai Stock Exchange and Hong Kong Stock Exchange respectively, therefore the Group has the ability to raise funds in different capital markets through equity financing.

Strategies

The Group's "14th Five-Year" development strategy is to fully realize "Five Three Five Five": (i) the asset scale reaches RMB500 billion, (ii) the completed investment achieves RMB300 billion, (iii) profit contribution rate contributed by non-road industry exceeds 50%; and (iv) by 2025, the Group return to the top 500 Chinese enterprises and strives to become a world-class enterprise.

The Group will act as a pioneer in the implementation of national and regional strategies, become an industry model leading the high-quality development of transportation, and acts as the model for the reform of state-owned capital investment companies. The Group deeply integrates into the development of the Yangtze River Delta and the Yangtze River Economic Belt, the construction of the central region and Anhui Province's "One Circle, five Districts" ("一圈五區"), also actively implements the "One Belt, One Road" initiative. To promote the construction of new infrastructure of transportation, the Group cultivates transportation-related strategic industries and persists green development. The Group is also focus on building transportation infrastructure construction and operation platform, transportation industry agglomeration and transformation platform of Anhui Province

The Group intends to achieve its overall business objectives by pursuing the following strategies:

Further improve the Group's transportation business, which is the "ballast stone" for the high-quality development of the Group.

As the transportation business is the Group's "ballast stone" segment, the Group aims to further strengthen its position as the largest key investor and operator of toll roads in Anhui Province through implementing a centralised management approach in operating the Group's toll roads. In addition, the Group aims to maintain its position as a province-wide consolidated toll road investment and operations sector in Anhui Province and strengthen its position in the transportation industry. In particular, the Group will vigorously advance the "Transport +" industries such as the design, development, resources, services, and the intelligent transportation system, and enhance related businesses such as engineering consulting, expressway advertising and media services, service area operations and gas stations. Furthermore, the Group will actively focus on "Two New, One Important" ("兩新一重") and develop rail transit, port terminals and general aviation infrastructure projects, aiming to build a comprehensive transportation industry system and transform its transportation segment into a first-class transportation infrastructure investment and operations platform in China.

Take advantage of the Group's real estate and construction business segment as the "powerful propeller" for the high-quality development of the Group.

The Group aims to leverage its experience and competitive position in the transportation business to generate synergies with its real estate and construction businesses. The Group believes that its financial strength, as well as the management and industry expertise the Group accumulated through its toll road operations and management business, will enhance the operating efficiency and competitiveness of the Group's real estate and construction businesses. With the active expansion into the residential commercial real estate market, and by exploring the comprehensive development of districts and

industrial parks, cultural tourism, health care, and lease of residential real estate. The Group believes that the real estate and construction segment can be a powerful propeller for the high-quality development of the Group.

Optimise the investment and asset management business as the "catalyst" for the high-quality development of the Group.

The Group aims to continue to enhance its business portfolio to drive growth in its investment and asset management businesses. In particular, the Group will grasp the opportunities brought by the national financial system reform, relying on its capital investment platform and building a financial investment business system by conducting mergers and acquisitions, as well as investing in equity, insurance and funds. The Group aims to transform its financial investment sector into a comprehensive financial service platform that integrates functions such as industry integration, business incubation and profit generation. Taking advantage of the investment and asset management business as the Group's catalyst to its operations, the Group believes it can unwaveringly develops modern finance, promotes the transformation and modernisation of traditional industries, explores high-tech and strategic emerging industries and further optimises the equity investment business and sustainable development of the Group. The Group's capital operation platform system integrates capital investment management companies, listed companies, financial companies and overseas companies, and aims to allow the Group to access the financial capital, unlisted and listed capital, state-owned and private capital, as well as overseas capital.

History and Development

The Company obtained its business licence in May 2015 as a result of a merger between Anhui Expressway and Anhui Transport that was approved by Anhui SASAC in 2014 (the "**Merger**"). Both of the Company's predecessors were established in Anhui in 1993. The Merger has improved the Company's efficiency in the use of resources, effectively reduced its operating costs and increased its competitiveness.

The Group believes that it is a leading infrastructure company in the PRC and the largest toll road operator in Anhui Province in terms of toll revenues and daily traffic flow. The Group's business activities consist of three segments: (i) transportation business, (ii) real estate and construction business and (iii) investment and asset management business.

A brief summary of the Group's history is set out below.

Year	Key events
1993	Anhui Expressway Company, the predecessor of Anhui Expressway, was incorporated in Anhui Province as an SOE with a registered capital of RMB100 million. Anhui Transportation Infrastructure Investment and Development Corporation, the predecessor of Anhui Transport, was incorporated in Anhui Province as an SOE with a registered capital of RMB 15.88 million.
1998	Anhui Provincial Government issued the decree "Wan Zheng Mi (1998) No. 119" ((1988)119) approving Anhui Expressway Company to be a wholly state-owned first class large enterprise.
2001	Anhui Transportation Infrastructure Investment and Development Corporation was renamed as Anhui Transport Investment Group.

	Pursuant to an overall restructuring plan of the Anhui provincial government, 14 state-owned infrastructure companies merged into and became subsidiaries of Anhui Transport. The registered capital of Anhui Transport was increased to RMB792 million.
2004	Anhui SASAC became the sole shareholder of Anhui Expressway Company.
	Pursuant to a reform plan of the Anhui expressway investment system, the Anhui provincial government transferred the then existing and under construction expressway projects operated and managed by Anhui Road Authority to Anhui Transport for construction, operation and management.
2005	Anhui Road and Bridge Engineering Company, Anhui Road and Port Engineering Company, Anhui Expressway Engineering Corporation and Anhui Mechanical Dredging Company were spun off from Anhui Transport and formed Anhui Road and Bridge Group.
2010	Anhui Expressway Company was renamed as Anhui Expressway Holding Group.
2014	Anhui SASAC issued the decree "Wan State Asset Reform (2014) No.172" ((2014)172) approving the merger between Anhui Expressway Holding Group and Anhui Transport Investment Group. The post-merger group was named Anhui Transportation Holding Group Co., Ltd..
2015	Anhui Transportation Holding Group Co., Ltd. obtained its business licence in May 2015.
2020	The Company was awarded Science and Technology Award of China Road Construction Industry Association by China Road Construction Industry Association.
2021	The Company was awarded National Advanced Collective on Poverty Alleviation by the Central Committee of the Communist Party of China and the State Council.

Awards and Qualifications

The Group has received awards and qualification from various organisations. The lists below set out the notable awards and qualification received by the Group.

General award

- National Science and Technology Progress Award awarded by the State Council (2019)
- China Fortune 500 Enterprises awarded by China Enterprise Confederation/China Enterprise Directors Association (2016, 2017)
- China Service Industry 500 Enterprises awarded by China Enterprise Confederation/China Enterprise Directors Association (2015-2020)
- Anhui Science and Technology Progress Award awarded by the Anhui Provincial Government (2016, 2020, 2021)

Industry-related awards

- China Highway Society Science and Technology Award awarded by China Highway Society (2019, 2020)
- Science and Technology Award of China Road Construction Industry Association awarded by China Road Construction Industry Association (2020)
- Anhui Provincial Transportation Science and Technology Progress Award awarded by Anhui Provincial Highway Association (2019, 2020)
- China Transportation and Culture Construction Excellence Unit awarded by Ministry of Transport of PRC and China Association of Communication Enterprise Management (2013, 2014, 2015)
- China Transport and Transportation Industry Civil Unit awarded by Ministry of Transport of PRC (2010)
- China Top 100 Transportation Enterprises awarded by China Association of Communication Enterprise Management (2005)
- Anhui Provincial Transportation System Advanced Unit awarded by Transport Department of Anhui Province (2005, 2008)

Project-related awards

- China Construction Engineering Luban Award awarded by the Ministry of Housing and Urban-Rural Development of PRC and China Construction Industry Association (2013, 2017, 2019)
- China Civil Engineering Zhan Tianyou Award awarded by China Civil Engineering Society (2011, 2013, 2014, 2018, 2019)
- Ministry of Transport National Quality Highway Project Award (First Prize) awarded by Ministry of Transport of PRC (2014)
- National Quality Highway Project (Li Chun) Award awarded by China Highway Construction Association (2016, 2018, 2019)
- National Quality Engineering Award awarded by China Construction Enterprise Management Association (2017)
- Global BE Innovation Award awarded by Bentley Systems, Incorporated (2014)
- George Richardson Award awarded at International Bridge Conference (2016, 2018)

Other awards

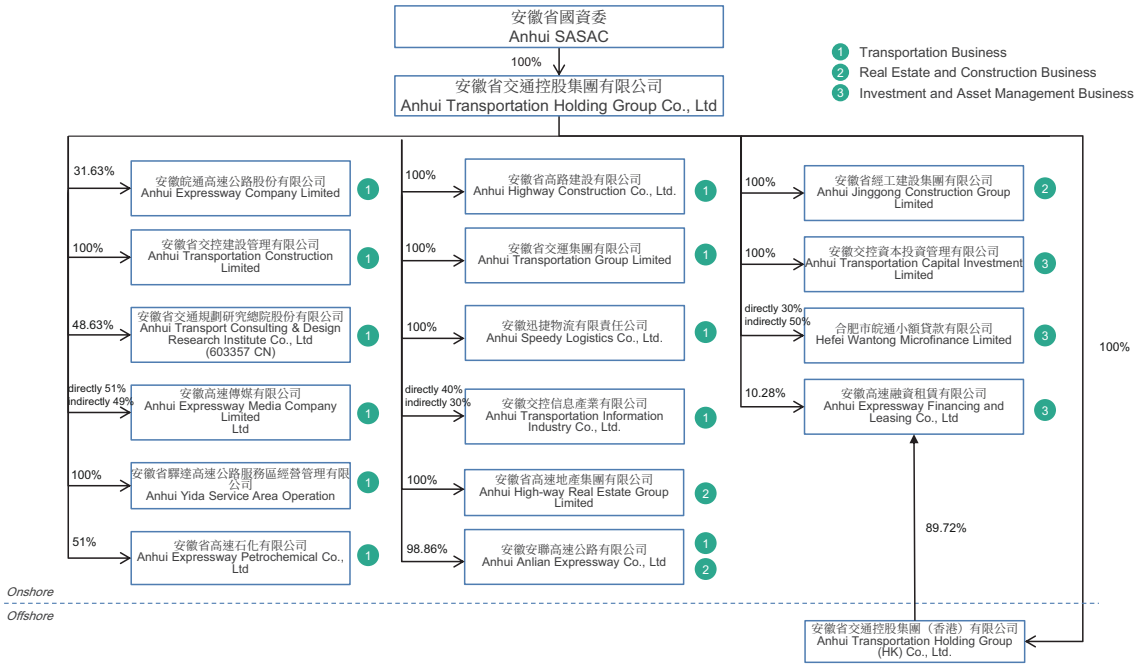
- National Advanced Collective on Poverty Alleviation awarded by the Central Committee of the Communist Party of China and the State Council (2021)
- National Unit of Excellence in Transportation Culture Construction awarded by China Communications Enterprise Management Association (2018-2020)
- "Smile Service, Warm Traffic" was awarded as one of the top ten cultural brands of national transportation by the Ministry of Transport (2015)
- Smiling Service was awarded as a model brand of quality service in Anhui civilized industry and awarded "Anhui Famous Brand" (2017)

Qualifications

- Anhui Transport Consulting & Design Institute has Grade A qualifications in engineering consulting, comprehensive engineering survey, comprehensive engineering design, urban and rural planning, engineering comprehensive and water transportation engineering test and inspection, highway and water transportation engineering construction supervision, and qualifications in landscape gardening, traffic planning, cost consulting, soil and water conservation, environmental impact assessment, geological disaster assessment, etc.

Corporate Chart

As at 31 December 2020, the simplified corporate structure of the Group is as follows:



Recent Developments

At the end of 2020, The Group participated in the private placement of Huishang Bank Corporation Limited (stock code: 03698). The Group subscribed for 174.4 million shares for RMB1.022 billion. The Group holds 5.01% Huishang Bank Corporation Limited totally.

Description of the Group's Business

The Group's business portfolio is composed of the following business segments: (i) transportation business, (ii) real estate and construction and (iii) investment and asset management.

The table below sets out the revenue and gross profit (which equals to the revenue minus the operating profit) for each of the Group's business segments for the years indicated.

	Years ended 31 December					
	2018		2019		2020	
Business segments	Revenue	Gross profit	Revenue	Gross profit	Revenue	Gross profit
			(RMB million)			
Transportation business	27,140.0	10,168.7	29,570.9	10,483.0	27,069.6	7,288.6
Real estate and construction	3,876.1	1,251.0	5,602.0	1,647.8	8,886.5	1,689.4
Investment and asset management	145.8	116.3	178.4	137.6	186.7	153.5
Total	**31,161.9**	**11,536.1**	**35,351.3**	**12,268.5**	**36,143.8**	**9,131.5**

1. Transportation Business

The Group's transportation business comprises of the expressway and bridge operation business, purchase and sale of gasoline, diesel and lubricant, expressway media advertising, sales of engineering materials, engineering survey, design and consulting services, salvage business, road logistics business, road passenger transportation business, vehicle sales business, driver training business, leasing business and others. The table below sets out the revenue and gross profit for each of the sub-business segments for the years indicated.

	Years ended 31 December					
	2018		2019		2020	
Business segments	Revenue	Gross profit	Revenue	Gross profit	Revenue	Gross profit
			(RMB million)			
Expressway and bridge operation	16,778.5	9,072.9	18,546.5	9,309.6	16,055.0	5,558.5
Purchase and sale of gasoline, diesel and lubricant	6,209.8	360.7	6,468.8	447.1	6,724.0	645.2
Expressway media advertising	153.9	109.2	137.9	99.8	117.1	73.7
Sales of engineering materials	316.7	–9.0	330.1	–26.1	558.7	22.6
Engineering survey, design and consulting services	1,126.9	298.3	1,070.1	476.9	1,520.8	747.8
Salvage business	6.3	4.4	5.9	4.4	60.6	58.5
Road logistics business	607.0	12.6	406.8	23.2	182.3	9.2
Road passenger transportation business	782.1	–206.7	778.3	–295.4	462.9	–440.6
Vehicle sales business	400.7	14.2	445.7	0.9	381.0	–0.5
Driver training business	51.9	9.3	47.1	7.3	38.1	16.5
Leasing business	150.4	89.0	164.4	117.5	72.0	6.9
Others	555.9	413.7	1,169.3	317.9	897.1	590.7
Total	**27,140.0**	**10,168.7**	**29,570.9**	**10,483.0**	**27,069.6**	**7,288.6**

A. Expressway and Bridge Operation

The Group manages and operates an expansive network of toll roads in the Anhui Province, PRC through the Company and its subsidiaries, Anhui Expressway Company Limited (安徽皖通高速公路股份有限公司, a company currently listed on the Shanghai Stock Exchange and HKSE) and Anhui Anlian Expressway Co., Ltd. (安徽安聯高速公路有限公司). As at 31 December 2020, the Group owns 60 toll expressways spanned approximately 4,490 km and located in 16 cities, and has equity interests in 2 toll expressways, namely Beng-Ming Expressway (蚌明高速) and Hefei City Expressway North Ring (合肥繞城高速北環段). It also operates and manages a few national roads and regional expressways, as well as 205 National Road (205國道), the Anqing Yangtze River Bridge (安慶長江大橋), Maanshan Yangtze River Bridge (馬鞍山長江大橋) and Wuhu Yangtze River Second Bridge (蕪湖長江二橋).

As at 31 December 2020, the expressways under construction or to be constructed by the Group include the Wuhu-Huangshan Expressway (蕪湖至黃山高速公路), Guzhen Expressway Connection Route (固鎮高速公路連接線), Wuwei-Yuexi Section of G42S Shanghai-Wuhan Expressway (G42S上海至武漢高速無為至岳西段), Huangshan-Qiandao Lake Anhui Section of G4012 Liyang-Ningde Expressway (G4012溧陽至甯德高速公路黃山至千島湖段安徽段), Hefei-Zongyang Section of G3W Dezhou-Shangrao Expressway (G3W德州至上饒高速公路合肥至樅陽段), Chizhou-Qimen Section of G3W Dezhou-Shangrao Expressway (G3W德州至上饒高速公路池州至祁門段), Chuzhou-Tianchang Section of Northern Riverside Expressway (北沿江高速公路滁州至天長段), Hefei-Liuan-Dagudian Section Expansion (合肥至六安至大顧店段改擴建), Wuhu-Lintou Section of Wuhe Expressway Reconstruction and Expansion Project (蕪合高速蕪湖至林頭段改擴建工程), Fuyang-Huaibin Expressway (阜陽至淮濱高速公路), Anhui Section of Ningguo-Anji Expressway (甯國至安吉高速安徽段), Shouxian (Baoyi)-Yingshang (Nanzhao) Section of Hefei-Zhoukou Expressway (合肥至周口高速公路壽縣(保義)到潁上(南照)段), G4211 Ningwu Expressway Expansion and Renovation Project (G4211寧蕪高速改擴建工程) and Xuancheng-Jingxian Expressway Phase I (宣城至涇縣高速公路一期).

The Group strictly implements a project investment approval system. All of the completed and under-construction expressways have been approved by the relevant inspection authorities including the environmental and construction authorities. In addition, the management rights of the toll roads owned by the Group and its subsidiaries have all been granted approval ("收費批復") by the Anhui provincial government. The Group is charging the toll within the period stipulated with the approval in accordance with the law.

The expressway and bridge operation is the Group's primary source of income. For the years ending 31 December 2018, 2019 and 2020, the Group generated the revenue of RMB16,778.5 million, RMB18,546.5 million and RMB16,055.0 million from its expressway and bridge operation business, respectively, and this accounted for 53.8%, 52.5% and 44.4% of the Group's total revenue, respectively in the corresponding year.

Given that the Group is the largest state-owned operator of toll roads in the Anhui Province in terms of number of the toll roads it owns and operates, it faces little competition in Anhui Province. The Group manages and operates approximately 92% of the expressways in Anhui Province.

Summary of existing toll road projects

The following table sets out key information regarding the Group's existing toll road projects in operation as at 31 December 2020.

No.	Name of Expressway	Start and End Point	Construction Length	Total Investment	Date of Opening to Traffic	Period of Concession[1]
			(km)	*(RMB million)*		
1.	He-Ning Expressway (合寧高速)	Hefei-Nanjing	133.4	4,425.0	1991	30 years
2.	205 National Road (205國道)	Nipeiwan – Hanjian	30.0	542.6	1997	30 years
3.	Ning-Huai Expressway Anhui Section (寧淮高速安徽段)	Hanjian-Fushan	14.0	559.3	2007	25 years
4.	Gao-Jie Expressway (高界高速)	Gaohe-Jiezidun	110.2	1,844.0	1999	30 years
5.	Lian-Huo Expressway Anhui Section (連霍高速安徽段)	Laoshankou-Zhudachang	55.0	1,179.1	2002	30 years
6.	Xuan-Guang Expressway (宣廣高速)	Xuancheng-Guangde	79.0	719.0	1997	30 years
7.	Guang-Ci Expressway (廣祠高速)	Guangde-Cishangang	14.0	283.6	2004	25 years
8.	Xuan-Ning Expressway (宣寧高速)	Xuancheng-Ningguo	47.3	2,678.6	2013	30 years
9.	Ning-Qian Expressway (寧千高速)	Ningguo-Qianqiuguan	39.9	2,927.8	2015	Tentatively 5 years[2]
10.	He-Xu North Expressway (合徐北高速)	Bengbu-Xuzhou	162.1	3,935.6	2003	29 years
11.	He-An Expressway (合安高速)	Hefei-Anqing	153.0	3,762.2	2002	30 years
12.	Anqing Yangtze River Bridge (安慶大橋)	–	6.0	13.2	2004	29 years
13.	He-Chao-Wu Expressway (合巢蕪高速)	Wuhu-Hefei	100.3	3,210.0	2005	28 years
14.	Ma-Wu Expressway (馬蕪高速)	Ma'anshan-Wuhu	53.4	2,400.0	2005	30 years
15.	Riverside Expressway (沿江高速)	Chizhou-Anqing	51.2		2006	

No.	Name of Expressway	Start and End Point	Construction Length	Total Investment	Date of Opening to Traffic	Period of Concession[1]
			(km)	*(RMB million)*		
		Wuhu-Tongling	47.7		2007	
		Tongling-Chizhou	71.3	6,497.5	2008	30 years
16.	An-Jing Expressway (安景高速)	Anqing-Jingdezhen	80.6	3,638.3	2008	30 years
17.	He-Huai-Fu Expressway (合淮阜高速)	Hefei-Fuyang	190.2	7,750.6	2007	30 years
18.	Liuqian Expressway (六潛高速)	Lu'an-Qianshan	150.1	7,190.0	2009	30 years
19.	Zhouliu Expressway (週六高速)	Zhouji-Lu'an	91.5	2,492.1	2011	30 years
20.	Jixi–Huangshan Expressway (績黃高速)	Jixi-Jingde	24.6	1,719.0	2011	30 years
21.	Beng-Huai Expressway (蚌淮高速)	Bengbu-Huainan	41.4	2,561.4	2012	30 years
22.	East Ring Expressway (東環高速)	Geyang-Yushan	13.5	397.0	2012	23 years
23.	Fu-Xin Expressway (阜新高速)	Fuyang-Linquan	69.0	2,165.0	2013	30 years
24.	Ma'anshan Yangtze River Bridge (馬鞍山大橋)	–	36.3	7,078.0	2013	30 years
25.	He-Xu South Expressway (合徐南高速)	Hefei-Bengbu	112.5	2,062.0	2001	25 years
26.	Huang-Qi Expressway (黃祁高速)	Huangshan-Qimen	102.2	6,520.5	2013	30 years
28.	Yue-Wu Expressway (岳武高速)	Lianyunxiang-Dafeng Shuling	46.2	5,258.5	2015	30 years
29.	Fu-Zhou Expressway (阜周高速)	Fuyang-Zhouji	83.6	3,519.2	2009	30 years
30.	Wu-Yan Expressway (蕪雁高速)	Wuhu-Yanchi	16.9	1,532.7	2012	30 years
31.	Ning-Ji Expressway (寧績高速)	Ningguo-Jixi	76.1	5,097.9	2014	Tentatively 5 years[2]
32.	Jie-Fu-Beng Expressway (界阜蚌高速)	Huaiyuan-Jieshou	187.2	4,413.0	2004	30 years
33.	He-Liu-Ye Expressway (合六葉高速)	Fexi-Yeji	122.9	3,256.0	2007	30 years
34.	Exclusive Expressway for Xinqiao International Airport (新橋機場高速)	Gaoliu-Nangang	17.6	1,520.4	2012	30 years
35.	Wu-Xuan Expressway (蕪宣高速)	Wuhu-Xuancheng	56.7	1,652.0	2003	25 years
36.	Tong-Huang Expressway Tong-Tang Section (銅黃高速銅湯段)	Tongling-Tangkou	80.6	5,105.0	2007	30 years
37.	Tong-Huang Expressway Tang-Tun Section (銅黃高速湯屯段)	Tangkou-Tunxi	178.7	3,045.8	2008	30 years
38.	Huang-Ta-Tao Expressway (黃塔桃高速)	Hongli-Taolin	51.2	3,840.0	2008	30 years
40.	Liu-Wu Expressway, Anhui Section (六武高速安徽段)	Huoqiu-Jinzhai	92.7	5,372.0	2009	30 years
41.	Si-Xu Expressway, Suzhou Section (泗許高速宿州段)	Zhangdian-Niuji	90.5	3,683.4	2010	30 years
42.	Si-Xu Expressway, Huaibei Section (泗許高速淮北段)	Gurao-Suixi	52.2	2,152.7	2012	30 years
43.	Si-Xu Expressway, Bozhou Section (泗許高速亳州段)	Zhenglou-Guolou	39.5	1,737.7	2011	30 years
44.	Xu-Ming Expressway (徐明高速)	Lingbi-Mingguang	139.1	6,245.5	2014	30 years
45.	Machao Expressway (馬巢高速)	Hexian-Hanshan	35.8	2,398.6	2013	30 years
46.	Ji-Qi Expressway, Dangshan Section (濟祁高速碭山段)	Danxian-Yongcheng	39.5	2,475.8	2015	Tentatively 5 years[2]
47.	Ji-Qi Expressway, Yongli Section (濟祁高速永利段)	Yongcheng-Lixin	71.7	4,790.3	2015	Tentatively 5 years[2]
48.	Dongjiu Expressway, Anhui Section (東九高速安徽段)	Dongzhipangcun-Yingshanjian	10.8	553.0	2015	Tentatively 5 years[2]
49.	Tong-Nan-Xuan Express (銅南宣高速)	Tongling-Nanling-Xuancheng	82.6	6,449.5	2015	Tentatively 5 years[2]
50.	Chu-Ma Expressway (滁馬高速)	Chuzhou-Ma'anshan	82.2	5,659.2	2015	Tentatively 5 years[2]
51.	Wangdong Yangtze River Bridge (望東長江大橋)	–	38.6	5,038.0	2016	Tentatively 5 years[2]
52.	Wangdong Yangtze River Bridge North Shore Connecting Route (望東橋北岸連接線)	–	50.0	2,331.9	2015	Tentatively 5 years[2]
53.	Li-Guang Expressway, Anhui Section (溧廣高速安徽段)	Liyang-Guangde	38.8	2,618.3	2016	Tentatively 5 years[2]
54.	Ji-Qi Expressway, Lihuai Section (濟祁利淮段)	Lixin-Huainan	77.1	5,570.5	2016	Tentatively 5 years[2]
55.	Ji-Qi Expressway, Huaihe Section (濟祁淮合段)	Huainan-Hefei	82.7	5,406.5	2016	Tentatively 5 years[2]
56.	Li-Xuan Expressway (狸宣高速)	Liqiao-Shencun	30.6	2,133.0	2017	Tentatively 5 years[2]
57.	Chaowu Expressway (巢無高速)	Lintou-Hedian	43.9	3,658.0	2017	Tentatively 5 years[2]
58.	No.2 bridge of Wuhu Yangtze River Bridge (蕪湖二橋)	Shijian-Eshan	55.5	9,039.0	2017	Tentatively 5 years[2]

No.	Name of Expressway	Start and End Point	Construction Length	Total Investment	Date of Opening to Traffic	Period of Concession[1]
			(km)	*(RMB million)*		
59.	Sixian segment of Si-Xu Expressway (泗許高速泗縣段)	Xiaoliangxiang-Beidapengzhuang	23.3	1,071.0	2017	Tentatively 5 years[2]
60.	Bridge connection line (大橋接線)	–	14.9	474.3	2004	29 years
61.	Chizhou Yangtze River Bridge (池州長江大橋)	Huigongdian-Yinjiahui Town	41.0	60.2	2019	Tentatively 5 years[2]
62.	Chuhuai Expressway, Chuding Section (滁淮高速滁定段)	Huangnigang-Cangzhen	62.0	37.9	2018	Tentatively 5 years[2]
63.	Chuhuai Expressway, Dingchang Section (滁淮高速定長段)	Cangzhen-Luotang	63.1	44.7	2018	Tentatively 5 years[2]
64.	Guangning Expressway (廣寧高速)	Shijie-Helixi	38.3	24.3	2018	Tentatively 5 years[2]
65.	Lutong Expressway (廬銅高速)	Lujiang-Tongling	73.2	22.3	2005	30 years
66.	Chuzhou West Ring Expressway (滁州西環高速)	Nanqiao District-Quanjiao, Chuzhou	27.4	24.8	2020	Tentatively 5 years[2]
67.	Hefei City Expressway North Ring (合肥繞城高速北環段)	Lukou-Changgang	41.1	1,600.0	2007	28 years
68.	Beng-Ming Expressway (蚌明高速)	Bengbu-Mingguang	80.9	2,640.0	2005	25 years

Notes:

(1) The Anhui provincial government determines the concession periods pursuant to the Anhui Toll Road Management Regulation (《安徽收費公路管理條例》). Toll road operators may apply for renewal of the concession periods after the initial term expires.

(2) Certain toll roads operated by the Group have an initial concession period of five years. The Anhui provincial government and relevant local authorities intend to finalise the periods of concession for these expressways in the near future.

Toll road expansion and improvement projects

The Group intends to continue to invest in and develop expressways projects throughout the Anhui Province. As at 31 December 2020, the Group had 14 toll road projects under construction with a total length of 1,042.5 km. As at 31 December 2020, the Group had invested a total amount of RMB110,889.0 million into the projects under construction. All of the projects under construction are expected to be completed and commence operation by 2024. The table below sets out the details of the projects under construction as at 31 December 2020.

No.	Name of Expressway/bridge	Total length	Total investment	Investment as of the end of 2020	Remaining investment	Date of start	Date of completion
		(km)	*(RMB million)*	*(RMB million)*	*(RMB million)*		
1.	Wuhu-Huangshan Expressway (蕪湖至黃山高速公路)	116.1	11,865.0	8,616.0	2,454.0	2017	December 2021
2.	Guzhen Expressway Connecting Route (固鎮高速公路連接線)	35.8	2,869.0	1,997.0	561.0	2017	December 2021
3.	Wuwei-Yuexi Section of G42S Shanghai-Wuhan Expressway (G42S上海至武漢高速無為至岳西段)	198.1	19,053.0	5,396.0	12,920.0	2018	December 2023
4.	Huangshan-Qiandao Lake Anhui Section of G4012 Liyang-Ningde Expressway (G4012溧陽至甯德高速公路黃山至千島湖段安徽段)	25.5	4,779.0	1,359.0	3,150.0	2018	December 2023
5.	Hefei-Zongyang Section of G3W Dezhou-Shangrao Expressway (G3W德州至上饒高速公路合肥至樅陽段)	134.2	10,459.0	3,188.0	6,935.0	2018	December 2022
6.	Chizhou-Qimen Section of G3W Dezhou-Shangrao Expressway (G3W德州至上饒高速公路池州至祁門段)	91.6	11,881.0	5,833.0	5,106.0	2018	December 2022
7.	Chuzhou-Tianchang Section of Northern Riverside Expressway (北沿江高速公路滁州至天長段)	67.1	5,324.0	2,032.0	3,058.0	2018	December 2022
8.	Hefei-Liuan-Dagudian Section Expansion (合肥至六安至大顧店段改擴建)	102.7	7,622.0	890.0	6,190.0	2019	December 2022
9.	Wuhu-Lintou Section of Wuhe Expressway Reconstruction and Expansion Project (蕪合高速蕪湖至林頭段改擴建工程)	41.6	5,629.0	831.0	4,558.0	2019	December 2022
10.	Fuyang-Huaibin Expressway (阜陽至淮濱高速公路)	35.0	4,918.0	440.0	4,294.0	2020	December 2023

No.	Name of Expressway/bridge	Total length	Total investment	Investment as of the end of 2020	Remaining investment	Date of start	Date of completion
		(km)	*(RMB million)*	*(RMB million)*	*(RMB million)*		
11.	Anhui Section of Ningguo-Anji Expressway (甯國至安吉高速安徽段)	11.0	1,525.0	145.0	1,363.0	2020	December 2023
12.	Shouxian (Baoyi)-Yingshang (Nanzhao) Section of Hefei-Zhoukou Expressway (合肥至周口高速公路壽縣(保義)到潁上(南照)段)	94.5	13,582.0	574.0	12,909.0	2020	December 2024
13.	G4211 Ningwu Expressway Expansion and Renovation Project (G4211寧蕪高速改擴建工程)	49.3	6,922.0	330.0	6,479.0	2020	December 2023
14.	Xuancheng-Jingxian Expressway Phase I (宣城至涇縣高速公路一期)	40.0	4,460.0	570.0	3,865.0	2020	December 2024

The following table sets forth the proposed expressway construction projects of the Group.

No.	Name of Expressway/bridge	Total length	Budget	Construction period
		(km)	*(RMB million)*	
1.	Anhui Section of Taihu-Qichun Expressway (太湖至蘄春高速公路安徽段)	45.0	7,600.0	2021-2024
2.	Wuwei-Anqing Section of Tiantian Expressway (天天高速無為至安慶段)	117.0	17,370.0	2021-2024
3.	Yingshang-Linquan Section of Hefei-Zhoukou Expressway (合肥至周口高速公路潁上至臨泉段)	119.0	15,100.0	2021-2024
	Total	**281.0**	**40,070.0**	

Toll rates

Toll rates for expressways in the Anhui Province are determined by the Anhui provincial government. The Group generally has no input or influence on the pricing process. There have been no adjustments for the past three years. Toll rates are generally charged on the basis of the classification of vehicles as follows:

- Basic toll rates applicable to freight vehicles with reference to gross weight

The following table sets out the toll rates to be charged based on the actual gross weight of vehicles. Toll charges are subject to a minimum of RMB20 per vehicle.

Category	Toll rates
No more than 10 tonnes	RMB0.09/tonne per km
Between 10 tonnes and 40 tonnes (including 40 tonnes)	RMB0.09/tonne per km to RMB0.05/tonne per km
More than 40 tonnes	RMB0.05/tonne per km

- Extra tolls are applicable to overloaded freight vehicles

The Group imposes an extra toll for overloaded freight vehicles. A freight vehicle is considered overload in the following circumstances: (i) gross weight exceeding 17 tonnes for two-axis freight vehicles; (ii) gross weight exceeding 25 tonnes for three-axis freight vehicles; (iii) gross weight exceeding 35 tonnes for four-axis freight vehicles; (iv) gross weight exceeding 43 tonnes for five-axis freight vehicles; or (v) gross weight exceeding 49 tonnes for six-axis or more freight vehicles.

The toll rates that are applicable to an overloaded vehicle vary depending on the extent the gross weight of the vehicle exceeds the maximum permitted weight. The following table sets out the toll rates that are charged for different vehicle overload categories.

If the extent of the overload is:	Toll rates
Less than 30%	Charged at basic toll rates
Between 30% and 100%	Basic toll rates, plus 3-6 times of basic toll rates for the portion above 30% overload
More than 100%	Basic toll rates, plus 3-6 times of basic toll rates for the portion above 30% and below 100% overload, plus 6 times of basic toll rates for the portion above 100% overload

The following table sets out the basic toll rates for passenger vehicles.

Category	Type and specification of passenger vehicles	Basic toll rate
		(RMB/km)
Category 1	≤7 seats	0.45
Category 2	8-19 seats	0.8
Category 3	20-39 seats	1.1
Category 4	≥40 seats	1.3

The following table sets out details of additional tolls for vehicles using extra-large bridges and tunnels in the Anhui Province.

	Type and specification of vehicles		
Category	Passenger vehicle	Freight vehicle	Standard extra toll
			(RMB per vehicle)
Category 1	≤7 seats	≤ 2 tonnes	10
Category 2	8-19 seats	2-5 tonnes (including 5 tonnes)	15
Category 3	20-39 seats	5-10 tonnes (including 10 tonnes)	20
Category 4	≥40 seats	10-15 tonnes (including 15 tonnes)/20 feet container	25
Category 5	Not applicable	>15 tonnes/40 feet container	30

The following table sets out details of types of vehicles and toll rates for the Ning-Huai Expressway.

	Type and specification of vehicles			
Category	Passenger vehicle	Freight vehicle	Toll rate	Minimum charge
			(RMB/KM)	*(RMB)*
Category 1	≤7 seats		0.45	15
		≤ 2 tonnes	0.675	15
Category 2	8-19 seats		0.675	15
		2-5 tonnes (including 5 tonnes)	0.90	20
Category 3	20-39 seats		0.90	20
		5-10 tonnes (including 10 tonnes)	1.125	20
Category 4	≥40 seats		0.90	20
		10-15 tonnes (including 15 tonnes)/20 feet container	1.35	30
Category 5	Not applicable	>15 tonnes/40 feet container	1.575	30

The following table sets out the toll rates for the Yangtze River Expressway Bridge in the Anhui Province. Toll rates for freight vehicles can be charged either based on the classification of vehicles or on the actual gross weight of vehicles.

	Unified classification of vehicles		
Category	Type and specification of passenger vehicles	Permitted weight for freight vehicles	Basic tolls
Category 1	≤7 seats	≤ 2 tonnes	RMB20 per vehicle
Category 2	8-19 seats	2-5 tonnes	RMB40 per vehicle
Category 3	20-39 seats	(including 5 tons)	RMB60 per vehicle
Category 4	≥40 seats	5-10 tonnes (including 10 tons)	RMB80 per vehicle
Category 5	–	10-15 tonnes (including 15 tonnes)	RMB100 per vehicle
		>15 tonnes	
Toll charged by freight vehicle weight	Less than 10 tonnes		RMB3/tonne per vehicle
	Between 10 tonnes and 40 tonnes (including 40 tonnes)		RMB3/tonne per vehicle to RMB2.4/tonne per vehicle
	More than 40 tonnes		RMB2.4/tonne per vehicle
	Less than RMB20		RMB20 per vehicle

Traffic flow and toll revenue

The table below sets out the Group's toll revenues derived from each existing expressway for the years indicated.

No.	Expressway	For the years ended 31 December		
		2018	2019	2020
			RMB millions	
1.	He-Ning Expressway (合寧高速)	888.2	843.9	849.2
2.	205 National Road (205 國道)	75.3	87.1	73.6
3.	Ning-Huai Expressway Anhui Section (寧淮高速安徽段)	108.0	106.8	89.8
4.	Gao-Jie Expressway (高界高速)	684.7	716.2	599.2
5.	Lian-Huo Expressway (連霍高速安徽段)	264.1	291.5	208.4
6.	Xuan-Guang Expressway (宣廣高速)	544.8	547.4	466.0
7.	Guang-Ci Expressway (廣祠高速)	99.7	110.6	96.7
8.	Xuan-Ning Expressway (宣寧高速)	68.4	84.6	61.5
9.	Ning-Qian Expressway (寧千高速)	31.6	37.3	30.5
10.	He-Xu North Expressway (合徐北高速)	818.1	870.4	720.4
11.	He-An Expressway (合安高速)	1,158.7	1,140.2	1,034.5
12.	Bridge Connecting Route (大橋連接線)	60.2	69.5	58.0
13.	He-Chao-Wu Expressway (合巢蕪高速)	830.1	834.0	792.6
14.	Ma-Wu Expressway (馬蕪高速)	385.8	422.2	342.9
15.	Riverside Expressway (沿江高速)	886.6	994.3	799.1
16.	An-Jing Expressway (安景高速)	311.2	355.0	277.7
17.	He-Huai-Fu Expressway (合淮阜高速)	1,329.4	1,484.2	1,170.8
18.	Liuqian Expressway (六潛高速)	317.0	388.8	367.3
19.	Zhouliu Expressway (週六高速)	235.6	333.1	257.7
20.	Jixi to Huangshan Expressway (績黃高速)	18.5	24.8	20.5
21.	Beng-Huai Expressway (蚌淮高速)	182.5	203.4	147.1
22.	East Ring Expressway (東環高速)	67.4	72.4	53.2
23.	Fu-Xin Expressway (阜新高速)	102.8	127.7	101.4
24.	Ma'anshan Yangtze River Bridge (馬鞍山大橋)	778.9	810.8	736.7
25.	He-Xu South Expressway (合徐南高速)	508.1	485.9	601.3
26.	Huang-Qi Expressway (黃祁高速)	99.3	107.1	82.9
27.	Anqing Bridge (安慶大橋)	270.0	289.8	238.1
28.	Yue-Wu Expressway (岳武高速)	88.3	114.5	82.3
29.	Fuzhou Expressway (阜周高速)	275.2	304.3	286.4
30.	Wu-Yan Expressway (蕪雁高速)	26.6	27.4	19.7
31.	Ning-Ji Expressway (寧績高速)	77.8	94.8	92.4
32.	Jie-Fu-Bang Expressway (界阜蚌高速)	974.4	981.6	708.8
33.	He-Liu-Ye Expressway (合六葉高速)	1,027.7	1,165.9	882.3
34.	Exclusive Expressway for Hefei Xinqiao International Airport (新橋機場高速)	69.1	79.0	62.2
35.	Wu-Xuan Expressway (蕪宣高速)	377.4	412.3	301.4
36.	He-Tong-Huang Expressway (銅黃高速)	426.0	470.6	350.1
38.	Huang-Ta-Tao Expressway (黃塔桃高速)	109.2	125.2	99.1
40.	Liu-Wu Expressway, Anhui Section (六武高速安徽段)	475.8	561.0	413.8
41.	Si-Xu Expressway (泗許高速)	383.7	439.0	482.5
44.	Xu-Ming Expressway (徐明高速)	253.1	284.7	280.1
45.	Ma'anshan-Chaohu Expressway (馬巢高速)	264.6	273.3	234.9
46.	Ji-Qi Expressway, Tangshan Section (濟祁高速碭山段)	26.1	30.4	42.8
47.	Ji-Qi Expressway, Yongli Section (濟祁高速永利段)	85.5	98.1	98.4
48.	Dong-Jiu Expressway, Anhui Section (東九高速安徽段)	22.6	24.0	16.7
49.	Tong-Nan-Xuan Expressway (銅南宣高速)	335.3	301.4	347.1
50.	Chu-Ma Expressway (滁馬高速)	188.4	226.8	221.3
51.	Wangdong Yangtze River Bridge (望東長江大橋)	147.2	169.5	149.0
52.	Wangdong Yangtze River Bridge North Shore Connecting Route (望東橋北岸連接線)	83.5	94.0	79.6
53.	Li-Guang Expressway, Anhui Section (溧廣高速安徽段)	16.6	27.9	24.6
54.	Ji-Qi Expressway, Lihuai Section (濟祁利淮段)	91.7	114.9	110.0
55.	Ji-Qi Expressway, Huaihe Section (濟祁淮合段)	75.6	104.5	93.9
56.	Xuan-Li Expressway (狸宣高速)	11.5	10.9	10.5
57.	Chaohu-Wuwei Expressway (巢無高速)	52.4	74.1	66.0
58.	No.2 bridge of Wuhu Yangtze River Bridge (蕪湖二橋)	57.4	67.7	72.0
59.	Lu-Tong Expressway (廬銅高速)	172.6	169.6	151.5
60.	Chu-Huai Expressway ChuDing Section (滁淮高速滁定段)	2.5	170.6	116.5
61.	Chu-Huai Expressway Dingchang Section (滁淮高速定長段)	2.5	170.5	170.3
62.	Guangning Expressway (廣寧高速)	0.7	69.1	36.6
63.	Chizhou Yangtze Bridge (池州長江大橋)	–	9.2	53.6
	Total	**17,326.7**	**19,105.9**	**16,433.4**

The table below sets out the Group's traffic flow with respect to each existing expressway for the years indicated.

No.	Expressway	For the years ended 31 December		
		2018	2019	2020
			Ten thousand/day	
1.	He-Ning Expressway (合寧高速)	3.5849	3.5016	4.92
2.	205 National Road (205 國道)	0.9958	–	1.72
3.	Ning-Huai Expressway Anhui Section (甯淮高速安徽段)	4.4876	–	7.74
4.	Gao-Jie Expressway (高界高速)	2.9569	3.1422	4.33
5.	Lian-Huo Expressway (連霍高速安徽段)	2.2807	2.5709	2.93
6.	Xuan-Guang Expressway (宣廣高速)	3.6725	3.8375	4.66
7.	Guang-Ci Expressway (廣祠高速)	3.8422	4.2507	5.51
8.	Xuan-Ning Expressway (宣寧高速)	0.8518	1.1927	1.01
9.	Ning-Qian Expressway (寧千高速)	0.4326	0.5341	0.61
10.	He-Xu North Expressway (合徐北高速)	2.6119	2.8386	3.46
11.	He-An Expressway (合安高速)	3.8447	3.8706	5.15
12.	Anqing Yangtze River Bridge (安慶大橋)	3.1601	3.4382	4.22
13.	He-Chao-Wu Expressway (合巢蕪高速)	4.4373	4.4688	6.20
14.	Ma-Wu Expressway (馬蕪高速)	3.8381	4.2348	5.02
15.	Riverside Expressway (沿江高速)	8.3079	9.3028	11.35
16.	An-Jing Expressway (安景高速)	1.8642	2.1135	2.59
17.	He-Huai-Fu Expressway (合淮阜高速)	4.1629	4.7293	4.86
18.	Liuqian Expressway (六潛高速)	1.0612	1.3272	1.93
19.	Zhouliu Expressway (週六高速)	1.3727	1.9150	2.20
20.	Jixi to Huangshan Expressway (績黃高速)	0.4160	0.5571	0.65
21.	Beng-Huai Expressway (蚌淮高速)	2.4546	2.7621	2.86
22.	East Ring Expressway (東環高速)	2.6617	2.8727	3.07
23.	Fu-Xin Expressway (阜新高速)	0.8331	1.0841	0.89
24.	Ma'anshan Yangtze River Bridge (馬鞍山大橋)	4.3219	4.5845	6.00
25.	He-Xu South Expressway (合徐南高速)	2.3410	2.3638	4.12
26.	Huang-Qi Expressway (黃祁高速)	0.5062	0.5533	0.49
27.	Yue-Wu Expressway (岳武高速)	0.7245	0.9570	1.01
28.	Fuzhou Expressway (阜周高速)	1.7113	1.9471	2.71
29.	Wu-Yan Expressway (蕪雁高速)	0.7356	0.7948	0.93
30.	Ning-Ji Expressway (寧績高速)	0.4490	0.5711	0.77
31.	Jie-Fu-Bang Expressway (界阜蚌高速)	2.6167	2.7140	2.81
32.	He-Liu-Ye Expressway (合六葉高速)	4.2163	4.8446	5.53
33.	Expressway for Xinqiao International Airport (新橋機場高速)	1.4138	1.5708	1.64
34.	Wu-Xuan Expressway (蕪宣高速)	3.5787	3.9881	4.23
35.	Tong-Huang Expressway Tong-Tang Section (銅黃高速銅塘段)	1.2391	1.3762	1.49
36.	Tong-Huang Expressway Tang-Tun Section (銅黃高速塘屯段)	1.2989	1.4424	1.58
37.	Huang-Ta-Tao Expressway (黃塔桃高速)	1.0302	1.1879	1.47
38.	Lu-Tong Expressway (廬銅高速)	1.4555	1.4773	1.65
39.	Liu-Wu Expressway, Anhui Section (六武高速安徽段)	2.3485	2.8252	3.51
40.	Si-Xu Expressway, Suzhou Section (泗許高速宿州段)	0.9613	1.1188	1.45
41.	Si-Xu Expressway, Huaibei Section (泗許高速淮北段)	1.5771	1.7987	2.44
42.	Si-Xu Expressway, Bozhou Section (泗許高速亳州段)	0.8215	0.8682	1.26
43.	Xu-Ming Expressway (徐明高速)	0.9348	1.0582	1.41
44.	Ma-Chao Expressway (馬巢高速)	3.8601	4.0379	5.05
45.	Ji-Qi Expressway, Tangshan Section (濟祁高速碭山段)	0.3341	0.3943	0.81
46.	Ji-Qi Expressway, Yongli Section (濟祁高速永利段)	0.5717	0.6758	0.85
47.	Dong-Jiu Expressway, Anhui Section (東九高速安徽段)	0.9593	1.0378	1.20
48.	Tong-Nan-Xuan Expressway (銅南宣高速)	1.8373	1.7737	2.68
49.	Chu-Ma Expressway (滁馬高速)	1.0481	1.2547	1.72
50.	Wangdong Yangtze River Bridge (望東長江大橋)	0.8854	1.0039	1.27
51.	Wangdong Yangtze River Bridge North Shore Connecting Route (望東橋北岸連接線)	0.6774	0.7710	0.88
52.	Li-Guang Expressway Anhui Section (溧廣高速安徽段)	0.2650	0.4174	0.52
53.	Ji-Qi Expressway, Lihuai Section (濟祁利淮段)	0.6170	0.7601	0.92
54.	Ji-Qi Expressway, Huaihe Section (濟祁淮合段)	0.4845	0.6504	0.74
55.	Li-Xuan Expressway (狸宣高速)	0.1423	0.1360	0.18
56.	Chao-Wu Expressway (巢無高速)	0.5100	0.7247	0.86
57.	No.2 bridge of Wuhu Yangtze River Bridge (蕪湖二橋)	0.2300	0.2770	0.52
58.	Sixian segment of Si-Xu Expressway (泗許高速泗縣段)	0.6718	0.9607	1.81
59.	Chu-Huai Expressway ChuDing Section (滁淮高速滁定段)	0.5600	1.4142	1.14
60.	Chu-Huai Expressway Dingchang Section (滁淮高速定長段)	0.5400	1.3485	1.56
61.	Guangning Expressway (廣寧高速)	0.2100	0.9615	0.51
62.	Chizhou Bridge and Connecting Route (池州橋及接線)	–	0.1498	0.60

Project Selection and construction

As an SOE wholly owned by Anhui SASAC, the Group is designated by the Anhui provincial government as the key toll road investment and operation sector in Anhui Province. During the years ending 31 December 2018, 2019 and 2020, the Anhui provincial government granted the Group concession rights to construct and operate approximately 92% of the provincial toll roads in the Anhui Province. The Group expects that the Anhui provincial government will continue to grant the Group such concession rights in the future.

The Group generally does not undertake the initial construction of roads, expressways and bridges, as it believes it is more beneficial to focus on monitoring and directly managing projects. However, when construction and repairs are necessary, the Group invites subcontractors to bid on an open tender and fixed price basis, which it believes is the most efficient and cost-effective method. After the engagement of a contractor, the Group continues to monitor and supervise work projects to ensure construction costs are within the budget and that there is strict adherence to its schedules and high standards.

Toll collection

Two types of toll collection systems are utilised in the PRC, namely the open system and the closed system. An open system is a toll system in which a fixed toll for each vehicle category is collected at each toll station on the expressway. Vehicles travelling on the expressway must stop at each toll station and pay the fixed toll. After paying a toll, the vehicle is free to leave the expressway or continue to the next toll station. A closed system is a toll system in which a ticket is issued to each vehicle at the interchange toll station upon entering an expressway and a toll is collected upon exiting an expressway, which is calculated by reference to the distance travelled on such expressway. All the expressways operated by the Group collect tolls by means of a closed system. A number of the Group's toll stations utilise a manual toll collection system where toll collectors are stationed in the toll booths and collect tolls in cash, while the rest of the Group's toll stations have installed automatic toll collection systems.

The Group closely monitors the collection of tolls and endeavours to prevent any fraud or pilfering. The Group carries out a regular reconciliation of the cash receipts against the total number of tickets issued as well as periodic spot checks of each toll collector. In addition, each toll booth and toll station is installed with closed circuit television cameras and monitoring systems to monitor traffic and toll collection 24 hours a day, seven days a week.

Toll road maintenance

Maintenance and repairs are divided into routine maintenance and major repairs. Under the guidance and supervision of the engineering department, each subsidiary is responsible for implementing the repairs and maintenance. Routine maintenance includes the clearing of carriageways, minor road pavement repairs, replacement of damaged road equipment, clearing of culverts and drains, grass cutting and landscape maintenance. Major repairs include substantial repair of damaged road pavement or rectification of major structural defects.

The Group strengthens the complete technology research on expressway maintenance (reconstruction), establishing and implementing the concept of ''life cycle'', and comprehensively upgrade the technological content of the expressway maintenance. The Group also investigates the road condition, acknowledges harmful road surface and completes the maintenance and improvement work. In addition, the Group advances the construction of the expressway's maintenance database and makes full use of the expressway comprehensive maintenance management system, so that it can further establish and improve scientific maintenance decision-making mechanisms to promote the transform from ''conventional emergency maintenance'' to ''scientific preventive maintenance''. The Group aims to improve the fixed budget of engineering maintenance, strengthen the follow-up management of maintenance funds, and control maintenance project cost. The Group implements the bidding system in large and middle-scaled maintenance of road projects to establish the marketisation of maintenance projects and to reduce the number and frequency of major and medium repairs so as to reduce maintenance costs.

B. Purchase and Sale of Gasoline, Diesel and Lubricant

The Group conducts its gasoline, diesel and lubricant purchase and sales business through its controlling subsidiary Anhui Expressway Petrochemicals Limited（安徽高速石化有限公司）("**Anhui Expressway Petrochemicals**"). As at 31 December 2020, Anhui Expressway Petrochemicals owned and operated 181 gas stations in the Anhui Province. The gas stations operated by the Group offer a variety of oil products, including gasoline, diesel, fuel additive and asphalt. The oil products sold at individual gas stations are procured through the Group's centralised procurement system from Sinopec Anhui Branch, and delivered to individual gas stations by Sinopec's regional offices. The retail prices of oil products sold in the PRC are set by the National Development and Reform Commission (the "**NDRC**") and adjusted from time to time. The gas stations in expressway service areas rely on expressway service areas to provide retail services for passing vehicles and adopt immediate settlement. As at 31 December 2018, 2019 and 2020, the revenue from the purchase and sale of gasoline, diesel and lubricant of the Group amounted to approximately RMB6,209.8 million, RMB6,468.8 million and RMB6,724.0 million, respectively and the gross margin was 5.8%, 6.9% and 9.6% respectively.

C. Engineering Survey, Design and Consulting Services

The engineering survey, design and consulting business of the Group is conducted by its subsidiary Anhui Transport Consulting & Design Institute Co., Ltd.（安徽省交通規劃設計研究總院股份有限公司, a company currently listed on the Shanghai Stock Exchange) ("**Anhui Transport Consulting & Design**") and its affiliates. Anhui Transport Consulting & Design is an engineering consulting enterprise with the most complete licence and permits in the field of transportation in Anhui Province, and the only enterprise in Anhui Province that obtains Class A design qualification in both expressway industry and water transportation industry. The business includes technical services related to survey and design, consultation and research, testing and inspection, engineering management of roads, bridges, geotechnical and tunnel engineering, water transportation engineering and municipal engineering. Anhui Transport Consulting & Design has undertaken key projects in Anhui, Yunnan, Xinjiang, Gansu, Inner Mongolia, Tibet, Sichuan, Chongqing, Qinghai and other provinces with complex geological terrain. With the implementation of the "One Belt, One Road" national strategy and the western development, Anhui Transport Consulting & Design has formed technical advantages and its business performance continues to maintain a steady growth trend. As at 31 December 2018, 2019 and 2020, the revenue from the engineering survey, design and consulting services of the Group amounted to approximately RMB1,126.9 million, RMB1,070.1 million and RMB1,520.8 million, respectively and the gross margin was 26.5%, 44.6% and 49.2% respectively.

D. Road Logistics Business

The integrated logistics business of the Group consists of the logistics business operated through its subsidiary Anhui Speedy Logistics Co., Ltd.（安徽迅捷物流有限責任公司）("**Speedy Logistics**") and the cargo transport business operated by Anhui Transportation (as defined below). The Group provides integrated logistics services, as a third-party logistics service provider, for manufacturers, retailers and other customers nationwide. Speedy Logistics provides a wide range of logistics services, such as storage and value-added services, trucking and distribution, and various ancillary services. In particular, it has implemented the model of "platform + service" ("平台 + 實務") instead of the single traditional model of warehousing logistics and trunk transportation. Under such model, the Group positions its logistics facilities of transportation port park in Anhui Province as a logistics platform and offers various logistics services, including FTL, LTL, shared city distribution service, vehicle parking service and material procurement service. FTL means the transportation of large freight whereby the Group transports the freight of an entire trailer from a single customer. LTL means the transportation of relatively small freight whereby the Group mixes freight from several customers in each trailer. During the 13th Five-Year Plan period, Speedy Logistics will start to implement the project of "Ten Cities Base Construction" ("十城基地建設"), and build no less than ten integrated logistics parks in Anhui Province.

The cargo transport business operated by automobile transport companies mainly relies on the transport network of the Group. The mileage of the operating routes and the price units are regulated by the relevant government authorities.

E. Road Passenger Transportation Business

The Group operates its road passenger transportation business through its subsidiary Anhui Transportation Group Limited (安徽省交運集團有限公司)("**Anhui Transportation**"), previously known as Anhui Transport Group Automobile Transport Limited (安徽省交通集團汽車運輸有限公司) and its affiliates. Anhui Transportation offers a variety of passenger transportation services, including point to point transit service, bus charter services and school bus services. Anhui Transportation is the only province-owned large state-owned professional transport enterprise in Anhui Province, and is also the first batch of enterprises in Anhui Province to pass the national road transport Grade A rating, The Group believes that Anhui Transportation is the largest road transportation company in the Anhui Province in terms of the number of vehicles operating. For the year ending 31 December 2020, Anhui Transportation transported 60.4 million passengers.

F. Leasing Business

The Group holds and operates a portion of its developed properties for long-term investment purposes. As at 31 December 2020, the Group operated and leased properties including Beijing Anlian Tower (北京安聯大廈), Shanghai Oriental Finance Plaza (上海東方金融廣場) and Shenzhen Anlian Tower (深圳安聯大廈).

2. Real Estate and Construction Business

The Group's real estate and construction business comprises property development business and others. The table below sets out the revenue and gross profit for each of the sub-business segments for the years indicated.

	Years ended 31 December					
	2018		2019		2020	
Business segments	Revenue	Gross profit	Revenue	Gross profit	Revenue	Gross profit
	(RMB million)					
Property development business	3,187.5	1,200.3	5,040.3	1,592.4	8,128.5	1,647.1
Others	688.7	50.8	561.7	55.4	758.0	42.3
Total	**3,876.1**	**1,251.0**	**5,602.0**	**1,647.8**	**8,886.5**	**1,689.4**

A. Property Development Business

The Group's development business focuses on the development of residential and commercial properties primarily in Anhui Province. The Group operates its property development business through its subsidiaries, Anhui High-way Real Estate Group Limited (安徽省高速地產集團有限公司), Anhui Jinggong Construction Group Limited (安徽省經工建設集團公司) and Anhui Anlian Expressway Co., Ltd. (安徽安聯高速公路有限公司). As at 31 December 2020, the Group's portfolio of completed properties had a total area of approximately 5.8 million Mu (including projects under construction) and primarily comprised residential properties, commercial properties and office spaces. As at 31 December 2020, the Group had 26 property projects that were under development or held for further development, of which 14 projects are expected to be completed by the end of 2021, and 10 projects are expected to be completed by the end of 2023. The total investment is RMB41.2 billion, of which RMB35.2 billion has been completed. The Group plans to invest RMB2.5 billion in 2021.

B. Others

Anhui Jinggong Construction Group Limited (安徽省經工建設集團公司), a subsidiary of the Group, is mainly engaged in housing construction projects, general contracting of municipal public works, construction and decoration engineering, foundation and foundation engineering, mechanical and electrical equipment installation engineering, building intellectualisation, steel structure engineering, fire

protection facilities engineering contracting, building decoration and hydropower installation, building curtain wall engineering, safety technology prevention engineering design and construction related business.

3. Investment and Asset Management Business

The Group operates its investment and asset management through its subsidiary Anhui Transportation Capital Investment Limited (安徽交控資本投資管理有限公司), which was established in January 2017. Anhui Transportation Capital Investment Limited is a unified capital operation platform for the Group to implement capital operations, serve existing industries, and cultivate emerging industries.

The Group is the largest shareholder of Wanjiang Financial Leasing Co., Ltd. (皖江金融租賃股份有限公司), and also participates in the equity investment of Huishang Bank, Guotai Junan Securities, Huaan Securities and other enterprises.

The table below sets out the revenue and gross profit for each of the sub-business segments for the years indicated.

	Years ended 31 December					
	2018		2019		2020	
Business segments	Revenue	Gross profit	Revenue	Gross profit	Revenue	Gross profit
	(RMB million)					
Interest income	9.4	9.4	12.4	12.4	13.0	13.0
Finance leasing business	136.4	106.9	166.1	125.2	173.6	140.5
Total	**145.8**	**116.3**	**178.4**	**137.6**	**186.7**	**153.5**

Employees

The Group is subject to various PRC laws and regulations in respect of labour, insurance, accidents, health and safety, including the Labour Law of the PRC (中華人民共和國勞動法), Labour Dispute Mediation and Arbitration Law of the PRC (中華人民共和國勞動爭議調解仲裁法), the Labour Contract Law of the PRC (中華人民共和國勞動合同法), the Social Insurance Law of the PRC (中華人民共和國社會保險法), the Interim Regulations on Collection and Payment of Social Insurance Premiums (社會保險費徵繳暫行條例), the Regulations on Work-related Injury Insurances (工傷保險條例), the Regulations on Unemployment Insurance (失業保險條例), the Trial Procedures for Childbirth Insurance of Enterprise Employees (企業職工生育保險試行辦法), Safe Production Law of the PRC (中華人民共和國安全生產法) and other related regulations, rules and provisions issued by the relevant governmental authorities from time to time.

The Group is committed to recruiting, training and retaining skilled and experienced employees throughout its operations. The Group intends to achieve this by offering competitive remuneration packages as well as by focusing on training and career development. As at 31 December 2020, the Group had more than 24,000 full-time employees. The Group has not experienced any strikes or other disruptions due to labour disputes. The Group continues to maintain good relationships with its employees.

Insurance

The Group maintains insurance policies including (i) property all risk insurance; (ii) machinery damage and loss; (iii) work-related accidents; and (iv) third party liability insurance. As at 31 December 2020, the Group had not experienced any significant loss or damage to its properties.

Environmental Matters

The Group is subject to certain environmental protection laws and regulations, including those relating to air pollution, noise emissions and water and waste discharge. Each of its property development projects is required under PRC law to undergo environmental impact assessments. The Group must submit the relevant environmental impact study or report to the environmental authorities, along with

other required documents, for evaluation and approval by the authorised environmental protection administrations. The approval from the relevant government authorities will specify the standards applicable to the implementation of the construction project with respect to areas such as air pollution, noise emissions and water and waste discharge. Such measures are required to be incorporated into the design, construction and operation of the particular project. Upon the completion of each project, the relevant government authorities will also inspect the site to ensure that all applicable environmental standards have been complied with before the property can be delivered to the purchaser.

None of the Group's properties have received any material fines or penalties associated with the breach of any environmental laws or regulations since the commencement of their operations and up to 31 December 2020. Its PRC legal adviser, Tianhe Law Firm, has confirmed that the Group has not violated any PRC Laws in relation to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants in any material respect.

Occupational Health and Safety

The PRC government imposes a number of regulatory requirements on transportation infrastructure companies with regard to employee safety. The Group regards occupational health and safety as one of its important social responsibilities, and has implemented safety measures to ensure compliance with applicable regulatory requirements. The Group has established a safety supervision department on each of its projects. These safety supervision departments conduct periodic inspections of operating facilities to ensure that its transportation infrastructure projects are in compliance with existing laws and regulations. The Group believes that safe practices are the only means to ensure employee safety. Thus, its safety supervision departments conduct regular training sessions for employees on accident prevention and management.

Legal Proceedings

The Group is involved in legal or other disputes from time to time during the ordinary course of its business. Each of these proceedings is, in the Group's view, immaterial in terms of their impact on the business, financial condition or results of operations of the Group. The Group is not aware of any, and its PRC legal adviser, Tianhe Law Firm, is of the opinion that there are no legal proceedings, pending or threatened, against the Group or its Directors, which would be expected to have a material adverse effect on its business, financial conditions and results of operations.

Overview

The Company's Board currently consists of seven Directors, Mr. Xiang Xiaolong, Mr. Qian Dongsheng, Mr. Sun Qingen, Mr. Wu Jinrong, Mr. Fang Xiaohong, Mr. Zhao Shibing and Ms. Liang Bing. The Directors are appointed by People's Government of Anhui Province and Anhui SASAC and, for a term of three years, and may be appointed for consecutive terms. External Directors may not serve for more than two consecutive terms. People's Government of Anhui Province and Anhui SASAC is expected to appoint more directors to the Company's Board.

Directors

The following table sets out information regarding the Company's Directors. Each of the Directors satisfies the qualification requirements under relevant PRC laws and regulations and the Listing Rules for his or her positions.

Name	Position
XIANG Xiaolong（項小龍）	Chairman of the Board, party secretary
QIAN Dongsheng（錢東升）	Director, general manager, deputy party secretary
SUN Qingen（孫慶恩）	Outside director
WU Jinrong（吳金榮）	Outside director
FANG Xiaohong（方曉宏）	Outside director
ZHAO Shibing（趙士兵）	Outside director
LIANG Bing（梁冰）	Employee director

Mr. XIANG Xiaolong is the chairman of the Board and the party secretary of the Company. He has held both positions since October 2019. Before joining the Company, Mr. Xiang worked in Anhui Provincial Supply and Marketing Cooperative Office（安徽省供銷社辦公室）and Anhui Provincial Agricultural Materials Company（安徽省農資公司）from July 1986 to January 2005. Mr. Xiang served as Mayor Assistant of Anqing Municipal Government from January 2005 to August 2008, and concurrently served as the director of the Municipal Development and Reform Commission from April 2005 to January 2007, and the general secretary of Anqing Municipal Government and director of Anqing Municipal Administrative Service Center from January 2007 to August 2008. Mr. Xiang served as deputy mayor of Anqing Municipal Government from August 2008 to September 2012, and concurrently served as member of the Standing Committee of the Anqing Municipal Party Committee from September 2011 to September 2021. From September 2012 to May 2015, he served as deputy director and member of the Party Committee of the State-owned Assets Supervision and Administration Commission of the Anhui Provincial Government, and from May 2018 to October 2019, he served as the deputy director and deputy secretary of the Party Committee of the State-owned Assets Supervision and Administration Commission of the Anhui Provincial Government. Mr. Xiang holds a master's degree.

Mr. QIAN Dongsheng is a director of the Board, a deputy party secretary and the general manager of the Company. He has held the positions since March 2016. Prior to the Merger, Mr. Qian held various positions with Anhui Expressway from January 2010 to December 2014, including deputy general manager, head of construction department and CPC committee member. He continued to serve as a deputy general manager and a CPC committee member of the Company from December 2014 to February 2016. Mr. Qian holds a bachelor's degree and is a senior engineer. Before joining the Company, Mr. Qian has had many years of experience in toll road construction and operations.

Mr. SUN Qingen is an outside director of the Board. He has held the positions since January 2021. Mr. Sun worked in Huaibei Mining Bureau from July 1989 to May 1998. Mr. Sun held various positions with Huaibei Mining Group from May 1998 to January 2021, including secretary of the Party branch, deputy director of operation, general manager of the materials branch company, director of the operation control department and deputy chief economist, and concurrently Mr. Sun also served as a deputy

general manager of Xinsheng International Trading Company (信盛國際貿易公司) from May 2014 to October 2014, and served as a deputy general manager of Logistics Trading Company (物流貿易公司) from October 2014 to December 2016. Mr. Sun holds a master's degree.

Mr. WU Jinrong is an outside director of the Board. He has held the positions since January 2021. Mr. Wu worked in Provincial Building Material Industry Bureau from July 1990 to June 1999, and worked in Anhui Science and Technology Industry Investment Corporation from January 2000 to December 2005. Mr. Wu held various positions with Anhui Credit Guarantee Group Co., Ltd. from December 2005 to January 2021, including temporary responsible person of the third guarantee department, general manager of the third guarantee department, vice chairman of the trade union committee and general manager of auditing department. Mr. Wu holds a master's degree in science.

Mr. FANG Xiaohong is an outside director of the Board. He has held the positions since January 2021. Mr. Fang worked in Anqing Taiwanese Enterprise Management Committee (安慶市臺屬企業管理委員會) from July 1991 to October 1992, and in Anqing Teachers College (安慶師範學院) from October 1992 to September 1993. Mr. Fang served in Provincial Planning Commission, Provincial Development and Reform Commission, Provincial Energy Bureau from September 1997 to January 2021. Mr. Fang holds a master's degree in economics.

Mr. ZHAO Shibing is an outside director of the Board. He has held the positions since January 2021. Mr. Zhao worked in Huaibei Coal Mine Construction Company from July 1985 to June 1993. Mr. Fang held various positions with China Coal Mine Construction Group Corporation Ltd. and China Coal Third Construction Group Co., Ltd. from June 1993 to January 2021, including deputy manager, director, general manager, chairman of the board and Party secretary. Mr. Zhao holds a master's degree in engineering.

Ms. LIANG Bing is an employee director of the Board and director of finance department. Ms. Liang held various positions with Anhui Expressway Company Limited (安徽皖通高速公路股份有限公司) and Anhui Expressway Corporation (安徽省高速公路總公司) from 1996 to March 2015, including deputy director of the secretary office of the board of directors, deputy general manager and manager of finance department. Ms. Liang joined the Company in March 2015 and served as director of finance department. Ms. Liang holds a master's degree in business management and is a senior auditor. Before joining the Company, Ms. Liang has had many years of experience in toll road construction and operations.

Senior Management

Each member of the Company's senior management satisfies the qualification requirements under the relevant PRC laws and regulations for the respective position. The senior management is responsible for the day-to-day operation of the Company's business. The following table sets out information regarding the Company's senior management.

Name	Position
QIAN Dongsheng (錢東升)	Director, general manager, deputy party secretary
CHEN Dafeng (陳大峰)	Deputy general manager, CPC committee member
YANG Xiaoguang (楊曉光)	Deputy general manager, CPC committee member
WANG Hongxiang (王宏祥)	Deputy general manager, CPC committee member
WANG Shude (王淑德)	Chief financial officer, CPC committee member
WEI Fabin (魏發斌)	Secretary of commission for discipline inspection, CPC committee member
LIAO Qiang (廖強)	Deputy general manager, CPC committee member
HU Ke (胡可)	Chief engineering officer
CHEN Yuping (陳玉萍)	Supervisor
HU Bingdong (盧炳東)	Chief legal counsel
XU Zhen (許振)	Chief economist

Please refer to "*Directors, Supervisors and Senior Management – Directors*" for the biography of Mr. Qian.

Mr. CHEN Dafeng is a deputy general manager of the Company and he has held the positions since December 2014. Prior to the Merger, Mr. Chen served as deputy general manager of Anhui Expressway from September 2012 to December 2014. He holds a doctorate degree and is a senior engineer. Before joining the Company, Mr. Chen held various positions at China Coal Mine Construction Group Corporation Ltd.(中煤第三建設(集團)有限責任公司) and at Anhui Sinopec Group Limited(安徽省石油化工集團有限公司).

Mr. YANG Xiaoguang is a deputy general manager and a CPC committee member of the Company and he has held the positions since December 2014. Prior to the Merger, Mr. Yang served as director, deputy general manager and CPC committee member of Anhui Transport from March 2001 to December 2014. Mr. Yang is also a senior engineer and holds a bachelor's degree.

Mr. WANG Hongxiang is a deputy general manager of the Company and he has held the position since December 2014. Mr. Wang served as deputy head and subsequently head of the construction management department of Anhui Transport from April 2004 to July 2008 and as deputy general manager of Anhui Transport from July 2008 to December 2014. Before joining the Company, Mr. Wang worked at the Anhui Expressway Bureau(安徽省公路局) and has extensive experience in toll road operations and management. Mr. Wang holds a doctorate degree and is a senior engineer.

Mr. WANG Shude is the chief financial officer of the Company and he has held the position since December 2014. Prior to the Merger, Mr. Wang served as chief financial officer of Anhui Expressway from May 2007 to December 2014. Before joining the Company, Mr. Wang held various roles at Jiangsu Xuzhou Mining Corporation(江蘇徐州礦務集團). Mr. Wang holds a master's degree and is a senior accountant.

Mr. WEI Fabin is the secretary of commission for discipline inspection and CPC committee member and he has held the position since April 2020. Before joining the Company, Mr. Wang held various roles at provincial party committee organization department, including investigator, deputy director and director.

Mr. LIAO Qiang is the deputy general manager, CPC committee member and he has held the position since April 2020. Prior to the Merger, Mr. Qian held various positions with Anhui Expressway from April 2011 to March 2015, including director, Party branch secretary and vice chairman of the union. Before joining the Company, Mr. Liao worked at the Anhui Expressway Company Limited(安徽皖通高速公路股份有限公司) and Anhui Expressway Corporation(安徽省高速公路總公司), and has extensive experience in toll road operations and management.

Mr. HU Ke is the chief engineering officer of the Company and he has held the position since December 2014. Prior to the Merger, Mr. Hu served as the chief engineering officer of Anhui Transport from May 2005 to December 2014. Before joining the Company, Mr. Hu served as deputy head and chief engineering officer of Anhui Road Survey and Design Institute(安徽省公路勘測設計院) from September 2001 to May 2005. Mr. Hu holds a master's degree from Tongji University and is a senior engineer.

Ms. CHEN Yuping is the supervisor of the Company and she has held the position since May 2020. Prior to the Merger, Ms. Chen served as the chief legal counsel at Anhui Transport from August 2011 to December 2014. Before joining the Company, Ms. Chen served as head of the organisation department of personnel at Anhui Higher People's Court from November 2003 to December 2005 and subsequently served as head of the department of personnel at China Executive Leadership Academy Pudong(中國浦東幹部學院) from December 2005 to August 2011. Ms. Chen holds a bachelor's degree.

Mr. LU Bingdong is the chief legal counsel of the Company and he has held the position since September 2018. Mr. Lu joined the Company in March 2015 and served as the secretary of the Board and director of general department. Before joining the Company, Mr. Lu held various roles at Liu An City People's Court, comprehensive management office of Anhui Province, Anhui Provincial Party Committee and Anhui Expressway Corporation. Mr. Lu holds a bachelor's degree in law and is a political division.

Mr. XU Zhen is the chief economist of the Company and he has held the position since August 2020. Mr. Xu held various roles at Anhui Provincial Highway Administration(安徽省高等級公路管理局), Anhui Expressway Company Limited(安徽皖通高速公路股份有限公司)and Anhui Expressway Corporation(安徽省高速公路總公司), and has extensive experience in toll road operations and management.

EXCHANGE RATE INFORMATION

PRC

The People's Bank of China (the "**PBOC**"), the central bank of the PRC, sets and publishes daily a base exchange rate with reference primarily to the supply and demand of Renminbi against a basket of currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, has been based on rates set by the PBOC, which are set daily based on the previous day's inter-bank foreign exchange market rates and current exchange rates in the world financial markets. From 1994 to 20 July 2005, the official exchange rate for the conversion of Renminbi to U.S. dollars was generally stable. On 21 July 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to that of the U.S. dollar only, to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. changed its decade-old policy of pegging the value of the Renminbi to that of the U.S. dollar only.

The PRC government has made further adjustments to the exchange rate system. The PBOC authorised the China Foreign Exchange Trading Centre, effective since 4 January 2006, to announce the central parity exchange rate of certain foreign currencies against the Renminbi at 9:15 a.m. on each business day. This rate is set as the central parity for the trading against the Renminbi in the inter-bank foreign exchange spot market and the over the counter exchange rate for that business day. On 18 May 2007, the PBOC enlarged, effective on 21 May 2007, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar from 0.3 per cent. to 0.5 per cent. around the central parity rate. This allows the Renminbi to fluctuate against the U.S. dollar by up to 0.5 per cent. above or below the central parity rate published by the PBOC. On 19 June 2010, the PBOC announced that in view of the recent economic situation and financial market developments in China and abroad, and the balance of payments situation in China, it has decided to proceed further with reform of the Renminbi exchange rate regime and to enhance the Renminbi exchange rate flexibility. According to the announcement, the exchange rate floating bands will remain the same as previously announced but the PBOC will place more emphasis on reflecting the market supply and demand with reference to a basket of currencies. On 12 April 2012, the PBOC announced that on 16 April 2012, the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar would be enlarged from 0.5 per cent. to 1.0 per cent. around the central parity rate, allowing the Renminbi to fluctuate against the U.S. dollar by up to 1.0 per cent. above or below the central parity rate published by the PBOC. The PBOC announced on 15 March 2014 that since 17 March 2014, the floating band for the trading prices in the inter-bank foreign exchange spot market of Renminbi against the U.S. dollar was further expanded from 1 per cent. to 2 per cent. On each business day, the spread between the Renminbi and U.S. dollar buying and selling prices offered by the designated foreign exchange banks to their clients shall be within 3.0 per cent. of the published central parity of the U.S. dollar on that day, instead of 2.0 per cent. On 11 August 2015, the PBOC adjusted the mechanism for market makers to form the central parity rate by requiring them to consider the closing exchange rate of the last trading date, the supply and demand of foreign exchange and the rate change at primary international currencies. For three conservative days commencing 11 August 2015, the PBOC devalued the Renminbi against the U.S. dollar, leading to declines in the value of the Renminbi versus the U.S. dollar of up to 2.8 per cent. in currency markets and representing the largest single-day drop in the value of the Renminbi since 1994. On 11 December 2015, CFETS, a sub-institutional organisation of the PBOC, published the CFETS Renminbi exchange rate index for the first time which weighs the Renminbi based on 13 currencies, to guide the market in order to measure the Renminbi exchange rate from a new perspective. During 2016, along with the progressive interest rate increased by the U.S. Federal Reserve, the Renminbi accumulatively depreciated by 7.2% against the U.S. dollar.

Although PRC governmental policies were introduced in 1996 to reduce restrictions on the convertibility of the Renminbi into foreign currency for current account items, conversion of the Renminbi into foreign currency for capital items, such as foreign direct investment, loans or security, requires the approval of SAFE and other relevant authorities.

The table below sets forth for the periods indicated, certain information concerning the exchange rates between Renminbi and U.S. dollars. For periods after 1 January 2012, the exchange rates reflect the exchange rates as set forth in the H.10 statistical release of the Board of Governors of the Federal Reserve System of the United States.

	Noon Buying Rate			
Period	**Period End**	**Average[(1)]**	**High**	**Low**
		(Renminbi per U.S.$1.00)		
2012	6.2301	6.2990	6.3879	6.2221
2013	6.0537	6.1478	6.2438	6.0537
2014	6.2046	6.1704	6.2591	6.0402
2015	6.4778	6.2869	6.4896	6.1870
2016	6.9430	6.6549	6.9580	6.4480
2017	6.5063	6.7350	6.9575	6.4773
2018	6.8755	6.6292	6.9737	6.2649
2019	6.9618	6.9014	7.1786	6.6822
2020	6.5250	6.8878	7.1681	6.5208
2021				
January	6.4282	6.4672	6.4822	6.4282
February	6.4730	6.4601	6.4869	6.4344
March	6.5518	6.5109	6.5716	6.4648
April	6.4749	6.5186	6.5649	6.4710
May	6.3674	6.4321	6.4749	6.3674
June	6.4566	6.4250	6.4811	6.3796
July	6.4609	6.4754	6.5132	6.4498
August (through 6th August 2021)	6.4825	6.4682	6.4825	6.4608

Note:

(1) Determined by averaging the rates on the last business day of each month during the relevant year, except for monthly average rates, which are determined by averaging the daily rates during the respective months.

PRC REGULATIONS

This section summarises the principal PRC laws and regulations which are relevant to the Group's business and operations and the provision of the Guarantee. As this is a summary, it does not contain a detailed analysis of the PRC laws and regulations which are relevant to the Group's business and operations or to the Guarantor.

Cross-Border Security

On 19 May 2014, SAFE promulgated the Cross-Border Security Provisions (the "**Cross-Border Security Provisions**") which took effect on 1 June 2014 and superseded a series of regulations previously issued by SAFE and brought substantial changes to the current cross-border security regime.

The Cross-Border Security Provisions require post-event registration of the cross-border security with a local SAFE branch. According to the Cross-Border Security Provisions, the approval, registration or recordation granted by the foreign exchange authority to a cross-border guarantee contract, or any other management matter or requirement as specified by Cross-Border Security Provisions, does not constitute an essential element for the effectiveness of the cross-border guarantee contract.

The Cross-Border Security Provisions also allow the cross-border security to be used for securing an offshore bond issuance, provided that (a) the offshore issuer shall be directly or indirectly owned by the onshore security provider; (b) the proceeds obtained from the offshore bond issuance shall be used for certain offshore projects which are related to the onshore security provider from a shareholding perspective; and (c) the issuer and such offshore projects have been duly approved by, registered and filed with, the relevant authorities in charge of outbound investment in PRC.

In respect of Nei Bao Wai Dai (security/guarantee provided by an onshore security provider for a debt owing by an offshore debtor to an offshore creditor), in the case where the onshore security provider is a non-financial institution, it shall conduct a registration of the relevant security/guarantee with SAFE within 15 working days after its execution (or 15 working days after the date of any change to the security). In accordance with the Cross-Border Security Provisions, the funds borrowed offshore under a Nei Bao Wai Dai shall not be directly or indirectly repatriated to or used onshore by means of loans, equity investments or securities investments without SAFE approval. On 26 January 2017, SAFE promulgated the "Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (Hui Fa [2017] No. 3)" (the "**Notice 3**"). Pursuant to the Notice 3, the funds borrowed offshore under a Nei Bao Wai Dai are permitted to be directly or indirectly repatriated to or used onshore by means of loans and equity investments. However, according to the Policy Questions and Answers (second batch) of the Notice of the State Administration of Foreign Exchange on Further Promoting the Reform of Foreign Exchange Administration and Improving the Examination of Authenticity and Compliance (the "**Questions and Answers**") promulgated by SAFE on 27 April 2017, the use of proceeds raised by overseas bonds issuance shall still comply with the provisions of the New Regulations, which means such proceeds shall be only used for overseas investment projects in which the domestic guarantor has equity interests and the relevant overseas issuer or projects have been approved, registered, recorded or confirmed by the domestic and overseas investment authorities.

PRC Currency Controls

Current Account Items

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers. Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012, except that the

key enterprises on a supervision list determined by the PBOC and five other relevant authorities in the PRC would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, the PBOC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the "**2013 PBOC Circular**") which simplified the procedures for cross-border Renminbi trade settlement under current account items. On 1 November 2014, the PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, the PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the "**2015 PBOC Circular**"), which, *inter alia*, has lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow. The 2015 PBOC Circular also provides that enterprises within a pilot free trade zone in the PRC, such as the China (Shanghai) Pilot Free Trade Zone ("**Shanghai FTZ**") may establish an additional cash pool in the local scheme in such pilot free trade zone, but each onshore company within the group may only elect to participate in one cash pool.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to the approval of, and/or registration or filing with, the relevant PRC authorities. Until recently, settlement of capital account items, for example, the capital contribution of foreign investors to foreign-invested enterprises in the PRC, were generally required to be made in foreign currencies. Under progressive reforms by the PBOC, the MOFCOM and SAFE, foreign investors are now permitted to make capital contribution, share transfer, profit allocation and liquidation and certain other transactions in Renminbi for their foreign direct investment within the PRC. Cross-border Renminbi payment infrastructure and trading facilities are being improved. Approval, registration and filing requirements for capital account payments in Renminbi are being removed gradually. The Circular on Reforming the Administrative Approach of the Foreign Exchange Capital Settlement for Foreign Invested Enterprises (關於改革外商投資企業外匯資本金結匯管理方式的通知) became effective on 1 June 2015 (the "**2015 SAFE Circular**"). In addition to the option to settle foreign current capital through payment-based foreign exchange settlement (支付結匯制), the 2015 SAFE Circular allows foreign-invested enterprises to settle up to 100 per cent. (subject to future adjustment at discretion of SAFE) of the foreign currency capital (which has been processed through SAFE's equity interest confirmation procedure for capital contribution in cash or registered by a bank on SAFE's system for account-crediting for such capital contribution) into Renminbi according to their actual operational needs on a voluntary basis. In principle, the Renminbi proceeds through the aforementioned voluntary settlement shall be deposited into designated bank account called capital account item - account for foreign currency settlement pending payment (資本項目–結匯待支付帳戶) (the "**Account for Foreign Currency Settlement Pending Payment**") as opened by such foreign-invested enterprise, and accordingly all future payments shall be processed from such Account for Foreign Currency Settlement Pending Payment. A negative list with respect to the usage of the foreign currency capital and the Renminbi proceeds settled therefrom is set forth under the 2015 SAFE Circular. In particular, a foreign-invested enterprise with investment as its main business (including the foreign-invested investment company (外商投資性公司), foreign-invested venture capital enterprise (外商投資創業投資企業) or foreign-invested private equity investment enterprise (外商投資股權投資企業)) is permitted to use the Renminbi proceeds settled from its foreign currency capital (whether directly settled, or from the

Renminbi deposit in its Account for Foreign Currency Settlement Pending Payment as previously settled through voluntary settlement) to make equity contribution to its invested enterprises directly according to the actual investment scale, without further filings with SAFE, under the premise that the domestic projects funded by them are true and comply with the relevant regulations. PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders (which are referred to as "**foreign debt**") and lend Renminbi-denominated loans to foreign borrowers (which are referred to as "**outbound loans**"), as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in Renminbi and make payments thereunder to parties in the PRC as well as other jurisdictions (which is referred to as "**cross-border security**"). Under current rules promulgated by SAFE, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. However, there remains potential inconsistencies between the provisions of the SAFE rules and the provisions of the 2013 PBOC Circular. It is not clear how regulators will deal with such inconsistencies in practice.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

TAXATION

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

PRC Taxation

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

Pursuant to the EIT Law effective on 1 January 2008 and amended on 29 December 2018 and the Individual Income Tax Law of the PRC, as amended on 31 August 2018 and effective on 1 January 2019 (the "**IIT Law**"), and their implementation rules respectively, an income tax is imposed on the interests by way of withholding in respect of the Bonds, paid by the Issuer (if such interests are regarded as income derived from sources within the PRC under the EIT Law or the IIT Law (as the case may be)) to non-resident Bondholders, including non-resident enterprises and non-resident individuals. The current rates of such income tax are 20 per cent. (for non-resident individuals) and 10 per cent. (for non-resident enterprises) of the gross amount of the interest. However, the tax so charged on interests paid on the Bonds to non-resident Bondholders who or which are residents of Hong Kong (including enterprise holders and individual holders) as defined under the Arrangement between the PRC and Hong Kong for Purpose of the Avoidance of Double Taxation will be 7 per cent. of the gross amount of the interest pursuant to the arrangement between the PRC and Hong Kong and relevant interpretation of the arrangement formulated by the SAT.

Under the EIT Law and its implementation rules, any gains realised on the transfer of the Bonds by holders who are deemed under the EIT Law as non-resident enterprises may be subject to PRC enterprise income tax if such gains are regarded as incomes derived from sources within the PRC. Under the EIT Law, a "non-resident enterprise" means an enterprise established under the laws of a jurisdiction other than the PRC and whose actual administrative organisation is not in the PRC, which has established offices or premises in the PRC, or which has not established any offices or premises in the PRC but has obtained incomes derived from sources within the PRC. In addition, there is uncertainty as to whether gains realised on the transfer of the Bonds by individual holders who are not PRC citizens or residents will be subject to PRC individual income tax under the IIT Law and its implementation rules. If such gains are subject to PRC income tax, the 10 per cent. enterprise income tax rate and 20 per cent. individual income tax rate will apply respectively unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax. The taxable income will be the balance of the total income obtained from the transfer of the Bonds minus all costs and expenses that are permitted under PRC tax laws to be deducted from the income. According to an arrangement between the PRC and

Hong Kong for avoidance of double taxation, Bondholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Bonds.

In addition, in the event that the Guarantor is required to discharge its obligations under the guarantee of the Bonds, the Guarantor will be obliged to withhold PRC enterprise income tax at the rate up to 10 per cent. on the payments of interest made by it under the guarantee of the Bonds to non-PRC enterprise Bondholders (or PRC individual income tax at the rate up to 20 per cent. in the case of payment to non-PRC individual Bondholders) as such payments of interest will be regarded as being derived from sources within the PRC. To the extent that the PRC has entered into arrangements relating to the avoidance of double taxation with any jurisdiction, such as Hong Kong, that exempt or allow a lower rate of withholding tax, such lower rate may apply to qualified non-PRC Bondholders. Repayment of the principal made by the Issuer or the Guarantor will not be subject to PRC withholding tax.

On 23 March 2016, the MOF and the SAT issued Circular 36, which introduced a new VAT from 1 May 2016. Under Circular 36, VAT is applicable where the entities or individuals provide services within the PRC. The operating income generated from the provision of taxable sale of services by entities and individuals, such as financial services, shall be subject to PRC VAT if the seller or buyer of the services is within the PRC. In the event that foreign entities or individuals do not have a business establishment in the PRC, the purchaser of services shall act as the withholding agent. According to the Explanatory Bonds to Sale of Services, Intangible Assets and Real Property attached to Circular 36, financial services refer to the business activities of financial and insurance operation, including loan processing services, financial services of direct charges, insurance services and the transfer of financial instruments, and the VAT rate is 6 per cent. Circular 36 further clarified that "loan processing" refers to the activity of lending capital for another's use and receiving the interest income thereon, therefore based on such an interpretation of "loan processing" under the Circular 36, the issuance of Bonds may be treated as the Bondholders providing loans to the Issuer or the Guarantor (in the event the Guarantor undertakes the obligations under the guarantee of the Bonds), which thus shall be regarded as the provision of financial services. Accordingly, the interest and other interest like earnings received by a non-PRC resident Bondholder from the Issuer will be subject to PRC VAT at the rate of 6 per cent. The Issuer will be obligated to withhold VAT of 6 per cent. and certain surcharges on VAT for payments of interest and certain other amounts on the Bonds paid by the Issuer to Bondholders that are non-resident enterprises or individuals. However, there is uncertainty as to whether gains derived from a sale or exchange of Bonds consummated outside of the PRC between non-PRC resident Bondholders will be subject to PRC VAT. VAT is unlikely to be applicable to any transfer of Bonds between entities or individuals located outside of the PRC and therefore unlikely to be applicable to gains realised upon such transfers of Bonds, but there is uncertainty as to the applicability of VAT if either the seller or buyer of Bonds is located inside the PRC. Circular 36 together with other laws and regulations pertaining to VAT are relatively new, the interpretation and enforcement of such laws and regulations involve uncertainties.

The Issuer has agreed to pay additional amounts to holders of the Bonds so that holders of the Bonds would receive the full amount of the scheduled payment, as further set out in the Terms and Conditions of the Bonds.

No PRC stamp duty will be imposed on non-resident Bondholders either upon issuance of the Bonds or upon a subsequent transfer of Bonds.

Hong Kong Taxation

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(b) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of the trade, profession or business;

(c) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(d) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

Stamp duty

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

The Proposed Financial Transactions Tax (the "FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a

participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Joint Lead Managers dated 19 August 2021 (the "**Subscription Agreement**") pursuant to which and subject to certain conditions contained in the Subscription Agreement, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed to subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds set forth opposite its name below.

	Amount of the Bonds to be subscribed
	(U.S.$)
Joint Lead Managers	
Guotai Junan Securities (Hong Kong) Limited	200,000,000
Standard Chartered Bank	70,000,000
CNCB (Hong Kong) Capital Limited	70,000,000
Industrial and Commercial Bank of China (Asia) Limited	5,000,000
China Construction Bank (Asia) Corporation Limited	5,000,000
CMB Wing Lung Bank Limited	5,000,000
China Minsheng Banking Corp., Ltd., Hong Kong Branch	5,000,000
Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch	5,000,000
Industrial Bank Co., Ltd. Hong Kong Branch	5,000,000
DBS Bank Ltd.	5,000,000
BOCOM International Securities Limited	5,000,000
CMBC Securities Company Limited	5,000,000
China International Capital Corporation Hong Kong Securities Limited	5,000,000
CLSA Limited	5,000,000
China Merchants Securities (HK) Co., Limited	5,000,000
Total	400,000,000

The Subscription Agreement provides that the Issuer and the Guarantor will jointly and severally indemnify the Joint Lead Managers and their respective affiliates against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Joint Lead Managers are subject to certain conditions precedent and entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Joint Lead Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities ("**Banking Services or Transactions**"). The Joint Lead Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services and/or Transactions with the Issuer and the Guarantor for which they have received, or will receive, fees and expenses.

In connection with the offering of the Bonds, the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may place orders, receive allocations and purchase Bonds for their own account (without a view to distributing such Bonds) and such orders and/or allocations of the Bonds may be material. Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the Bonds being 'offered' should be read as including any offering of the Bonds to the Joint Lead Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any legal or regulatory obligation to do so. Furthermore, it is possible that only a limited number of investors may subscribe for a significant proportion of the Bonds. If this is the case, liquidity of trading in the Bonds may be constrained (see "*Risk Factors – Risks Relating to the Bonds and the Guarantee – An active trading market for the Bonds may not develop*"). The Issuer, the Guarantor and the Joint Lead Managers are under no obligation to disclose the extent of the distribution of the Bonds among individual investors.

In the ordinary course of their various business activities, the Joint Lead Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Bonds and could adversely affect the trading prices and liquidity of the Bonds. The Joint Lead Managers and their respective affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments.

In connection with the issue of the Bonds, any of the Joint Lead Managers appointed and acting in the capacity of a stabilisation manager (or persons acting on its behalf) (the "**Stabilisation Manager**") may, to the extent permitted by applicable laws and directives, over-allot the Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager shall act as principal and not as agent of the Issuer or the Guarantor. However, there is no assurance that the Stabilisation Manager or any person acting on behalf of the Stabilisation Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall be for the account of the Joint Lead Managers.

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer, the Guarantor or the Joint Lead Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering or publicity material in connection with the Bonds may be distributed or published, by the Issuer, the Guarantor or the Joint Lead Managers, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer, the Guarantor or the Joint Lead Managers.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Lead Managers or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

United States

The Bonds and the Guarantee have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds and the Guarantee are being offered and sold outside of the United States in reliance on Regulation S. In addition, until 40 days after the commencement of the offering of the Bonds and the Guarantee, an offer or sale of the Bonds or Guarantee within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

The Joint Lead Managers have represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Hong Kong

The Joint Lead Managers have represented, warranted and agreed that:

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

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

Singapore

The Joint Lead Managers have acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Joint Lead Managers have represented and agreed that they have not offered or sold any Bonds or caused such Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell such Bonds or cause such Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA, except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

In connection with Section 309B of the SFA and the CMP Regulations 2018, the Issuer has determined the classification of the Bonds as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Japan

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

The People's Republic of China

The Joint Lead Managers have represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the PRC.

Switzerland

The Bonds may not be publicly offered, sold, or advertised, directly or indirectly, in, into or from Switzerland, and will not be listed on SIX Swiss Exchange ("**SIX**") or on any other exchange or regulated trading facility in Switzerland. The Final Offering Circular has been prepared without regard

to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations, or the disclosure standards for listing prospectuses under article 27 et seq. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland, or the rules related to prospectuses under Swiss Federal Act on Collective Investment Schemes ("**CISA**"). Neither the Final Offering Circular nor any other offering or marketing material relating to the Bonds or the Offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither the Final Offering Circular nor any other offering or marketing material relating to the Offering, the Issuer or the Bonds have been or will be filed with or approved by any Swiss regulatory authority. In particular, the Final Offering Circular will not be filed with, and the offer of Bonds will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"). Acquirers of the Bonds will not benefit from protection or supervision by FINMA.

GENERAL INFORMATION

Clearing Systems: The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code 237462149 and ISIN XS2374621493.

Authorisations: The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by resolutions of the board of directors of the Issuer passed on 12 August 2021. The Guarantor has obtained all necessary consents, approvals and authorisations in connection with the giving and performance of its obligations under the Guarantee, the Trust Deed and the Agency Agreement. The giving of the Guarantee was authorised by an approval of the board of directors of the Guarantor dated 2 March 2021.

No Material Adverse Change: There has been no material adverse change, or any development or event likely to involve a prospective change, in the condition (financial or otherwise), prospects, properties, results of operations, business or general affairs of the Issuer, the Guarantor or the Group since 31 December 2020.

Litigation: None of the Issuer, the Guarantor or any other member of the Group is not involved in any litigation or arbitration proceedings that the Issuer or Guarantor believes are material in the context of the Bonds and the giving of the Guarantee, and so far as the Issuer and the Guarantor are aware, no such proceedings are pending. To the best knowledge of the Issuer or the Guarantor (after due and careful enquiry), no such litigation or arbitration proceedings are threatened.

Reliance on Certificates: Pursuant to the Terms and Conditions of the Bonds and the Trust Deed, the Trustee may rely without liability to Bondholders, the Issuer, the Guarantor or any other person on any report, confirmation, certificate or information from or any advice or opinion of any legal counsel, accountants, financial advisers, financial institution or any other expert, whether or not obtained by or addressed to it and whether or not their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation, certificate, information, advice or opinion, in which event such report, confirmation, certificate, information, advice or opinion shall be binding on the Issuer, the Guarantor and the Bondholders.

Available Documents: So long as any of the Bonds is outstanding, copies of:

(i) all the documents mentioned below will be available for inspection from the Issue Date at the registered office of the Issuer at all reasonable times during usual business hours (being 9:00 a.m. and 3:00 p.m. from Monday to Friday other than a public holiday); and

(ii) the last three documents mentioned below will be available for inspection from the Issue Date at the principal office of the Trustee (being at the date of this Offering Circular at 20/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong) following prior written request and proof of holding and identity satisfactory to the Trustee, at all reasonable times during usual business hours (being 9:00 a.m. and 3:00 p.m. from Monday to Friday other than a public holiday):

- the articles of association of each of the Issuer and the Guarantor;
- the Issuer's Audited Financial Statements;
- the Guarantor's Audited Financial Statements;
- the Trust Deed;

- the Deed of Guarantee; and
- the Agency Agreement.

Financial Statements: The Issuer's Audited Financial Statements, which are included elsewhere in this Offering Circular, have been audited by PwC, the Issuer's independent auditor, as stated in its report appearing herein. The Guarantor's Audited Financial Statements, which are included elsewhere in this Offering Circular, have been audited by RSM CHINA CPA LLP and Baker Tilly China, the Group's independent auditors, as stated in its report appearing herein.

Listing: Application will be made to the Hong Kong Stock Exchange for the listing of the Bonds by way of debt issues to Professional Investors only and such permission is expected to become effective on 27 August 2021.

INDEX TO FINANCIAL INFORMATION

	Page
Audited consolidated financial statements of the Guarantor as at and for the year ended 31 December 2019	F-4
Audited consolidated financial statements of the Guarantor as at and for the year ended 31 December 2020	F-203

Auditor's Report

Anhui Transportation Holding Group Co., Ltd.

RSMSZ[2020]NO. 230Z0189

RSM CHINA CPA LLP

CHINA·BEIJING

Contents

		Page
1	Auditor's report	1 - 4
2	Consolidated Statement of Financial Position	5 - 6
3	Consolidated Statement of Profit or Loss and Other Comprehensive Income	7
4	Consolidated Statement of Cash Flows	8
5	Consolidated Statement of Changes in Equity	9 - 10
6	Consolidated Statement of Changes in State-owned Assets	11
7	Statement of Financial Position	12 - 13
8	Statement of Profit or Loss and Other Comprehensive Income	14
9	Statement of Cash Flows	15
10	Statement of Changes in Equity	16 - 17
11	Statement of Changes in State-owned Assets	18
12	Notes to the Financial Statements	19 - 205

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Auditor's Report

RSMSZ [2020] NO. 230Z0189

To All Shareholders of Anhui Transportation Holding Group Co., Ltd.:

Opinion

We have audited the financial statements of Anhui Transportation Holding Group Co., Ltd. (hereafter referred to as "Transportation Holding Group"), which comprises the consolidated and the parent company's statement of financial position as at 31 December 2019, the consolidated and the parent company's statement of profit or loss and other comprehensive income, the consolidated and the parent company's statement of cash flows, the consolidated and the parent company's statement of changes in equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying Transportation Holding Group's financial statements present fairly, in all material respects, the consolidated and the company's financial position as at 31 December 2019, and of their financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

Basis for Opinion

We conducted our audit in accordance with Chinese Standards on Auditing (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 Transportation Holding Group in accordance with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management of Transportation Holding Group is responsible for the other information.

RSM China CPA LLP is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firmwhich practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

The other information comprises the information included in the Annual Report of Transportation Holding Group for the year of 2019, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of 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 of Transportation Holding Group is responsible for the preparation and fair presentation of the financial statements in accordance with Accounting Standards of Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Transportation Holding Group's ability to continue as a going concern, and using the going concern basis of accounting unless management either intends to liquidate Transportation Holding Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Transportation Holding Group'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.

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

i) 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.

ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) 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 Transportation Holding Group'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 Transportation Holding Group to cease to continue as a going concern.

v) 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.

vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Transportation Holding Group 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.

(There is no text below, only the signature and seal page for the report RSMSZ [2020] NO. 230Z0189 of Anhui Transportation Holding Group Co., Ltd.)

RSM China CPA LLP

China·Beijing

[Name of CPA]:

[Name of CPA]:

[Name of CPA]:

March 27, 2020

Consolidated Statement of Financial Position
as at 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd 2019/12/31 Unit: Yuan Currency: RMB

Item	Note	31 Dec 2019	31 Dec 2018
Current assets:			
Cash and cash equivalents	Note 8.1	15,034,079,690.76	14,820,361,552.32
Deposit reservation for balance			
Lendings to Banks and Other Financial Institutions			
Held-for-trading financial assets	Note 8.2	974,373,486.30	
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable	Note 8.3	48,949,274.73	45,980,512.70
Accounts receivable	Note 8.4	2,187,735,976.37	1,944,776,287.88
Accounts receivable financing			
Advances to suppliers	Note 8.5	1,008,807,857.84	905,925,741.94
Premiums receivable			
Reinsurance receivable			
Reinsurance contract reserves receivable			
Other receivables	Note 8.6	1,374,991,417.03	1,000,188,874.42
Financial assets held under resale agreements			
Inventories	Note 8.7	22,713,876,711.90	20,959,582,704.31
Including: Raw materials		30,184,218.40	32,484,535.18
Finished goods		4,873,176,702.46	4,680,498,660.80
Contractual assets			
Assets classified as held for sale			
Non-current assets maturing within one year	Note 8.8	713,669,196.69	540,007,982.70
Other current assets	Note 8.9	2,313,616,682.37	2,339,725,632.32
Total current assets		**46,370,100,293.99**	**42,556,549,288.59**
Non-current assets:			
Loans and advances to customers			
Debt investments			
Available-for-sale financial assets	Note 8.10	4,004,042,837.57	3,734,163,273.95
Other debt investments			
Held-to-maturity investments			
Long-term receivables	Note 8.11	850,940,648.30	1,124,724,503.45
Long-term equity investments	Note 8.12	5,802,434,202.78	2,921,861,649.63
Other equity instruments investment	Note 8.13	100,530,888.10	121,299,364.67
Other non-current financial assets	Note 8.14	141,052.77	
Investment properties	Note 8.15	3,546,440,227.74	2,604,389,281.45
Fixed assets	Note 8.16	180,590,779,568.25	173,619,417,383.18
Construction in progress	Note 8.17	8,660,654,180.17	14,533,426,513.25
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets	Note 8.18	744,139,929.05	537,595,264.16
Research and development expenditure			
Goodwill	Note 8.19	33,873,932.45	37,395,104.78
Long-term deferred expenses	Note 8.20	212,746,798.51	115,050,945.54
Deferred tax assets	Note 8.21	1,228,735,180.94	918,269,002.34
Other non-current assets	Note 8.22	347,607,759.68	1,858,603,442.90
Including: Special Reserve Materials			
Total non-current assets		**206,123,067,206.31**	**202,126,195,729.30**
Total assets		**252,493,167,500.30**	**244,682,745,017.89**

Legal Representative: Chief Financial Officer: Finance Manager:

Consolidated Statement of Financial Position
as at 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd 2019/12/31 Unit: Yuan Currency: RMB

Item	Note	31 Dec 2019	31 Dec 2018
Current liabilities			
Short-term borrowings	Note 8.23	3,517,880,000.00	4,221,980,000.00
Borrowing from the central bank			
Borrowings from Banks and Other Financial Institutions			
Held-for-trading financial liabilities			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable	Note 8.24	21,739,894.10	64,237,136.90
Accounts payable	Note 8.25	11,587,776,345.33	12,754,194,810.83
Advances from customers	Note 8.26	10,261,597,041.58	6,943,756,641.17
Contractual liability			
Financial assets sold under repurchase agreements			
Deposits from customers and banks			
Customer stock brokerage deposits			
Customer stock underwriting deposits			
Employee benefits payable	Note 8.27	235,584,529.59	218,721,849.99
Including: Salaries payable		120,273,756.38	119,283,731.35
Welfare payable		7,294,983.61	8,612,171.26
Including: Staff Bouns and Welfare Fund			
Taxes payable	Note 8.28	1,026,979,920.94	1,050,777,237.67
Including: Tax payable		993,654,787.03	839,516,594.20
Other payables	Note 8.29	3,627,582,981.31	3,824,019,769.84
Fees and commissions payable			
Reinsurance payables			
Liabilities classified as held for sale			
Non-current liabilities maturing within one year	Note 8.30	19,052,245,638.91	17,840,039,032.50
Other current liabilities	Note 8.31	7,136,481,738.91	4,633,881,372.90
Total current liabilities		**56,467,868,090.67**	**51,551,607,851.80**
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings	Note 8.32	84,883,785,606.19	85,535,834,194.98
Bonds payable	Note 8.33	17,529,912,897.88	19,584,210,561.26
Including: Preference share			
Perpetual capital securities			
Lease liabilities			
Long-term payables	Note 8.34	1,121,096,199.79	1,301,059,201.54
Long-term employee benefits payable			
Estimated liabilities	Note 8.35	15,738,682.30	18,314,587.75
Deferred income	Note 8.36	322,880,078.70	315,642,451.95
Deferred tax liabilities	Note 8.21	2,026,862,082.05	1,778,318,484.78
Other non-current liabilities	Note 8.37	70,000,000.00	70,000,000.00
Including: Special Reserve Fund			
Total non-current liabilities		**105,970,275,546.91**	**108,603,379,482.26**
Total liabilities		**162,438,143,637.58**	**160,154,987,334.06**
Owners' equity			
Share capital		16,000,000,000.00	16,000,000,000.00
State-owned capital		16,000,000,000.00	16,000,000,000.00
State-owned corporate capital			
Collective capital			
Private capital			
Foreign investment capital			
Less: Returned capital			
Net share capital	Note 8.38	16,000,000,000.00	16,000,000,000.00
Other equity instruments	Note 8.39	2,000,000,000.00	2,000,000,000.00
Including: Preference share			
Perpetual capital securities		2,000,000,000.00	2,000,000,000.00
Capital reserves	Note 8.40	46,319,580,594.67	43,337,654,173.97
Less: Treasury stock			
Other comprehensive income	Note 8.41	1,088,984,285.11	978,673,866.44
Including: Translation differences in foreign currency statements			
Specific reserves	Note 8.42	55,637,711.42	41,836,390.37
Surplus reserves	Note 8.43	1,002,226,620.07	785,741,765.99
Including: Statutory reserves		1,002,226,620.07	785,741,765.99
Arbitrary reserves			
Reserve fund			
Enterprise development fund			
Profit capitalized on return of investment			
General risk reserves			
Retained earnings	Note 8.44	10,940,091,768.63	9,179,174,042.83
Total owner's equity attributable to parent company		**77,406,520,979.90**	**72,323,080,239.60**
Non-controlling interests		12,648,502,882.82	12,204,677,444.23
Total owners' equity		**90,055,023,862.72**	**84,527,757,683.83**
Total liabilities and owners' equity		**252,493,167,500.30**	**244,682,745,017.89**

Legal Representative: Chief Financial Officer: Finance Manager:

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd

Unit: Yuan Currency: RMB

Item	Note	2019	2018
I. Revenue		**35,351,285,710.25**	**31,161,918,764.76**
Including: Operating revenue	Note 8.45	35,338,929,127.87	31,152,503,529.91
Interest income	Note 8.46	12,356,582.38	9,415,234.85
Premium Income			
Fee and commission income			
II. Cost of sales		**30,491,493,839.24**	**26,999,146,036.57**
Including: Operating cost	Note 8.45	23,082,809,624.28	19,625,834,417.62
Interest expense			
Fee and commission expense			
Cash surrender value			
Net amount of compensation paid			
Net amount of withdrawal of insurance contract reserve			
Policyholder dividends resulting from participation in profits			
Reinsurance expense			
Taxes and surcharges		568,604,865.08	505,861,821.59
Selling and distribution expenses	Note 8.47	857,553,932.14	717,882,630.39
General and administrative expenses	Note 8.47	1,005,996,086.89	896,335,088.58
Research and development expenses	Note 8.47	75,844,393.36	64,929,716.69
Finance costs	Note 8.47	4,900,684,937.49	5,188,302,361.70
Including: Interest expense		5,327,154,567.34	5,603,099,057.49
Interest income		523,543,045.86	601,658,246.38
Exchange net loss		69,956,902.31	168,754,149.48
Others			
Add: Other income	Note 8.48	385,332,448.19	289,047,149.47
Investment income/(losses)	Note 8.49	499,636,411.54	305,737,329.89
Including: Investment income from associates and joint ventures		335,154,724.39	211,821,959.61
Gains /(losses) from derecognition of financial assets measured at amortised cost			
Gains /(losses) from foreign exchange			
Income /(losses) from net exposure hedging			
Gains/(losses) from changes in fair values	Note 8.50	13,942,846.00	
Impairment loss of credit	Note 8.51	-111,539,688.63	-2,711,811.54
Impairment loss of asset	Note 8.52	-879,023,481.38	-163,950,855.11
Gains/(losses) from disposal of assets	Note 8.53	4,551,156.44	49,518,620.33
III. Profit/(loss) from operations		**4,772,691,563.17**	**4,640,413,161.23**
Add: Non-operating income	Note 8.54	76,558,785.74	62,121,368.69
Including: Government grants			
Less: Non-operating expenses	Note 8.55	158,232,194.52	27,728,325.46
IV. Profit/(loss) before tax		**4,691,018,154.39**	**4,674,806,204.46**
Less: Income tax expenses	Note 8.56	1,508,222,591.57	1,366,687,476.27
V. Net profit/(loss) for the year		**3,182,795,562.82**	**3,308,118,728.19**
(I) Net profit/(loss) by ownership attribution			
Attributable to owners of the parent		2,480,165,338.64	2,526,013,455.80
Attributable to non-controlling interests	Note 8.57	702,630,224.18	782,105,272.39
(II) Net profit/(loss) by continuity			
Net profit/(loss) from continuing operation		3,182,795,562.82	3,308,125,831.54
Net profit/(loss) from discontinued operation			-7,103.35
VI. Other comprehensive income for the year, after tax		99,660,863.10	-468,819,595.27
(a) Attributable to owners of the parent	Note 8.58	110,310,418.67	-433,670,893.25
(i) Items that will not be reclassified subsequently to profit or loss		-4,926,801.85	-16,260,837.28
1.Remeasurement of the net defined benefit liability (asset)			
2. Other comprehensive income using the equity method which will not be reclassified subsequently to profit and loss			
3. Changes in fair value of other equity instrument investment		-4,926,801.85	-16,260,837.28
4. Changes in fair value of the Company's own credit risks			
5. Others			
(ii) Items that may be reclassified subsequently to profit or loss		115,237,220.52	-417,410,055.97
1. Other comprehensive income using the equity method which will be reclassified subsequently to profit or loss		2,168,489.42	-32,366,655.26
2. Changes in fair value of other debt instrument investment			
3. Gains/(losses) arising from changes in fair value of available-for-sale financial assets		113,068,731.10	-385,043,400.71
4. Other comprehensive income arising from the reclassi ficationof financial assets			
5. Gains/(losses) arising from reclassification of held-to-maturity investment as available-for-sale financial assets			
6. Provision for credit impairment in other debt investments			
7. Reserve for cash flow hedges			
8. Exchange differences on translating foreign operations			
9. Others			
(b) Attributable to non-controlling interests		-10,649,555.57	-35,148,702.02
VII. Total comprehensive income for the year		**3,282,456,425.92**	**2,839,299,132.92**
Attributable to owners of the parent		2,590,475,757.31	2,092,342,562.55
Attributable to non-controlling interests		691,980,668.61	746,956,570.37
VIII. Earnings per share:			
Basic earnings per share		/	/
Diluted earnings per share		/	/

Legal Representative: Chief Financial Officer: Finance Manager:

Consolidated Statement of Cash Flows
for the year ended 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd

Unit: Yuan Currency: RMB

Items	Note	2019	2018
I.Cash flows from operating activities			
Cash received from the sale of goods and the rendering of services		36,404,473,211.83	32,560,921,739.94
Net increase of deposits from customers and banks			
Net increase of borrowings from the central bank			
Net increase of placements from other financial institutions			
Cash received from premium of original insurance contracts			
Net cash received from reinsurance business			
Net increase of deposit and investment of policyholder			
Net increase in disposal of financial assets at fair value through profit or loss			
Cash received from interests, fees and commissions		6,893,734.78	3,254,031.49
Net increase of borrowings from other banks			
Net increase of fund from repurchase business			
Net cash received as agent of stock exchange			
Cash received from tax refund		1,247,396.26	4,843,269.23
Other cash received relating to operating activities		3,305,875,630.01	4,162,482,098.83
Sub-total of cash inflows from operating activities		39,718,489,972.88	36,731,501,139.49
Cash payments for goods purchased and services received		13,986,286,548.15	13,133,888,652.19
Net increase of loans and advances to customers		15,194,694.00	51,052,616.00
Net increase of deposits in central bank and other banks			
Cash payments to compensation of original insurance contract			
Net increase of Lendings to Banks and Other Financial Institutions			
Cash payments to interests, fees and commissions			
Cash payments for Policyholder dividends resulting from participation in profits			
Cash payments to and on behalf of employees		3,592,230,844.72	3,210,226,465.88
Payments of taxes		2,954,640,610.50	2,523,685,652.32
Other cash payments relating to operating activities		3,314,690,158.95	4,037,402,594.92
Subtotal of cash outflows from operating activities		23,863,042,856.32	22,956,255,981.31
Net cash flow from operating activities		**15,855,447,116.56**	**13,775,245,158.18**
II. Cash flows from investing activities			
Cash received from capital contributions		2,306,152,627.20	1,249,461,716.39
Cash received from returns on investments		246,237,741.84	261,557,542.24
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		97,557,275.26	61,020,113.22
Net cash received from disposals of subsidiaries and other business units			
Other cash received relating to investing activities		1,268,136,605.75	664,056,676.63
Sub-total of cash inflows from investing activities		3,918,084,250.05	2,236,096,048.48
Cash payments to acquire fixed, intangible and other long-term assets		11,572,475,641.51	11,762,212,677.47
Cash payments to acquire investments		2,662,673,268.00	3,167,199,900.00
Net increase in pledged loan			
Net cash payments to acquire subsidiaries and other business units			
Other cash payments relating to investing activities		1,748,155,634.66	236,170,786.72
Sub-total of cash outflows from investing activities		15,983,304,544.17	15,165,583,364.19
Net cash flow from investment activities		**-12,065,220,294.12**	**-12,929,487,315.71**
III.Cash flows from financing activities:			
Cash received from investors		3,209,457,300.00	3,432,087,086.00
Including: Cash received from non-controlling interest of subsidiaries		22,713,300.00	445,187,086.00
Cash received from borrowings		27,221,173,204.16	28,769,657,900.03
Cash received from bond issue			2,388,834,044.80
Cash received from other financing activities		5,000,000.00	320,000,000.00
Sub-total of cash inflows from financing activities		30,435,630,504.16	34,910,579,030.83
Cash repayments of debts		27,471,177,256.14	25,519,941,562.03
Cash payments for dividends, distribution of profit and interest expenses		6,500,517,765.38	6,381,612,580.90
Including: Dividends, distribution of profit paid by subsidiaries to minority shareholders		539,585,595.33	467,999,369.58
Other cash payments relating to financing activities		157,924,966.37	271,000,555.68
Sub-total of cash outflows from financing activities		34,129,619,987.89	32,172,554,698.61
Net cash flow from financing activities		**-3,693,989,483.73**	**2,738,024,332.22**
IV. Effect of exchange rate changes on cash and cash equivalents		**2,616,651.05**	**3,958,999.20**
V. Net increase in cash and cash equivalents		**98,853,989.76**	**3,587,741,173.89**
Plus: Cash and cash equivalents at the beginning of the period		14,352,363,880.93	10,764,622,707.04
VI. Cash and cash equivalents at the end of the period		**14,451,217,870.69**	**14,352,363,880.93**

Legal Representative: Chief Financial Officer: Finance Manager:

Consolidated Statement of Changes in Owners' Equity
for the year ended 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd

Unit: Yuan Currency: RMB

Items	2019												
	Owners' equity attributable to the parent company											Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	General risk reserves	Retained earnings	Total	
		Preference shares	Perpetual capital securities	Others									
I. Balance at 31 December 2018	**16,000,000,000.00**		**2,000,000,000.00**		**43,337,654,173.97**		**978,673,866.44**	**41,836,390.37**	**785,741,765.99**		**9,179,174,042.83**	**72,323,080,239.60**	**12,204,677,444.23**	**84,527,757,683.83**
Add: Changes in accounting policy											766,241.24	**766,241.24**	809,414.19	**1,575,655.43**
Correction of prior period errors														
Others														
II. Balance at 1 January 2019	**16,000,000,000.00**		**2,000,000,000.00**		**43,337,654,173.97**		**978,673,866.44**	**41,836,390.37**	**785,741,765.99**		**9,179,940,284.07**	**72,323,846,480.84**	**12,205,486,858.42**	**84,529,333,339.26**
III. Changes in equity during the reporting period					**2,981,926,420.70**		**110,310,418.67**	**13,801,321.05**	**216,484,854.08**		**1,760,151,484.56**	**5,082,674,499.06**	**443,016,024.40**	**5,525,690,523.46**
(i) Total comprehensive income							110,310,418.67				2,480,165,338.64	**2,590,475,757.31**	691,980,668.61	**3,282,456,425.92**
(ii) Capital contributions or withdrawals by owners					2,980,078,926.66							**2,980,078,926.66**	289,733,928.20	**3,269,812,854.86**
1. Ordinary shares contributed by shareholders					2,442,600,000.00							**2,442,600,000.00**	-15,586,748.56	**2,427,013,251.44**
2. Capital contributed by holders of other equity instruments														
3. Share-based payments recognised in owners' equity														
4. Others					537,478,926.66							**537,478,926.66**	305,320,676.76	**842,799,603.42**
(iii) Specific reserves								13,801,321.05				**13,801,321.05**	518,892.00	**14,320,213.05**
1. Withdrawal during the reporting period								26,938,855.49				**26,938,855.49**	1,252,702.00	**28,191,557.49**
2. Usage during the reporting period								13,137,534.44				**13,137,534.44**	733,810.00	**13,871,344.44**
(iv) Profit distribution									216,484,854.08		-720,013,854.08	**-503,529,000.00**	-539,217,464.41	**-1,042,746,464.41**
1. Withdrawal of surplus reserves									216,484,854.08		-216,484,854.08			
Statutory reserves									216,484,854.08		-216,484,854.08			
Arbitrary reserves														
Reserve fund														
Enterprise development fund														
Profit capitalized on return of investment														
2. Withdrawal of general risk reserves														
3. Profit distribution to investors (or shareholders)											-503,529,000.00	**-503,529,000.00**	-539,585,595.33	**-1,043,114,595.33**
4. Others													368,130.92	**368,130.92**
(v) Transfer between equity														
1. Capital reserves transfer to share capital														
2. Surplus reserves transfer to share capital														
3. Surplus reserves used to cover accumulated deficits														
4. Defined benefit plan transfer to retained earnings														
5. Others comprehensive income transfer to retained earnings														
(vi) Others					1,847,494.04							**1,847,494.04**		**1,847,494.04**
IV. Balance at 31 December 2019	**16,000,000,000.00**		**2,000,000,000.00**		**46,319,580,594.67**		**1,088,984,285.11**	**55,637,711.42**	**1,002,226,620.07**		**10,940,091,768.63**	**77,406,520,979.90**	**12,648,502,882.82**	**90,055,023,862.72**

Legal Representative: Chief Financial Officer: Finance Manager:

Consolidated Statement of Changes in Owners' Equity
for the year ended 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd

Unit: Yuan Currency: RMB

Items	2018												
	Owners' equity attributable to the parent company											Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	General risk reserves	Retained earnings	Total	
		Preference shares	Perpetual capital securities	Others									
I. Balance at 31 December 2017	**16,000,000,000.00**		**2,000,000,000.00**		**41,151,065,815.93**		**1,416,319,123.78**	**42,508,737.98**	**547,007,801.09**		**7,374,380,816.48**	**68,531,282,295.26**	**10,804,814,014.96**	**79,336,096,310.22**
Add: Changes in accounting policy							-3,974,364.09				3,974,364.09			
Correction of prior period errors														
Others														
II. Balance at 1 January 2018	**16,000,000,000.00**		**2,000,000,000.00**		**41,151,065,815.93**		**1,412,344,759.69**	**42,508,737.98**	**547,007,801.09**		**7,378,355,180.57**	**68,531,282,295.26**	**10,804,814,014.96**	**79,336,096,310.22**
III. Changes in equity during the reporting period					**2,186,588,358.04**		**-433,670,893.25**	**-672,347.61**	**238,733,964.90**		**1,800,818,862.26**	**3,791,797,944.34**	**1,399,863,429.27**	**5,191,661,373.61**
(i) Total comprehensive income							-433,670,893.25				2,526,013,455.80	2,092,342,562.55	746,956,570.37	2,839,299,132.92
(ii) Capital contributions or withdrawals by owners					2,330,300,000.00							2,330,300,000.00	1,120,939,524.85	3,451,239,524.85
1. Ordinary shares contributed by shareholders					1,646,900,000.00							1,646,900,000.00	449,530,000.00	2,096,430,000.00
2. Capital contributed by holders of other equity instruments														
3. Share-based payments recognised in owners' equity														
4. Others					683,400,000.00							683,400,000.00	671,409,524.85	1,354,809,524.85
(iii) Specific reserves								-672,347.61				-672,347.61	-33,296.37	-705,643.98
1. Withdrawal during the reporting period								9,609,374.38				9,609,374.38	230,757.93	9,840,132.31
2. Usage during the reporting period								10,281,721.99				10,281,721.99	264,054.30	10,545,776.29
(iv) Profit distribution									238,733,964.90		-724,768,964.90	-486,035,000.00	-467,999,369.58	-954,034,369.58
1. Withdrawal of surplus reserves									238,733,964.90		-238,733,964.90			
Statutory reserves									238,733,964.90		-238,733,964.90			
Arbitrary reserves														
Reserve fund														
Enterprise development fund														
Profit capitalized on return of investment														
2. Withdrawal of general risk reserves														
3. Profit distribution to investors (or shareholders)											-486,035,000.00	-486,035,000.00	-467,999,369.58	-954,034,369.58
4. Others														
(v) Transfer between equity														
1. Capital reserves transfer to share capital														
2. Surplus reserves transfer to share capital														
3. Surplus reserves used to cover accumulated deficits														
4. Defined benefit plan transfer to retained earnings														
5. Others comprehensive income transfer to retained earnings														
(vi) Others					-143,711,641.96						-425,628.64	-144,137,270.60		**-144,137,270.60**
IV. Balance at 31 December 2018	**16,000,000,000.00**		**2,000,000,000.00**		**43,337,654,173.97**		**978,673,866.44**	**41,836,390.37**	**785,741,765.99**		**9,179,174,042.83**	**72,323,080,239.60**	**12,204,677,444.23**	**84,527,757,683.83**

Legal Representative: Chief Financial Officer: Finance Manager:

Consolidated Statement of Changes in State-owned Capital Equity
for the year ended 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd 2019/12/31 Unit: Yuan Currency: RMB

Item	Lines	Amount	Item	Lines	Amount
I. Beginning balance of state-owned capital	1	72,323,080,239.60	(1) Special Write-off by state	17	
II. Increase in state-owned capital in current year	2	7,804,793,970.11	(2) Gratuitous transfer	18	
(1) Capital contribution by state or state-owned entity	3	2,980,944,000.00	(3) Decrease in assets evaluation	19	
(2) Gratuitous transfer	4		(4) Decrease in delimitation of property rights	20	
(3) Increase in assets evaluation	5		(5) Decrease in assets and capital verification	21	
(4) Increase in delimitation of property rights	6		(6) Write-off losses in perivous year	22	
(5) Increase in assets and capital verification	7		(7) Decrease due to irresitible factors such as nature disasters	23	
(6) Capital premium	8		(8) Decrease due to main-auxiliary separation	24	
(7) Donation received	9		(9) Transfer of profit to the state	25	503,529,000.00
(8) Debt for equity swap	10		(10) Capital discount	26	
(9) Tax return	11		(11) Others	27	2,217,824,229.81
(10) Reversing assets impairment	12		(12) Business impairment	28	
(11) Accounting adjustment	13	766,241.24	**IV. Ending balance of state-owned capital**	29	77,406,520,979.90
(12) Others	14		**V. Ending balance of other state-owned capital**	30	
(13) Business accumulation	15	4,823,083,728.87	**VI. Total ending balance of state-owned assets**	31	77,406,520,979.90
III. Decrease in state-owned capital in current year	16	2,721,353,229.81			

Legal Representative: Chief Financial Officer: Finance Manager:

F-14

Statement of Financial Position
as at 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd 2019/12/31 Unit: Yuan Currency: RMB

Item	Note	31 Dec 2019	31 Dec 2018
Current assets:			
Cash and cash equivalents		3,881,174,931.79	3,533,197,822.21
Deposit reservation for balance			
Lendings to Banks and Other Financial Institutions			
Held-for-trading financial assets			
Financial assets at fair value through profit or loss			
Derivative financial assets			
Notes receivable			
Accounts receivable	Note 12.1	452,776,460.43	279,079,707.75
Accounts receivable financing			
Advances to suppliers		793,821,685.14	621,028,771.31
Premiums receivable			
Reinsurance receivable			
Reinsurance contract reserves receivable			
Other receivables	Note 12.2	9,022,395,685.28	8,226,030,763.62
Financial assets held under resale agreements			
Inventories		10,977,909.81	13,549,517.19
Including: Raw materials		10,248,889.91	11,357,226.12
Finished goods		659,442.19	2,022,486.01
Contractual assets			
Assets classified as held for sale			
Non-current assets maturing within one year		336,550,000.00	314,050,000.00
Other current assets		632,284,404.38	322,242,860.32
Total current assets		**15,129,981,076.83**	**13,309,179,442.40**
Non-current assets:			
Loans and advances to customers			
Debt investment			
Available-for-sale financial assets		1,321,908,745.42	1,537,130,982.51
Other debt investment			
Held-to-maturity investments			
Long-term receivables		3,517,282,387.59	4,695,291,387.59
Long-term equity investments	Note 12.3	18,894,393,040.66	15,319,947,588.22
Other equity instruments investment			
Other non-current financial assets			
Investment properties		307,284,872.68	325,057,004.53
Fixed assets		142,735,959,452.24	137,906,833,487.96
Construction in progress		4,842,596,571.25	9,273,719,990.54
Productive biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		7,654,505.00	7,733,622.38
Research and development expenditure			
Goodwill			
Long-term deferred expenses		4,466,340.30	6,862,103.30
Deferred tax assets		193,813,731.23	92,202,641.13
Other non-current assets		6,406,353,690.15	9,400,273,180.24
Including: Special Reserve Materials			
Total non-current assets		**178,231,713,336.52**	**178,565,051,988.40**
Total assets		**193,361,694,413.35**	**191,874,231,430.80**

Legal Representative: Chief Financial Officer: Finance Manager:

Statement of Financial Position
as at 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd 2019/12/31 Unit: Yuan Currency: RMB

Item	Note	31 Dec 2019	31 Dec 2018
Current liabilities			
Short-term borrowings		1,360,000,000.00	1,950,000,000.00
Borrowing from the central bank			
Borrowings from Banks and Other Financial Institutions			
Held-for-trading financial liabilities			
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities			
Notes payable			
Accounts payable		5,895,739,857.65	5,517,109,607.91
Advances from customers		2,725,674,284.89	2,903,115,280.78
Contractual liability			
Financial assets sold under repurchase agreements			
Deposits from customers and banks			
Customer stock brokerage deposits			
Customer stock underwriting deposits			
Employee benefits payable		48,061,491.45	34,624,106.94
Including: Salaries payable		34,217,347.27	28,217,347.27
Welfare payable			
Including: Staff Bouns and Welfare Fund			
Taxes payable		412,055,137.19	323,251,617.41
Including: Tax payable		407,898,575.50	316,967,898.14
Other payables		1,345,728,144.86	1,621,987,481.14
Fees and commissions payable			
Reinsurance payables			
Liabilities classified as held for sale			
Non-current liabilities maturing within one year		16,936,243,109.17	15,146,107,835.79
Other current liabilities		4,630,426,127.34	2,905,488,729.35
Total current liabilities		**33,353,928,152.55**	**30,401,684,659.32**
Non-current liabilities:			
Insurance contract reserve			
Long-term borrowings		67,185,064,557.01	72,318,673,932.93
Bonds payable		13,600,000,000.00	15,700,000,000.00
Including: Preference share			
Perpetual capital securities			
Lease liabilities			
Long-term payables		1,903,434,466.81	152,534,189.95
Long-term employee benefits payable			
Estimated liabilities			
Deferred income			
Deferred tax liabilities		1,174,626,431.93	1,090,544,706.53
Other non-current liabilities		5,641,000,000.00	5,975,550,000.00
Including: Special Reserve Fund			
Total non-current liabilities		**89,504,125,455.75**	**95,237,302,829.41**
Total liabilities		**122,858,053,608.30**	**125,638,987,488.73**
Owners' equity			
Share capital		16,000,000,000.00	16,000,000,000.00
State-owned capital		16,000,000,000.00	16,000,000,000.00
State-owned corporate capital			
Collective capital			
Private capital			
Foreign investment capital			
Less: Returned capital			
Net share capital		16,000,000,000.00	16,000,000,000.00
Other equity instruments		2,000,000,000.00	2,000,000,000.00
Including: Preference share			
Perpetual capital securities		2,000,000,000.00	2,000,000,000.00
Capital reserves		44,671,034,377.31	41,902,540,377.31
Less: Treasury stock			
Other comprehensive income		516,448,483.40	677,865,161.22
Including: Translation differences in foreign currency statements			
Specific reserves			
Surplus reserves		1,001,142,212.89	784,657,358.81
Including: Statutory reserves		1,001,142,212.89	784,657,358.81
Arbitrary reserves			
Reserve fund			
Enterprise development fund			
Profit capitalized on return of investment			
General risk reserves			
Retained earnings		6,315,015,731.45	4,870,181,044.73
Total owner's equity attributable to parent company		70,503,640,805.05	66,235,243,942.07
Non-controlling interests			
Total owners' equity		70,503,640,805.05	66,235,243,942.07
Total liabilities and owners' equity		**193,361,694,413.35**	**191,874,231,430.80**

Legal Representative: Chief Financial Officer: Finance Manager:

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd

Unit: Yuan Currency: RMB

Item	Note	2019	2018
I. Revenue		**14,632,168,639.64**	**13,022,612,557.56**
Including: Operating revenue	Note 12.4	14,632,168,639.64	13,022,612,557.56
Interest income			
Premium Income			
Fee and commission income			
II. Cost of sales		**11,784,778,613.59**	**10,655,516,777.36**
Including: Operating cost	Note 12.4	7,501,793,938.96	6,152,824,778.12
Interest expense			
Fee and commission expense			
Cash surrender value			
Net amount of compensation paid			
Net amount of withdrawal of insurance contract reserve			
Policyholder dividends resulting from participation in profits			
Reinsurance expense			
Taxes and surcharges		92,321,799.77	92,589,179.38
Selling and distribution expenses			
General and administrative expenses		190,312,988.63	169,950,111.51
Research and development expenses		7,009,831.53	4,194,685.23
Finance costs		3,993,340,054.70	4,235,958,023.12
Including: Interest expense		4,500,553,068.86	4,512,198,860.84
Interest income		547,436,251.77	347,462,364.14
Exchange net loss		32,476,121.85	63,371,308.72
Others			
Add: Other income		985,486.04	205,235.34
Investment income/(losses)	Note 12.5	661,942,519.95	506,277,658.50
Including: Investment income from associates and joint ventures		290,224,160.76	191,643,307.04
Gains /(losses) from derecognition of financial assets measured at amortised cost			
Gains /(losses) from foreign exchange			
Income /(losses) from net exposure hedging			
Gains/(losses) from changes in fair values			
Impairment loss of credit			
Impairment loss of asset		-747,116,288.03	-30,178,412.02
Gains/(losses) from disposal of assets		1,873,845.20	43,098,956.04
III. Profit/(loss) from operations		**2,765,075,589.21**	**2,886,499,218.06**
Add: Non-operating income		15,668,250.00	9,270,560.61
Including: Government grants			
Less: Non-operating expenses		83,068,170.88	8,531,889.35
IV. Profit/(loss) before tax		**2,697,675,668.33**	**2,887,237,889.32**
Less: Income tax expenses		532,827,127.53	499,898,240.32
V. Net profit/(loss) for the year		**2,164,848,540.80**	**2,387,339,649.00**
(I) Net profit/(loss) by ownership attribution			
Attributable to owners of the parent		2,164,848,540.80	2,387,339,649.00
Attributable to non-controlling interests			
(II) Net profit/(loss) by continuity			
Net profit/(loss) from continuing operation		2,164,848,540.80	2,387,339,649.00
Net profit/(loss) from discontinued operation			
VI. Other comprehensive income for the year, after tax		**-161,416,677.82**	**-692,562,385.52**
(a) Attributable to owners of the parent		-161,416,677.82	-692,562,385.52
(i) Items that will not be reclassified subsequently to profit or loss			
1.Remeasurement of the net defined benefit liability (asset)			
2. Other comprehensive income using the equity method which will not be reclassified subsequently to profit and loss			
3. Changes in fair value of other equity instrument investment			
4. Changes in fair value of the Company's own credit risks			
5. Others			
(ii) Items that may be reclassified subsequently to profit or loss		-161,416,677.82	-692,562,385.52
1. Other comprehensive income using the equity method which will be reclassified subsequently to profit or loss			
2. Changes in fair value of other debt instrument investment			
3. Gains/(losses) arising from changes in fair value of available-for-sale financial assets		-161,416,677.82	-692,562,385.52
4. Other comprehensive income arising from the reclassification of financial assets			
5. Gains/(losses) arising from reclassification of held-to-maturity investment as available-for-sale financial assets			
6. Provision for credit impairment in other debt investments			
7. Reserve for cash flow hedges			
8. Exchange differences on translating foreign operations			
9. Others			
(b) Attributable to non-controlling interests			
VII. Total comprehensive income for the year		2,003,431,862.98	1,694,777,263.48
Attributable to owners of the parent		2,003,431,862.98	1,694,777,263.48
Attributable to non-controlling interests			
VIII. Earnings per share:			
Basic earnings per share		/	/
Diluted earnings per share		/	/

Legal Representative: Chief Financial Officer: Finance Manager:

Statement of Cash Flows
for the year ended 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd Unit: Yuan Currency: RMB

Items	Note	2019	2018
I.Cash flows from operating activities			
Cash received from the sale of goods and the rendering of services		14,812,153,815.29	13,788,573,546.13
Net increase of deposits from customers and banks			
Net increase of borrowings from the central bank			
Net increase of placements from other financial institutions			
Cash received from premium of original insurance contracts			
Net cash received from reinsurance business			
Net increase of deposit and investment of policyholder			
Net increase in disposal of financial assets at fair value through profit or loss			
Cash received from interests, fees and commissions			
Net increase of borrowings from other banks			
Net increase of fund from repurchase business			
Net cash received as agent of stock exchange			
Cash received from tax refund			
Other cash received relating to operating activities		2,563,392,464.30	2,255,461,007.28
Sub-total of cash inflows from operating activities		17,375,546,279.59	16,044,034,553.41
Cash payments for goods purchased and services received		1,420,722,732.99	1,303,465,381.52
Net increase of loans and advances to customers			
Net increase of deposits in central bank and other banks			
Cash payments to compensation of original insurance contract			
Net increase of Lendings to Banks and Other Financial Institutions			
Cash payments to interests, fees and commissions			
Cash payments for Policyholder dividends resulting from participation in profits			
Cash payments to and on behalf of employees		959,353,961.08	739,902,850.80
Payments of taxes		957,281,778.31	575,184,161.55
Other cash payments relating to operating activities		2,128,163,072.57	3,161,733,337.23
Sub-total of cash outflows from operating activities		5,465,521,544.95	5,780,285,731.10
Net cash flow from operating activities		**11,910,024,734.64**	**10,263,748,822.31**
II.Cash flows from investing activities:			
Cash received from capital contributions		11,561,712.44	35,225,057.13
Cash received from returns on investments		527,854,545.53	480,848,830.57
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		2,881,698.52	47,696,800.00
Net cash received from disposals of subsidiaries and other business units			
Other cash received relating to investing activities		360,110,000.00	343,870,297.86
Sub-total of cash inflows from investing activities		902,407,956.49	907,640,985.56
Cash payments to acquire fixed, intangible and other long-term assets		7,159,422,625.58	8,157,276,078.17
Cash payments to acquire investments		111,708,400.00	2,265,863,300.00
Net increase in pledged loan			
Net cash payments to acquire subsidiaries and other business units			
Other cash payments relating to investing activities			298,505,550.00
Sub-total of cash outflows from investing activities		7,271,131,025.58	10,721,644,928.17
Net cash flow from investment activities		**-6,368,723,069.09**	**-9,814,003,942.61**
III.Cash flows from financing activities:			
Cash received from investors		2,766,744,000.00	1,646,900,000.00
Including: Cash received from non-controlling interest of subsidiaries			
Cash received from borrowings		14,517,260,000.00	18,855,900,000.00
Cash received from bond issue			
Cash received from other financing activities		1,768,900,000.00	
Sub-total of cash inflows from financing activities		19,052,904,000.00	20,502,800,000.00
Cash repayments of debts		17,143,021,395.10	15,029,474,060.04
Cash payments for dividends, distribution of profit and interest expenses		5,286,281,519.87	5,073,438,278.20
Including: Dividends, distribution of profit paid by subsidiaries to minority shareholders			
Other cash payments relating to financing activities		1,816,925,641.00	79,253,026.99
Sub-total of cash outflows from financing activities		24,246,228,555.97	20,182,165,365.23
Net cash flow from financing activities		**-5,193,324,555.97**	**320,634,634.77**
IV. Effect of exchange rate changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents		**347,977,109.58**	**770,379,514.47**
Plus: Cash and cash equivalents at the beginning of the period		3,533,197,822.21	2,762,818,307.74
VI. Cash and cash equivalents at the end of the period		**3,881,174,931.79**	**3,533,197,822.21**

Legal Representative: Chief Financial Officer: Finance Manager:

Statement of Changes in Owners' Equity
for the year ended 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd

Unit: Yuan Currency: RMB

Items	2019													
	Owners' equity attributable to the parent company												Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	General risk reserves	Retained earnings	Total		
		Preference shares	Perpetual capital securities	Others										
I. Balance at 31 December 2018	**16,000,000,000.00**		**2,000,000,000.00**		**41,902,540,377.31**		**677,865,161.22**		**784,657,358.81**		**4,870,181,044.73**	**66,235,243,942.07**		**66,235,243,942.07**
Add: Changes in accounting policy														
Correction of prior period errors														
Others														
II. Balance at 1 January 2019	**16,000,000,000.00**		**2,000,000,000.00**		**41,902,540,377.31**		**677,865,161.22**		**784,657,358.81**		**4,870,181,044.73**	**66,235,243,942.07**		**66,235,243,942.07**
III. Changes in equity during the reporting period					**2,768,494,000.00**		**-161,416,677.82**		**216,484,854.08**		**1,444,834,686.72**	**4,268,396,862.98**		**4,268,396,862.98**
(i) Total comprehensive income							**-161,416,677.82**				2,164,848,540.80	**2,003,431,862.98**		**2,003,431,862.98**
(ii) Capital contributions or withdrawals by owners					2,766,744,000.00							**2,766,744,000.00**		**2,766,744,000.00**
1. Ordinary shares contributed by shareholders					2,442,600,000.00							**2,442,600,000.00**		**2,442,600,000.00**
2. Capital contributed by holders of other equity instruments														
3. Share-based payments recognised in owners' equity														
4. Others					324,144,000.00							**324,144,000.00**		**324,144,000.00**
(iii) Specific reserves														
1. Withdrawal during the reporting period														
2. Usage during the reporting period														
(iv) Profit distribution									216,484,854.08		-720,013,854.08	**-503,529,000.00**		**-503,529,000.00**
1. Withdrawal of surplus reserves									216,484,854.08		-216,484,854.08			
Statutory reserves									216,484,854.08		-216,484,854.08			
Arbitrary reserves														
Reserve fund														
Enterprise development fund														
Profit capitalized on return of investment														
2. Withdrawal of general risk reserves														
3. Profit distribution to investors (or shareholders)											-503,529,000.00	**-503,529,000.00**		**-503,529,000.00**
4. Others														
(v) Transfer between equity														
1. Capital reserves transfer to share capital														
2. Surplus reserves transfer to share capital														
3. Surplus reserves used to cover accumulated deficits														
4. Defined benefit plan transfer to retained earnings														
5. Others comprehensive income transfer to retained earnings														
(vi) Others					1,750,000.00							**1,750,000.00**		**1,750,000.00**
IV. Balance at 31 December 2019	**16,000,000,000.00**		**2,000,000,000.00**		**44,671,034,377.31**		**516,448,483.40**		**1,001,142,212.89**		**6,315,015,731.45**	**70,503,640,805.05**		**70,503,640,805.05**

Legal Representative: Chief Financial Officer: Finance Manager:

Statement of Changes in Owners' Equity
for the year ended 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd

Unit: Yuan Currency: RMB

Items	2018												
	Owners' equity attributable to the parent company											Non-controlling interests	Total owners' equity
	Share capital	Other equity instruments			Capital reserves	Less: Treasury stock	Other comprehensive income	Specific reserves	Surplus reserves	General risk reserves	Retained earnings	Total	
		Preference shares	Perpetual capital securities	Others									
I. Balance at 31 December 2017	**16,000,000,000.00**		**2,000,000,000.00**		**40,253,840,377.31**		**1,370,427,546.74**		**545,923,393.91**		**3,207,610,360.63**	**63,377,801,678.59**		**63,377,801,678.59**
Add: Changes in accounting policy														
Correction of prior period errors														
Others														
II. Balance at 1 January 2018	**16,000,000,000.00**		**2,000,000,000.00**		**40,253,840,377.31**		**1,370,427,546.74**		**545,923,393.91**		**3,207,610,360.63**	**63,377,801,678.59**		**63,377,801,678.59**
III. Changes in equity during the reporting period					**1,648,700,000.00**		**-692,562,385.52**		**238,733,964.90**		**1,662,570,684.10**	**2,857,442,263.48**		**2,857,442,263.48**
(i) Total comprehensive income							-692,562,385.52				2,387,339,649.00	1,694,777,263.48		1,694,777,263.48
(ii) Capital contributions or withdrawals by owners					1,648,700,000.00							1,648,700,000.00		1,648,700,000.00
1. Ordinary shares contributed by shareholders					1,646,900,000.00							1,646,900,000.00		1,646,900,000.00
2. Capital contributed by holders of other equity instruments														
3. Share-based payments recognised in owners' equity														
4. Others					1,800,000.00							1,800,000.00		1,800,000.00
(iii) Specific reserves														
1. Withdrawal during the reporting period														
2. Usage during the reporting period														
(iv) Profit distribution									238,733,964.90		-724,768,964.90	-486,035,000.00		-486,035,000.00
1. Withdrawal of surplus reserves									238,733,964.90		-238,733,964.90			
Statutory reserves									238,733,964.90		-238,733,964.90			
Arbitrary reserves														
Reserve fund														
Enterprise development fund														
Profit capitalized on return of investment														
2. Withdrawal of general risk reserves														
3. Profit distribution to investors (or shareholders)											-486,035,000.00	-486,035,000.00		-486,035,000.00
4. Others														
(v) Transfer between equity														
1. Capital reserves transfer to share capital														
2. Surplus reserves transfer to share capital														
3. Surplus reserves used to cover accumulated deficits														
4. Defined benefit plan transfer to retained earnings														
5. Others comprehensive income transfer to retained earnings														
(vi) Others														
IV. Balance at 31 December 2018	**16,000,000,000.00**		**2,000,000,000.00**		**41,902,540,377.31**		**677,865,161.22**		**784,657,358.81**		**4,870,181,044.73**	**66,235,243,942.07**		**66,235,243,942.07**

Legal Representative: Chief Financial Officer: Finance Manager:

Statement of Changes in State-owned Capital Equity
for the year ended 31 December 2019

Prepared by : Anhui Transportation Holding Group Co.,Ltd

2019/12/31

Unit: Yuan Currency: RMB

Item	Lines	Amount	Item	Lines	Amount
I. Beginning balance of state-owned capital	1	**66,235,243,942.07**	(1) Special Write-off by state	17	
II. Increase in state-owned capital in current year	2	**6,672,778,223.49**	(2) Gratuitous transfer	18	
(1) Capital contribution by state or state-owned entity	3	2,766,744,000.00	(3) Decrease in assets evaluation	19	
(2) Gratuitous transfer	4		(4) Decrease in delimitation of property rights	20	
(3) Increase in assets evaluation	5		(5) Decrease in assets and capital verification	21	
(4) Increase in delimitation of property rights	6		(6) Write-off losses in perivous year	22	
(5) Increase in assets and capital verification	7		(7) Decrease due to irresitible factors such as nature disasters	23	
(6) Capital premium	8		(8) Decrease due to main-auxiliary separation	24	
(7) Donation received	9		(9) Transfer of profit to the state	25	503,529,000.00
(8) Debt for equity swap	10		(10) Capital discount	26	
(9) Tax return	11		(11) Others	27	1,900,852,360.51
(10) Reversing assets impairment	12		(12) Business impairment	28	
(11) Accounting adjustment	13		**IV. Ending balance of state-owned capital**	29	**70,503,640,805.05**
(12) Others	14		**V. Ending balance of other state-owned capital**	30	
(13) Business accumulation	15	3,906,034,223.49	**VI. Total ending balance of state-owned assets**	31	**70,503,640,805.05**
III. Decrease in state-owned capital in current year	16	**2,404,381,360.51**			

Legal Representative: Chief Financial Officer: Finance Manager:

Anhui Transportation Holding Group Co., Ltd.

Notes to the Financial Statements

For the year ended 31 December 2019

(All amounts are expressed in Renminbi Yuan("RMB") unless otherwise stated)

Note 1. Basic information about the Company

1.1. Corporate Information

Anhui Transportation Holding Group Co., Ltd. (hereinafter referred to as "Company", "the Company" or "the Group"）established on April 27, 1993 with primitive name of Anhui Highway Corporation. On January 4, 2010, Anhui Highway Corporation changed its name to Anhui Highway Holding Group Co., Ltd., then changed its name to Anhui Transportation Holding Group Co., Ltd. on May 7, 2015. The Group is a wholly state-owned enterprise, the unified social credit code is 91340000MA2MT9QA0T, and legal representative is Xiang Xiaolong.

Formerly known as Anhui Highway Corporation, Anhui Highway Holding Group Co., Ltd. was established by Anhui High Level Highway Administration Bureau according to the approval of WANJIAOLAO [92] No.149 document issued by Anhui Transport Department. It was registered in Anhui Administration for Industry and Commerce on April 27, 1993, and its initial registered capital was RMB l00,000,000.00. Its registered capital was increased to RMB 1,890,000,000.00 on July 23, 1996 according to the approval of Anhui Transportation High-Speed Road [96] No.22.

In June 1998, Anhui Provincial People's Government approved Anhui Highway Corporation to be a first-class large wholly state-owned enterprise by the Anhui Government Secretary [1998] No.119 document.

From 2001, Anhui Provincial Enterprise Working Committee (provincial enterprise state-owned assets management office) is responsible for management of the Company's state-owned assets, according to Anhui Government Office [2001] No.56 document issued by Anhui Provincial People's Government.

In 2004, the Anhui Provincial People's Government determined that Anhui Highway Corporation was affiliated with SASAC of Anhui Province by the Anhui Development [2004] No.12 document.

In the first half year of 2006, Anhui Highway Corporation applied to the sub-bureau directly under Anhui Administration for Industry and Commerce for changing the registered capital and address of the Company according to the Approval on the Results of Capital Verification for Anhui Highway Corporation and the Implementation of <Accounting System for Business Enterprises> (Anhui State-owned Assets Evaluation Letter [2005] No.650) of the SASAC of Anhui Province as well as the Property Right Registration Certificate of State-owned Assets of Enterprises issued on February 28, 2006, and changed its registered capital to RMB

4,525,819,000.00 on June 2, 2006.

According to the spirit of the Approval of the Implementation Plan of the Company's System Reform in Anhui Provincial Highway Corporation (Anhui state-owned Assets Reform Letter [2008] No.252) of Anhui SASAC, Anhui Highway Corporation renamed as Anhui Highway Holding Group Co., Ltd., however, the Company was still a wholly state-owned company, and its industrial and commercial registration was completed at Anhui Administration for Industry and Commerce on January 4, 2010. The capital that was originally recorded under share capital was transferred to capital reserves, the share capital was changed to RMB 5,003,448,714.96. On April 22, 2011, the registration of changes in registered capital has been completed.

In December 2014, according to "Anhui Provincial State-owned Assets Supervision and Administration Commission forwards the Anhui Provincial People's Government's Circular on the Approval of the Restructuring Plan of Anhui Expressway Holding Group Co., Ltd. and Anhui Provincial Transportation Investment Group Co., Ltd. (Anhui State-owned Assets Reform Letter [2014] No.172), issued by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, Anhui Provincial Expressway Holding Group Co., Ltd. absorbed and merged with Anhui Provincial Transportation Investment Group Co., Ltd. to restructure and establish a wholly state-owned enterprise. The name of the restructured company is Anhui Transport Holding Group Co., Ltd. with a registered capital of RMB 16,000,000,000.00.

The Company transferred the capital reserve in amount of RMB 10,996,551,285.04 to registered capital, in according to the Approval on Registered Capital of Anhui Transportation Holding Group Co., Ltd. (Anhui State-owned Asset Property Letter [2015] No.37) issued by Anhui Provincial State-owned Assets Supervision and Administration Commission. The registered capital increased to RMB 16,000,000,000.00, the paid-in capital is RMB 16,000,000,000.00, and registration of changes in registered capital has been completed on May 7, 2015.

The registered address of the Group is No.520, Wangjiang West Road, High-tech development Zone, Hefei City, Anhui Province. The business scopes include Highway and related infrastructure construction, supervisor, detection, design, construction, technology consulting and service, investment and assets management，real estate development management, road transport, logistic service, operation management of service area along highway, tolling, maintaince, operation management of highway property and right protection, advertising production and publish. Above-mentioned businesses should be approved by relevant departments before carrying out the business activities.

Anhui Wantong Expressway Co., Ltd. (hereinafter referred to as "Wantong Expressway") is a listed company within the Group, and it is a joint-stock company with the Group as the sole sponsor, with the relevant assets and liabilities of Hening Expressway as the investment to obtain 915,600,000 state-owned shares with the par value of RMB 1 per share. Anhui Wantong Expressway Co., Ltd. was registered in Hefei City of Anhui Province on August 15, 1996, and issued 493,010,000 overseas listed foreign shares ("H share") with the par value of RMB 1 per share and the issue price of RMB 1.89 (HKD 1.77) per share, and went public in Stock Exchange of Hong Kong Limited from November 13, 1996. Thereafter, Anhui Expressway Co., Ltd. publicly offered 250,000,000 ordinary shares ("A share") with the par value of RMB 1 per share on December 23, 2002, and the issue price was RMB 2.2 per share, and it went public in Shanghai Stock Exchange from January 7, 2003. Its main business covers the construction, operation and

management of the toll roads in Anhui Province and the related business as well as pawn and loan, etc.

Anhui Transport Consulting & Design Institute Co., Ltd. (hereinafter referred to as "Transport Consulting & Design Institute") is another listed company with in the Group. In 2017, with the approval of *"Approval of the Initial Public Offering of Shares of Anhui Transport Consulting & Design Institute Co., Ltd."* (Securities Regulatory Commission permit [2017] No. 1163) issued by China Securities Regulatory Commission, 81,200,000 RMB ordinary shares were publicly issued at a price of RMB10.44 per share, and listed on the Shanghai Stock Exchange on August 1, 2017, with the main underwriter of Guoyuan Securities Co., Ltd. through the combination of offline allotment to inquiry subjects and online fixed price offering to public investors. Its main business scope is: planning, surveying, designing, consulting, testing, supervision, bidding agency, project management-related business of roads, bridges, tunnels, geotechnical, construction, traffic engineering, and municipal engineering industries.

1.2. Main Business of the Company

(a) Construction, Operation and Management of Toll Road in Anhui Province

The Company and its subsidiaries of Anhui Wantong Expressway Company Limited, Anhui Anlian Expressway Co., Ltd., Anhui Anqing Changjiang River Highway Bridge Co., Ltd., Anhui Yangji Expressway Co., Ltd., Anhui Wuyan Expressway Co., Ltd., Anhui Liguang Expressway Co., Ltd., Anhui Wangqian Expressway Co., Ltd., Anhui Ningxuanhang Expressway Investment Co., Ltd., Xuancheng Guangci Expressway Co., Ltd., Xuanguang Expressway Co., Ltd., Anhui Machao Expressway Co., Ltd., mainly engage in construction, operation and management of toll road in Anhui Province. Besides, Anhui Xuming Expressway Management Co., Ltd., Anhui Lujiang Expressway Management Co., Ltd., Anhui Jiefubeng Expressway Management Co., Ltd. and Anhui Suzhou Expressway Management Co., Ltd., mainly engage in expressway construction and operation management business. Up to December 31, 2019, the status of toll highway of the Company are as below:

(i) Toll Road Operation

Toll Road	Highway Length (KM)	Toll Period
He'an Expressway	153.00	2002-10-1 to 2032-10-1
He'an Expressway (Daqiao Line)	14.90	2004-12-26 to 2033-12-25
Hechaowu Expressway	100.30	2005-12-1 to 2033-4-30
Hexubei Expressway	162.10	2004-1-1 to 2032-11-30
Hexu'nan Expressway	112.50	2001-7-1 to 2026-6-30
Hening Expressway	134.00	1996-6-18 to 2026-6-17
Gaojie Expressway	110.20	30 years since1999-10-1
Xuanguang Expressway	79.00	1997-7-25 to 2027-7-24
Lianhuo Expressway Anhui Section	55.00	30 years since 2002-7-1
Ninghuai Expressway Anhui Section	13.99	2006-12-18 to 2032-6-17

Toll Road	Highway Length (KM)	Toll Period
205 National Highway	29.80	30 years since 1997-1-1
Wuda Expressway (East Section)	47.70	2007-6-28 to 2037-6-27
Wuda Expressway (Middle Section)	71.30	2008-6-28 to 2038-6-27
Wuda Expressway (Western Section)	51.20	2006-12-24 to 2036-12-23
Anqing Changjiang River Highway Bridge	5.99	2004-12-26 to 2033-12-25
Hehuaifu Expressway	190.20	2007-12-29 to 2037-12-28
Anjing Expressway	80.60	2008-11-1 to 2038-10-31
Luqian Expressway	150.10	2009-12-28 to 2039-12-27
Mawu Expressway	53.40	2005-12-16 to 2035-12-15
Fuzhou Expressway	83.60	2009-12-27 to 2039-12-26
Donghuan Expressway	13.50	2012-8-2 to 2035-12-15
Guangci Expressway	14.00	2004-7-20 to 2029-7-19
Benghuai Expressway	41.40	30 years since 2012-8-8
Zhoulu Expressway	91.50	2011-11-22 to 2041-11-21
Jihuang Expressway	24.60	2011-11-23 to 2041-11-22
Wuyan Expressway	16.90	2012-12-19 to 2042-12-18
Huangqi Expressway	102.52	2013-12-30 to 2043-12-29
Ma'anshan Changjiang River Highway Bridge Line	36.30	2013-12-31 to 2043-12-31
Ningxuanhang Expressway	47.30	2013-9-8 to 2043-9-7
Ningji Expressway	76.30	Tentatively scheduled for 5 years since 2014-12-24
Huangtatao Expressway	51.20	2008-12-26 to 2038-12-25
Jiefubeng Expressway	187.20	2005-10-1 to 2034-9-30
Luwu Expressway Anhui Section	92.70	2009-12-28 to 2039-12-27
Lutong Expressway	73.20	2005-1-18 to 2035-1-17
Sixu Expressway Bozhou Section	39.50	2011-12-28 to 2041-12-27
Sixu Expressway Huaibei Section	52.20	2012-12-24 to 2042-12-23
Sixu Expressway Suzhou Section	90.50	2010-12-28 to 2040-12-27
Hetonghuang Expressway Tonghuang Section	178.70	2007-9-28 to 2037-9-27
Wuxuan Expressway	56.70	2003-1-1 to 2027-12-31
Hefei Xinqiao Airport Expressway	17.60	2012-11-18 to 2042-11-17
Fuxin Expressway	69.00	2013-11-22 to 2034-11-21
Xuming Expressway	139.10	2014-12-26 to 2044-12-25
Beiyanjiang Expressway Machao Section	35.80	2013-12-31 to 2043-12-30

Toll Road	Highway Length (KM)	Toll Period
Yuewu Expressway Anhui Section	46.20	2015-12-31 to 2045-12-30
Chuma Expressway	82.20	Tentatively scheduled for 5 years since 2015-12-31
Wangjiangdong to Changjiang River Bridge East Bridge North Line	50.00	Tentatively scheduled for 5 years since 2015-12-31
Dongjiu Expressway Anhui Section	10.80	Tentatively scheduled for 5 years since 2015-12-30
Tongnanxuan Expressway	82.60	Tentatively scheduled for 5 years since 2015-12-31
Jiqi Expressway Dangshan Section	39.50	Tentatively scheduled for 5 years since 2015-12-19
Jiqi Expressway Yongli Section	71.70	Tentatively scheduled for 5 years since 2015-12-19
Ningqian Expressway	39.90	Tentatively scheduled for 5 years since 2015-12-19
Liguang Expressway Anhui Section	38.80	Tentatively scheduled for 5 years since 2016-9-30
Jiqi Expressway Lihuai Section	77.10	Tentatively scheduled for 5 years since 2016-12-30
Jiqi Expressway Huaihe Section	82.70	Tentatively scheduled for 5 years since 2016-12-30
Wangdong Changjiang River Highway Bridge	38.60	Tentatively scheduled for 5 years since 2015-12-31
Sixu Expressway (Sixian Section)	23.30	Tentatively scheduled for 5 years since 2017-12-20
Wuhu Changjiang River Highway No.2 Bridge	55.50	Tentatively scheduled for 5 years since 2017-12-30
Beiyanjiang Expressway (Chaohu to Wuwei Section)	43.90	Tentatively scheduled for 5 years since 2017-12-30
Lixuan Expressway	30.60	Tentatively scheduled for 5 years since 2017-12-30
Dingchang Expressway	63.10	Tentatively scheduled for 5 years since 2018-12-20
Chuding Expressway	62.00	Tentatively scheduled for 5 years since 2018-12-20
Guangning Expressway	38.30	Tentatively scheduled for 5 years since 2018-12-20
Chizhou Changjiang River Highway Bridge and Line	41.00	Tentatively scheduled for 5 years since 2019-8-31
Heluye Expressway Heye Section	122.90	2007-11-28 to 2037-11-27

(ii) Toll Road Under Construction

Toll Road Under Construction	Investment/Budget (%)	Cumulated Construction Expenditures
Yuehuang Expressway	8.82	2,102,293,024.36
Chiqi Expressway	11.72	1,392,221,218.64
Wuhuang Expressway	11.55	1,370,393,787.79
Hezong Expressway	12.44	1,300,795,283.44
Chuzhou Xihuan Expressway	33.69	790,905,432.42
Chutian Expressway	9.35	497,990,722.14
Gubeng Expressway	6.27	179,977,869.38

(b) Investment and development in real estate and sales of commercial housing

The second-tier subsidiary of the Company, Anhui Expressway Real Estate Group Co., Ltd. and its subsidiaries that engage in development and sales of real estate including Anhui Angao Investment Co., Ltd., Anhui Highway Investment Co., Ltd., Anhui Highway Real Estate Co., Ltd., Anhui Chaohu Development Investment Co., Ltd., Expressway Real Estate Group Tongling Co., Ltd., Expressway Real Estate Group Chizhou Co., Ltd., Expressway Real Estate Group Chuzhou Co., Ltd., Expressway Real Estate Lu'an Co., Ltd., Expressway Real Estate Group Fuyang Co., Ltd., Expressway Real Estate Group Fuyang Development Co., Ltd., Expressway Real Estate Group Bozhou Co., Ltd., Shanghai Xin'angao Investment Co., Ltd., Chuzhou Huishang Investment Development Co., Ltd., Shenzhen Anlian Investment Co., Ltd., Beijing Anlian Real Estate Development Co., Ltd., Shanghai Dongfang Financial Plaza Enterprise Development Co., Ltd., Laizhou Beihai Real Estate Development Co., Ltd., Shanghai Maixin Enterprise Development Co., Ltd., Hefei Anzhilian Real Estate Co., Ltd., Dongguan Anzhilian Real Estate Co., Ltd., Huangshan Angao Tourism development Co., Ltd., Anhui Jingwei Real Estate Development Co., Ltd., Dongzhi Jingwei Real Estate Co., Ltd. and Quanjiao Jingwei Investment Management Co., Ltd.

(c) Road area business

Anhui Yida Expressway Service Area Management Co., Ltd. engages in operation management of highway service area. Anhui Highway Scientific Research Co., Ltd. engages in trial and inspection business of tolling with Anhui Province. Anhui Highway Construction Co., Ltd. engages in highway traffic facilities construction. Anhui Expressway Media Co., Ltd. engages in advertising business. Anhui Xunjie Logistics Co., Ltd. engage in storage and transport service. Anhui Expressway Petrochemical Co., Ltd. engages in sales relating to petroleum products, CNG, lube oil, pitch, vehicle repair and automobile spare parts, chemical products and other business.

(d) Survey and design service

Anhui Transport Consulting & Design Institute Co., Ltd., a subsidiary of the Company, mainly engages in businesses like planning, reconnaissance, design, consult, detection, supervision, tender agency and project management relating to highway, bridge, tunnel, ground, construction, transportation engineering, and municipal engineering.

(e) Road passenger transportation

Subsidiaries of the Company that engage in road passenger transportation and automobile maintenance services include Anhui Transportation Group Co.,Ltd., Anhui Feiyan Fast Passenger Transport Co., Ltd., Anhui Hefei Automobile Passenger Transport Terminal Co., Ltd., Tongling Automobile Transport Co., Ltd. of Anhui Transportation Group, Anhui Transportation Group Chuzhou Automobile Transport Co., Ltd., Anhui Transportation Group Anqing Automobile Transport Co., Ltd. and Anhui Transportation Group Chaohu Automobile Transport Co., Ltd.

(f) Finance service

Hefei Wantong Microfinance Co., Ltd. and Hefei Wantong Pawn Co., Ltd., subsidiaries of the

Company, mainly engage in small loan and pawn loan business respectively. Anhui Expressway Finance Lease Co., Ltd. engage in finance lease business.

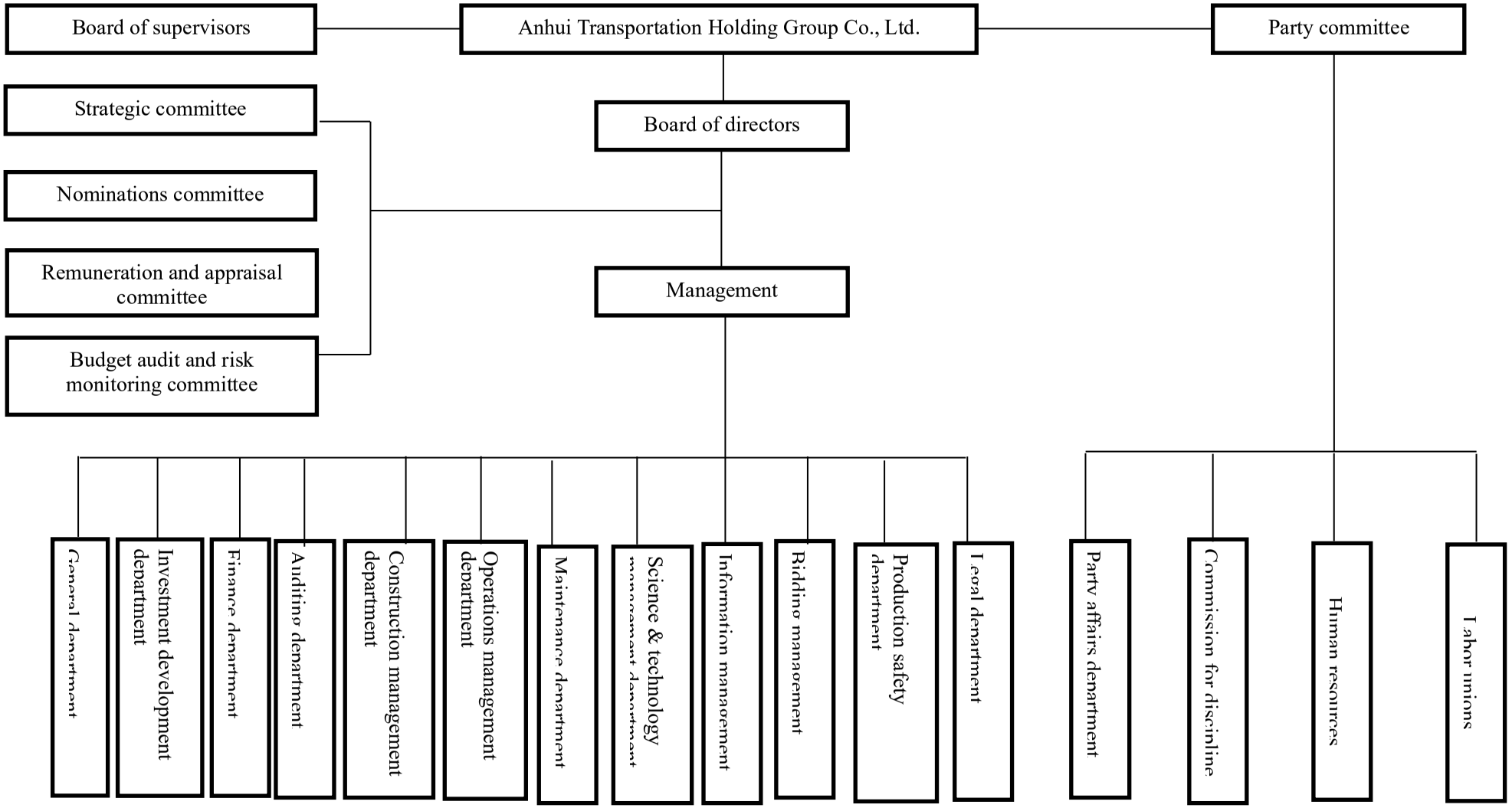
(g) Housing construction

Anhui Jinggong Construction Group Corporation, a subsidiary of the Company, engages in building constructions, general contracting of municipal public constructions, architectural decoration engineering, ground and foundation engineering, electromechanical equipment installation engineering, building intelligentization, steel structure engineering, fire-fighting facilities engineering professional contracting, architectural decoration design and utility installation, curtain wall engineering, safety technology prevention engineering design and construction business.

(h) Other Business

Anhui Traffic Holding Group Hotel Management Co., Ltd., a subsidiary of the Company, engages in hotel management business. Anhui Transportation Holding Group (Hongkong) Co., Ltd. is treated as a financing platform of the Group. Anhui Qixing Property Management Co., Ltd. and Hefei Bangning Property Management Co., Ltd. mainly engage in property management business. Anhui Expressway Network Operation Co., Ltd. mainly engages in express networking tolling business. Anhui Transportation Holding Information Industry Co., Ltd. mainly engages in the construction, operation and service of traffic toll system (including cash and electronic payment).

1.3. Organization Structure


Board of supervisors
Anhui Transportation Holding Group Co., Ltd.
Party committee
Strategic committee
Board of directors
Nominations committee
Remuneration and appraisal committee
Management
Budget audit and risk monitoring committee
General department
Investment development department
Finance department
Auditing department
Construction management department
Operations management department
Maintenance department
Science & technology management department
Information management
Bidding management
Production safety department
Legal department
Party affairs department
Commission for discipline
Human resources
Labor unions

The financial statements were approved and authorised to issue, upon the resolution of the Company's office meeting on March 27, 2020.

Note 2. Basis of preparation of the financial statements

2.1. Basis of preparation

Based on going concern, according to actual occurred transactions and events, the Company prepares its financial statements in accordance with the Accounting Standards for Business Enterprises – Basic Standards and concrete accounting standards, Accounting Standards for Business Enterprises – Application Guidelines, Accounting Standards for Business Enterprises – Interpretations and other relevant provisions (collectively known as "Accounting Standards for Business Enterprises, issued by Ministry of Finance of PRC").

2.2. Going concern

The Company has assessed its ability to continually operate in the next twelve months from the end of the reporting period, and no any matters that may result in doubt on its ability as a going concern were noted. Therefore, it is reasonable for the Company to prepare financial statements on the going concern basis.

Note 3. The statement of compliance with the Accounting Standards for Business Enterprises

The Company prepares its financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises, truly and completely reflecting the Company's financial position as at 31 December 2019, and its operating results, changes in shareholders' equity, cash flows and other related information for the year then ended.

From January 1, 2018, Anhui Wantong Expressway Co., Ltd. , within the scope of consolidation, implemented the *Accounting Standard for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments (2017 Revision) (CK [2017] No. 7), Accounting Standard for Business Enterprises No.23 - Transfer of Financial Assets (2017 Revision) (CK [2017] No. 8)* , *Accounting Standard for Business Enterprises No.24 – Hedging (2017 Revision) (CK [2017] No. 9),* issued by the Ministry of Finance on March 31, 2017, and *Accounting Standard for Business Enterprises No.37 - Presentation of Financial Instruments (2017 Revision) (CK [2017] No. 14)* issued on May 2, 2017*,* (the above standards are hereinafter referred to as "new financial instrument standards"). And Anhui Transport Consulting & Design Institute Co., Ltd. implemented the above mentioned "new financial instrument standards" from January 1, 2019. Other subsidiaries have not yet implemented.

According to the requirement of CK [2017] No. 22, the Company did not adjust the financial statements of Anhui Wantong Expressway Co., Ltd. and Anhui Transport Consulting & Design Institute Co., Ltd. that have implemented the new financial instrument standards within the scope of consolidation according to the accounting policies of the parent company when preparing the consolidated financial statements. In the description of accounting policies and accounting estimates, the Company describes the relevant contents separately for "companies that have implemented the new financial instrument standards" and "companies that have not implemented the new financial instrument standards".

Note 4. Significant accounting policies and accounting estimates

The following significant accounting policies and accounting estimates of the Company are formulated in accordance with the Accounting Standards for Business Enterprises. Businesses not mentioned are complied with relevant accounting policies of the Accounting Standards for Business Enterprises.

4.1. Accounting period

The accounting year of the Company is from January 1 to December 31 in calendar year.

4.2. Operating cycle

The normal operating cycle of the Company is twelve months.

4.3. Functional currency

The Company takes Renminbi Yuan ("RMB") as the functional currency.

4.4. Accounting basis and valuation principle

According to the relevant requirements of Accounting Standards for Business Enterprises, the financial accounting of the Company is based on accrual basis. Except for certain financial instruments, the financial statements are measured at historical costs. If the assets are impaired, corresponding impairment provisions are made according to relevant regulations.

4.5 Accounting treatment of business combinations under and not under common control

(a) Business combinations under the common control

The assets and liabilities that the Company obtains in a business combination under common control shall be measured at their carrying amount of the acquired entity at the combination date. If the accounting policy adopted by the acquired entity is different from that adopted by the acquiring entity, the acquiring entity shall, according to accounting policy it adopts, adjust the relevant items in the financial statements of the acquired party based on the principal of materiality. As for the difference between the carrying amount of the net assets obtained by the acquiring entity and the carrying amount of the consideration paid by it, the capital reserve (capital premium or share premium) shall be adjusted. If the capital reserve (capital premium or share premium) is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

(b) Business combinations not under common control

The assets and liabilities that the Company obtains in a business combination not under common control shall be measured at their fair value at the acquisition date. If the accounting policy adopted by the acquired entity is different from that adopted by the acquiring entity, the acquiring entity shall, according to accounting policy it adopts, adjust the relevant items in the financial statements of the acquired entity based on the principal of materiality. The acquiring entity shall recognise the positive balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquired entity as goodwill. The acquiring entity shall, pursuant to the following provisions, treat the negative balance between the combination costs and the fair value of the identifiable net assets it obtains from the acquired entity:

(i) It shall review the measurement of the fair values of the identifiable assets, liabilities and contingent liabilities it obtains from the acquired entity as well as the combination costs;

(ii) If, after the review, the combination costs are still less than the fair value of the identifiable net assets it obtains from the acquired entity, the balance shall be recognised in profit or loss of the reporting period.

4.6. Method of Preparing the Consolidated Financial Statements

(a) Scope of consolidation

The scope of consolidated financial statements shall be determined on the basis of control. It not only includes subsidiaries determined based on voting power (or similar) or other arrangement, but also structured entities under one or several contract arrangements.

Control exists when the Company has all the following: power over the investee; exposure, or rights to variable returns from the Company's involvement with the investee; and the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries are the entities that controlled by the Company (including enterprise, a divisible part of the investee, and structured entity controlled by the enterprise). A structured entity (sometimes called a Special Purpose Entity) is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity.

(b) The method of preparing for the consolidated financial statements

The consolidated financial statements shall be prepared by the Company based on the financial statements of the Company and the subsidiaries, and using other related information.

When preparing consolidated financial statements, the company shall consider the entire group as an accounting entity, adopt uniform accounting policies and apply the requirements of Accounting Standard for Business Enterprises related to recognition, measurement and presentation. The consolidated financial statements shall reflect the overall financial position, operating results and cash flows of the group.

(i) Like items of assets, liabilities, equity, income, expenses and cash flows of the parent are combined with those of the subsidiaries.

(ii) The carrying amount of the parent's investment in each subsidiary is eliminated (off-set) against the parent's portion of equity of each subsidiary.

(iii) Eliminate the impact of intragroup transactions between the Company and the subsidiaries or between subsidiaries, and when intragroup transactions indicate an impairment of related assets, the losses shall be recognised in full.

(iv) Make adjustments to special transactions from the perspective of the group.

(c) The method of preparation of the consolidated financial statements when subsidiaries are acquired or disposed in the reporting period

(i) Acquisition of subsidiaries or business

Subsidiaries or business acquired through business combination under common control

When preparing consolidated statements of financial position, the opening balance of the consolidated balance sheet shall be adjusted. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Incomes, expenses and profits of the subsidiary incurred from the beginning of the reporting period to the end of the reporting period shall be included into the consolidated statement of profit or loss. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Cash flows from the beginning of the reporting period to the end of the reporting period shall be included into the consolidated statement of cash flows. Related items of comparative financial statements shall be adjusted as well, deeming that the combined entity has always existed ever since the ultimate controlling party began to control.

Subsidiaries or business acquired through business combination not under common control

When preparing the consolidated statements of financial position, the opening balance of the consolidated statements of financial position shall not be adjusted.

Incomes, expenses and profits of the subsidiary incurred from the acquisition date to the end of the reporting period shall be included into the consolidated statement of profit or loss.

Cash flows from the acquisition date to the end of the reporting period shall be included into the consolidated statement of cash flows.

(ii) Disposal of subsidiaries or business

When preparing the consolidated statements of financial position, the opening balance of the consolidated statements of financial position shall not be adjusted.

Incomes, expenses and profits incurred from the beginning of the subsidiary to the disposal date shall be included into the consolidated statement of profit or loss.

Cash flows from the beginning of the subsidiary to the disposal date shall be included into the consolidated statement of cash flows.

(d) Special accounting treatment in combination

(i) Long-term equity investment held by the subsidiaries to the Company shall be recognised as treasury stock of the Company, which is offset with the owner's equity, represented as "treasury stock" under "owner's equity" in the consolidated statement of financial position.

Long-term equity investment held by subsidiaries between each other is accounted for taking long-term equity investment held by the Company to its subsidiaries as reference. That is, the long-term equity investment is eliminated (off- set) against the portion of the corresponding subsidiary's equity.

(ii) Due to not belonging to paid-in capital (or share capital) and capital reserve, and being different from retained earnings and undistributed profit, "Specific reserves" and "General risk provision" shall be recovered based on the proportion attributable to owners of the parent company after long-term equity investment to the subsidiaries is eliminated with the subsidiaries' equity.

(iii) If temporary timing difference between the book value of the assets and liabilities in the consolidated statement of financial position and their tax basis is generated as a result of elimination of unrealized inter-company transaction profit or loss, deferred tax assets of deferred tax liabilities shall be recognised, and income tax expense in the consolidated statement of profit or loss shall be adjusted simultaneously, excluding deferred taxes related to transactions or events directly recognised in owner's equity or business combination.

(iv) Unrealised inter-company transactions profit or loss generated from the Company selling assets to its subsidiaries shall be eliminated against "net profit attributed to the owners of the parent company" in full. Unrealized inter-company transactions profit or loss generated from the subsidiaries selling assets to the Company shall be eliminated between "net profit attributed to the owners of the parent company" and "non-controlling interests" pursuant to the proportion of the Company in the related subsidiaries. Unrealized inter-company transactions profit or loss generated from the assets sales between the subsidiaries shall be eliminated between "net profit attributed to the owners of the parent company" and "non-controlling interests" pursuant to the proportion of the Company in the selling subsidiaries.

(v) If loss attributed to the minority shareholders of a subsidiary in current period is more than the proportion of non-controlling interest in this subsidiary at the beginning of the period, non-controlling interest is still to be written down.

(e) Accounting for special transaction

(i) Purchasing of non-controlling interests

Where, the Company purchases non-controlling interests of its subsidiary, in the individual financial statements of the Company, the cost of the long-term investment obtained in purchasing non-controlling interests is measured at the fair value of the consideration paid. In the consolidated financial statements, difference between the cost of the long-term investment newly obtained in purchasing non-controlling interests and share of the subsidiary's net assets from the purchasing date or combination date continuingly calculated pursuant to the newly acquired shareholding proportion shall be adjusted in capital reserve (capital premium or share premium). If capital reserve is not enough to be offset, surplus reserve and undistributed profit shall be offset in turn.

(ii) Gain control over a subsidiary in stages through multiple transactions.

Business combination under common control in stages through multiple transactions

On the combination date, in the separate financial statement, initial cost of the long-term equity investment is determined according to the share of carrying amount of the acquiree's net assets in the ultimate controlling entity's consolidated financial statements after combination. The difference between the initial cost of the long-term equity investment and the carrying amount of the long -term investment held prior of control plus book value of additional consideration paid at acquisition date is adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be adjusted against surplus reserve and undistributed profit in turn. Long-term investment is subsequently measured at cost, whereas no consolidated financial statements are prepared. At the combination date, preliminary cost of the long-term investment is determined according to the share of book value of the

acquiree's net assets in the ultimate controlling entity's consolidated financial statements calculated at the accumulated shareholding percentage. The difference between the preliminary cost of the long-term investment and the carrying amount of the long-term investment prior of control is gained plus book value of additional consideration paid at consolidation date is adjusted in capital reserve (capital premium or share premium). If the capital reserve is not enough to be offset, surplus reserve and undistributed profit shall be offset in turn. Simultaneously, consolidated financial statements should be prepared at consolidation date, and the Company shall adjust the consolidated financial statements, as if the entities involved in the combination have existed in the current status since the ultimate controlling entity began to control.

In considering of the terms and conditions of the transactions as well as their economic impact, the presence of one or more of the following indicators may lead to account for multiple transactions as a single transaction:

(a) The transactions are entered into simultaneously or in contemplation of one another.

(b) The transactions form a single transaction designed to achieve an overall commercial effect.

(c) The occurrence of one transaction depends on the occurrence of at least one other transaction.

(d) One transaction, when considered on its own merits, does not make economic sense, but when considered together with the other transaction or transactions would be considered economically justifiable.

If the transactions cannot be classified as "a single transaction", a financial asset (financial asset at fair value through profit or loss or available for sale financial assets) or a long-term investment on equity method is recognised for each transaction prior of combination date at the fair value of the consideration paid. At the consolidation date, in individual financial statements of the Company, the preliminary cost of the investment is determined according to the share of book value of the acquiree's net assets in the ultimate controlling entity's consolidated financial statements calculated at the corresponding share of equity interest. The difference between the preliminary cost of the long-term investment and the carrying amount of the long-term investment prior of control is gained plus book value of additional consideration paid at consolidation date is adjusted in capital reserve (capital premium or share premium). If the capital reserve is not enough to be offset, surplus reserve and undistributed profit shall be offset in turn.

The Company shall adjust its consolidated financial statements, as if the entities involved in the combination have existed in the current status since the ultimate controlling entity began to control. When preparing the consolidated financial statements, with the time limit of not earlier than when the acquiring entity and acquired entity were under the control of the ultimate controlling entity, the assets and liabilities of the combined entities are consolidated in the comparative financial statements of the combining entity's consolidated financial statements, and the net assets added in the combination are adjusted in the related items of the owner's equity of the comparative financial statements. If the retained earnings of the combined entity attributable to the combining entity prior of the combination date cannot be recovered completely due to that the capital reserve(capital premium or share premium) is not enough, the Company disclose this situation in the note to the financial statements, including the amount of retained earnings of the

combined entity prior of the consolidation date, the amount attributable to the Company, and the amount of retained earnings not recovered in the consolidated statement of financial position.

If the acquiring entity holds equity investment in the acquired entity prior to the combination date and the equity investment is accounted for under the equity method, related profit or loss, other comprehensive income and other changes in equity which have been recognised during the period from the later of the date of the Company obtaining original equity interest and the date of both the acquirer and the acquiree under common control of the same ultimate controlling party to the combination date should be offset against the opening balance of retained earnings at the comparative financial statements period respectively.

Business combination not under common control in stages through multiple transactions

The Company treats the transactions as one single transaction of gaining control over the subsidiary if the transactions should be classified as "a package deal". In individual financial statements, equity investment is always recognised as long-term investment in each transaction prior of the combination date, and the preliminary cost of the investment is determined according to the fair value of the consideration paid. Long-term investment is subsequently measured at cost, whereas no consolidated financial statements are prepared. At the combination date, in individual financial statements, preliminary cost of the long-term investment is determined according to the carrying amount of the original long-term investment plus newly added cost of the investment (fair value of the consideration paid in order to obtain additional share). In the consolidated financial statements, preliminary investment cost is eliminated with the share of the fair value of the subsidiary's identifiable net assets. The difference is recognised as goodwill or profit or loss of the reporting period.

If the transactions cannot be classified as "a package deal", a financial asset (financial asset at fair value through profit or loss or available for sale financial assets) or a long-term investment on equity method is recognised for each transaction prior of combination date at the fair value of the consideration paid. At the consolidation date, in theseperate financial statements of the Company, the preliminary cost of the equity investment which is accounted for on cost method is measured at the carrying amount of the original long-term investment (financial assets or long-term investment on equity method) plus newly added cost of the investment. In the consolidated financial statements, the share of the acquired entity's equity held prior of the acquisition date shall be re-measured at its fair value at the acquisition date. Difference between the fair value of the equity share and its book value is recognised as investment income. If other comprehensive income was recognised concerning the equity interest held prior of the acquisition date, the other comprehensive income should be transferred to investment income of reporting period which the acquisition belongs to, excluding other comprehensive income recognised due to the movement of net assets or net liabilities under the circumstances of beneficiary plan being re-defined. The Company shall disclose in the note the fair value at the acquisition date of the equity interest held by it prior of the acquisition date, and the amount of related gains or losses due to re-measurement at fair value

(iii) Disposal of investment in subsidiaries without a loss of control

For partial disposal of the long-term equity investment in the subsidiaries without a loss of control, when the Company prepares consolidated financial statements, difference between consideration received from the disposal and the corresponding share of subsidiary's net assets cumulatively

calculated from the acquisition date or combination date shall be adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be offset against retained earnings.

(iv) Disposal of investment in subsidiaries with a loss of control

A. One transaction disposal

For partial disposal of the long-term investment in the subsidiaries with controlling right lost, when the Company prepares consolidated financial statements, the remaining equity interest shall be re-measured at its fair value at the date when the controlling right is lost. Consideration received for disposal of the equity interest, plus the fair value of the remaining equity interest, minus share of the former subsidiary's net assets continuingly calculated from the acquisition date or combination date, shall be recognised in investment income of the period when the controlling right is lost, and the goodwill is written off as well (if the original business combination was not under common control and goodwill exists). Other comprehensive income related to the original investment is recognised as investment income of the reporting period.

Moreover, other comprehensive income and other equity movement related to the equity investment in the original subsidiary shall be transferred to investment income of the consolidation date, excluding other comprehensive income recognised due to the movement of net assets or net liabilities under the circumstances of beneficiary plan being re-defined.

B. Multiple transactions are handled step by step

In business combination, first of all, disposal in stages should be assessed whether they should be classified as a "package deal".

If the disposal in stages should not be classified as "a package deal", transactions prior of the date when controlling right is lost should be accounted for according to related policy in "Disposing investment in subsidiaries with no controlling right lost".

If the disposal in stages should be classified as "a package deal", these transactions should be considered as a single transaction and accounted for according to related policy in "Disposing investment in subsidiaries with controlling right lost". Among them, for transactions prior of the date when controlling right is lost, difference between consideration received and share of corresponding subsidiary's net assets is recognised as other comprehensive income in the consolidated financial statements, which as a whole is recognised as profit or loss when the controlling right is lost

(v) Diluting equity share of parent company in its subsidiaries due to additional capital injection by the subsidiaries' minority shareholders

Other shareholders (minority shareholders) of the subsidiaries inject additional capital in the subsidiaries, which resulted in the dilution of equity interest of parent company in these subsidiaries. In the consolidated financial statements, difference between share of the corresponding subsidiaries' net assets calculated based on the parent's equity interest before and after the capital injection shall be adjusted into capital reserve (capital premium or share premium). If the capital reserve is not enough to absorb the difference, any excess shall be adjusted against retained earnings.

4.7. Joint venture arrangement and joint management accounting method.

Joint venture arrangement is an arrangement jointly controlled by two or more parties. The joint

venture is divided into joint operation and joint venture.

(a) Joint operation

Joint operation means that the company enjoys the relevant assets of the arrangement and undertakes the arrangement of the related liabilities of the arrangement.

The company confirms the following items related to the share of interests in the joint operation and conducts accounting treatment according to the accounting standards of relevant enterprises:

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operation;

(iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

(b) Joint venture

The joint venture shall mean the joint venture arrangement which the company only has the right to the net assets of the arrangement.

The company shall conduct accounting treatment of the investment of the joint venture in accordance with the provisions of the relevant rights and interests law of long-term equity investment.

4.8. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents include short-term (generally within three months of maturity at acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.9. Foreign currency transactions and the foreign currency financial statements

(a) Determination of the exchange rate for foreign currency transactions

At the time of initial recognition of a foreign currency transaction, the amount in the foreign currency shall be translated into the amount in the functional currency at the spot exchange rate of the transaction date, or at an exchange rate which is determined through a systematic and reasonable method and is approximate to the spot exchange rate of the transaction date (hereinafter referred to as the approximate exchange rate).

(b) Translation of monetary items denominated in foreign currency on the balance sheet date

The foreign currency monetary items shall be translated at the spot exchange rate on the balance sheet date. The balance of exchange arising from the difference between the spot exchange rate on the balance sheet date and the spot exchange rate at the time of initial recognition or prior to the balance sheet date shall be recorded into the profits and losses at the current period.

(c) Translation of foreign currency financial statements

Before translating the financial statements of foreign operations, the accounting period and accounting policy shall be adjusted so as to conform to the Company. The adjusted foreign

operation financial statements denominated in foreign currency (other than functional currency) shall be translated in accordance with the following method:

(i) The asset and liability items in the statement of financial position shall be translated at the spot exchange rates at the date of that statement of financial position.. The owners' equity items except undistributed profit shall be translated at the spot exchange rates when they are incurred.

(ii) The income and expense items in the statement of profit and other comprehensive income shall be translated at the spot exchange rates or approximate exchange rate at the date of transaction.

(iii) Foreign currency cash flows and cash flows of foreign subsidiaries shall be translated at the spot exchange rate or approximate exchange rate when the cash flows are incurred. The effect of exchange rate changes on cash is presented separately in the statement of cash flows as an adjustment item.

(iv) The differences arising from the translation of foreign currency financial statements shall be presented separately as "other comprehensive income" under the owners' equity items of the consolidated statement of financial position.

4.10. Financial instruments

"Companies that have not implemented the new financial instrument standards"

Financial instrument is any contract which gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Classification and measurement of financial assets

The Company's financial assets are divided into the following four categories when initially recognised: Financial assets at fair value through profit or loss; Held-to-maturity investments; Loans and Receivables; Available-for-sale financial assets. Financial assets are measured at fair value when initially recognised. For financial assets measured at fair value through profit and loss, the relevant transaction costs are directly included in the current profit and loss, while the relevant transaction costs of other types of financial assets are included in the initial recognition amount.

(i) Financial assets at fair value through profit or loss

This category comprises financial assets defined as held for trading, or those designated as at fair value through profit or loss. For such financial assets, the fair value is adopted for subsequent measurement. The gains or losses resulting from changes in fair value and the dividends and interest income related to such financial assets are recorded into the current profit and loss.

(ii) Held-to-maturity investments

Held-to-maturity investments refer to non-derivative financial assets with fixed or determinable payments and fixed maturity, for which the Company has a positive intention and ability to hold to maturity. The held-to-maturity investment adopts the effective interest rate method, and subsequently measures at amortized cost. The gains or losses arising from the derecognition, impairment or amortization shall be recorded into the current profit and loss.

(iii) Receivables

Receivables refer to non-derivative financial assets without a quote in an active market and have fixed or determinable payments and fixed maturity, including Notes Receivable, Accounts Receivable and Other Receivables (Note 4.11). Receivables adopts the effective interest rate method, and subsequently measures at amortized cost. The gains or losses arising from the derecognition, impairment or amortization shall be recorded into the current profit and loss.

(iv) Available-for-sale financial assets

Available-for-sale financial assets refer to the non-derivative financial assets designated as available for sale at the time of initial recognition, as well as financial assets other than the financial assets mentioned above. Available-for-sale financial assets are subsequently measured at fair value and any discount or premium is amortized at effective interest rate and recognised as interest income. In addition to the impairment loss and foreign currency monetary financial asset exchange difference recognised as the current profit and loss, the changes in the fair value of the available-for-sale financial assets is recognised as other comprehensive income, and transferred out when the financial asset is derecognised and recorded into the current profit and loss. The dividends or interest income related to the available-for-sale financial assets shall be recorded into the profits and losses of the current period.

(b) Classification and measurement of financial liabilities

The Company's financial liabilities are divided into the following two categories when initially recognised: Financial liabilities at fair value through profit or loss and Other financial liabilities. For financial liabilities that are not classified as financial liabilities at fair value through profit or loss, the relevant transaction costs are included in the initial recognition amount.

(i) Financial liabilities at fair value through profit or loss

This category of financial liabilities comprises financial liabilities that are defined as held for trading, or those that are designated as at fair value through profit or loss. This category of financial liabilities is initially measured at fair value. The gains or losses resulting from changes in fair value and the dividends and interest income related to such financial liabilities are recorded into the current profit and loss.

(ii) Other financial liabilities

The derivative financial liabilities that is linked to an equity instrument that without a quote in an active market and fair value cannot be reliably measured and must be settled through the delivery of the equity instrument shall be subsequently measured at cost. Other financial liabilities adopts the effective interest rate method, and subsequently measured at amortized cost. The gains or losses arising from the derecognition, impairment or amortization shall be recorded into the current profit and loss.

Classification of financial liabilities and equity instruments

Financial liabilities, refer to liabilities that meet one of the following conditions:

(i) A contractual obligation to deliver cash or another financial assets to another party.

(ii) A contractual obligation to exchange financial assets or financial liabilities with another party under potentially adverse conditions.

(iii) A non-derivative contract must or may be settled in the entity's own equity instruments in the future, and the company will deliver a variable number of its own equity instruments.

(iv) A derivative contract must or may be settled in the entity's own equity instruments in the future, but except for the derivative contract that exchange a fixed number of its own equity instruments for a fixed amount of cash or other financial assets.

Equity instruments, refer to contracts that prove ownership of the remaining equity in the assets of a business after deducting all liabilities.

If the Company has no unconditional right to avoid delivering cash or another financial instrument to fulfill a contractual obligation, this contractual obligation meet the definition of financial liabilities.

If a financial instrument must or may be settled in the entity's own equity instruments, it should be considered that the entity's own equity instruments are alternatives of cash or another financial instrument, or to entitle the holder of the equity instruments to sharing the remaining rights over the net assets of the issuer. If the former is the case, the instrument is a liability of the issuer. Otherwise, it is an equity instrument of the issuer.

(c) Derivatives and embedded derivatives

The company's Derivatives include Forward foreign currency contracts, Currency exchange rate swap contracts, Interest rate swap contracts and Foreign exchange option contracts, etc. At initial recognition, derivatives shall be measured at fair value at the date of derivative contracts are signed and subsequently measured at fair value. The derivative with a positive fair value shall be recognised as an asset, and with a negative fair value shall be recognised as a liability. Gains or losses arising from the changes in fair value of derivatives shall be recognised directly into current profit or loss except for the those not satisfied with hedge accounting.

For hybrid contract including an embedded derivative, if it is not designated as financial asset or financial liability at fair value through profit or loss, and the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host, and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, the embedded derivative shall be separated from the hybrid instrument and accounted for as a separate derivative instrument. If the Company is unable to measure the fair value of the embedded derivative at the acquisition date or subsequently at the balance sheet date, the entire hybrid contract is designated as financial assets or financial liabilities at fair value through profit or loss.

(d) Impairment provision of the financial assets

The Company shall review the carrying value of the financial asset at each balance sheet date, if there is objective evidence that the financial asset is impaired, the Company shall accrue the impairment provision. The objective evidence refers to, the event actually occurred after initial recognition, which has an impact on the expected future cash flow of the financial asset, and the Company can reliably measure the impact.

Financial assets at amortised cost

When the financial asset is impaired, the carrying amount of the financial asset shall be written down to the present value of its expected future cash flows (excluding future credit losses that have not occurred); the amount written down shall be recognised as impairment loss in current profit or loss. The present value of the estimated future cash flows is determined by discounting at the original effective rate of the financial asset, considering the value of related guaranty.

When assesses the impairment of financial asset with individually significant balance, if there are objective evidences indicate the assets have impaired, the Company shall recognize the impairment loss and included in profit or loss; for financial asset with individually insignificant balance, the Company could assess the impairment individually or included in the financial asset group with the similar credit risk characteristics. If the financial asset (including with individually significant and insignificant balance) is not impaired through the individual assessment, it shall be assessed again in the assessment of the financial asset group with the similar credit risk characteristics; if it has recognised the impairment through the individual assessment, then shall not be included in the assessment of the financial asset group with the similar credit risk characteristics.

If, in a subsequent period, the carrying amount of the financial asset at amortised cost increases and the increase can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment losses are reversed, included in current profit or loss. But the carrying amount after the reversal shall not exceed the amortised cost in assuming that no impairment loss been recognised at the date of reversal.

Available-for-sale financial assets

If there are objective evidences indicate the assets have impaired, the cumulative loss arising from the decline in fair value that has been recognised previously in other comprehensive income shall be transferred out into current profit or loss. The cumulative loss that transferred out, shall be the balance of the initial acquisition cost of the available-for-sale financial asset after deducting the principal recovered and the amortized amount, the current fair value and the impairment loss originally included in the profit and loss.

If, in a subsequent period, the carrying amount of available-for-sale debt instruments investments increases and the increase is related objectively to an event occurring after the impairment was recognised, the previously recognised impairment losses are reversed, and included in current profit or loss. Impairment loss of available-for sale equity instrument cannot be reversed through profit or loss.

Financial assets measured at cost

If an equity instrument investment without a quote in an active market and the fair value cannot be reliably measured, or a derivative financial assets (that is linked to the equity instrument and is settled through the delivery of the equity instrument) had impaired, the difference between the book value of the financial asset and the present value determined by discounting the future cash flow according to the current market rate of return of similar financial asset would be recognised as an impairment loss and recorded into the current profit and loss. Impairment loss of financial assets measured at cost cannot be reversed after recognition.

(e) The basis for measuring the gains and losses of financial assets and financial liabilities

The gains or losses arising from the changes in the fair value of financial assets and financial liabilities at fair value through profit or loss, shall be recorded into current profit or loss. The gains or losses arising from the changes in the fair value of available-for-sale financial assets, except for impairment losses and exchange differences arising from foreign currency monetary financial assets, shall be recorded into owner's equity, and transferred out when the financial asset is derecognised, and recorded into current profit or loss. The exchange difference arising from available-for-sale foreign currency monetary financial assets shall be recorded into current profit and loss. The interest on available-for-sale financial assets calculated according to the effective

interest rate method are recognised in current profit or loss. Cash dividends of available-for sale equity instrument will be recognised into current profit or loss when the invested entity declares dividend payment.

Determination of fair value of financial assets and financial liabilities please refer to Note 4.32.

For financial assets and financial liabilities measured at amortised cost using the effective interest rate method, the gains or losses arising from the decognition, impairment or amortization shall be recorded into the current profit and loss. Effective interest rate method, refers to the method of calculating its amortized cost and interest income or interest expense in each period according to the effective interest rate of financial assets or financial liabilities (including a group of financial assets or financial liabilities). Effective interest rate, refers to the interest rate used to discount the future cash flow of a financial asset or financial liability into the current carrying value of the financial asset or financial liability during the expected duration or the shorter period applicable.

When calculating the effective interest rate, the Company estimated future cash flow on the basis of considering all the terms of the contract of a financial asset or financial liability (not considering the future credit losses), at the same time, considering the fees, transaction fees, discounts or premiums that are part of the effective interest rate paid or received by the parties to the contract of a financial asset or financial liability.

The basis for measuring the gains and losses of transfer of financial assets please refer to Note 4.10 (6).

(f) Transfer of Financial Assets

Transfer of financial assets include below situations:

- Transfers the contractual rights to receive the cash flows of the financial asset;
- Transfers the entire or a part of a financial asset and retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

(i) Derecognition of transferred financial assets

The financial assets should be derecognised if the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When judging whether control of the asset has been transferred or not, the Company shall lay emphasis on the transferee's substantial capability to sell the financial asset. If the transferee itself can sell the financial asset as a whole to a third party that has no any relationship with it, without any restrictions on this sale through supplemental terms, it is shown that the control of the asset has been given up.

The principle of substance over form is adopted to determine whether the transfer of a financial asset satisfies the criteria described above for derecognition of a financial asset.

If the entire transfer of financial asset satisfies the criteria for derecognition, the difference between the amounts of the following two items shall be included in the current profit or loss:

- The carrying amount of the transferred financial asset;
- The sum of the consideration received from the transfer and the cumulative amount of the

changes in fair value originally and directly included in owners' equity (where the financial asset transferred is an available-for-sale financial asset).

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition, the previous carrying amount of the financial asset shall be allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values (In such circumstances，servicing asset shall be treated as a part that continues to be recognised） and the difference between the amounts of the following two items shall be recognised in current profit or loss:

- The carrying amount allocated to the part derecognised and;
- The sum of the consideration received for the part derecognised and any cumulative fair value change originally and directly recognised in other comprehensive income (where the financial asset transferred is an available-for-sale financial asset).

(ii) Continuing involvement in transferred financial assets

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and retains control of the transferred financial asset, the Company shall continue to recognise the transferred asset to the extent of its continuing involvement and also recognize an associated liability.

The extent of the entity's continuing involvement in the transferred financial asset is the extent to which it is exposed to changes in the value of the transferred asset.

(iii) Continuing recognise transferred financial assets

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company shall continue to recognise the transferred asset in its entirety and the consideration received shall be recognised as a financial liability.

The financial asset and the associated liability shall not be offset. During the subsequent accounting period, the Company shall continue to recognise any income arising on the transferred financial asset and any expense incurred on the associated liability. If the transferred financial asset is measured at amortised cost, relevant liability recognized cannot be designated as financial liability at fair value through profit or loss.

(g) Recognition and Derecognition of financial liability

A financial asset or a financial liability should be recognised in the statement of financial position when, and only when, an entity becomes a party of the financial instrument contract.

A financial asset can only be derecognised when meets one of the following conditions:

(i) The contractual rights to receive cash flows from the asset are expired.

(ii) The financial asset has been transferred and meets the derecognition conditions of Transfer of Financial Assets in Note 4.10 (6).

A financial liability shall be totally or partly derecognised if its present obligations are totally or partly dissolved. Where the Company enters into an agreement with a creditor so as to substitute the existing financial liabilities with any new financial liability, and the new financial liability is substantially different from the contractual stipulations regarding the existing financial liability, it shall derecognise the existing financial liability, and shall at the same time recognise a new

financial liability.

When purchase or sale of financial assets in a regular-way, recognition and derecognition shall be accounted at the trsnsaction date.

(h) Offsetting financial assets and liabilities

When the Company currently has a legally right to set off the recognised amounts, and and the right is executable at present; and the Company has an intention to settle on a net basis or liquidate the asset and settle the liability simultaneously, financial assets and liabilities shall be I presented on a net basis after offsetting in the statement of financial position. Otherwise, financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset.

"Companies that have implemented the new financial instrument standards"

Financial instrument is any contract which gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Recognition and derecognition of financial instrument

A financial asset or a financial liability should be recognised in the statement of financial position when, and only when, an entity becomes party to the contractual provisions of the instrument.

A financial asset can only be derecognised when meets one of the following conditions:

(i) The rights to the contractual cash flows from a financial asset expire

(ii) The financial asset has been transferred and meets one of the following derecognition conditions:

Financial liabilities (or part thereof) are derecognised only when the liability is extinguished—i.e., when the obligation specified in the contract is discharged or cancelled or expires. An exchange of the Company (borrower) and lender of debt instruments that carry significantly different terms or a substantial modification of the terms of an existing liability are both accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Purchase or sale of financial assets in a regular-way shall be recognised and derecognised using trade date accounting. A regular-way purchase or sale of financial assets is a transaction under a contract whose terms require delivery of the asset within the time frame established generally by regulations or convention in the market place concerned. Trade date is the date at which the entity commits itself to purchase or sell an asset.

(b) Classification and measurement of financial assets

At initial recognition, the Company classified its financial asset based on both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset: financial asset at amortised cost, financial asset at fair value through profit or loss (FVTPL) and financial asset at fair value through other comprehensive income (FVTOCI). Reclassification of financial assets is permitted if, and only if, the objective of the entity's business model for managing those financial assets changes. In this circumstance, all affected financial assets shall be reclassified on the first day of the first reporting period after the changes in business model; otherwise the financial assets cannot be reclassified after initial recognition.

Financial assets shall be measured at initial recognition at fair value. For financial assets

measured at FVTPL, transaction costs are recognised in current profit or loss. For financial assets not measured at FVTPL, transaction costs should be included in the initial measurement. Notes receivable or accounts receivable that arise from sales of goods or rendering of services are initially measured at the transaction price defined in the accounting standard of revenue where the transaction does not include a significant financing component.

Subsequent measurement of financial assets will be based on their categories:

(i) Financial asset at amortised cost

The financial asset at amortised cost category of classification applies when both the following conditions are met: the financial asset is held within the business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. These financial assets are subsequently measured at amortised cost by adopting the effective interest rate method. Any gain or loss arising from derecognition according to the amortization under effective interest rate method or impairment are recognised in current profit or loss.

(ii) Financial asset at fair value through other comprehensive income (FVTOCI)

The financial asset at FVTOCI category of classification applies when both the following conditions are met: the financial asset is held within the business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payment of principle and interest on the principal amount outstanding. All changes in fair value are recognised in other comprehensive income except for gain or loss arising from impairment or exchange differences, which should be recognised in current profit or loss. At derecognition, cumulative gain or loss previously recognised under OCI is reclassified to current profit or loss. However, interest income calculated based on the effective interest rate is included in current profit or loss.

The Company make an irrevocable decision to designate part of non-trading equity instrument investments as measured through FVTOCI. All changes in fair value are recognised in other comprehensive income except for dividend income recognised in current profit or loss. At derecognition, cumulative gain or loss are reclassified to retained earnings.

(iii)Financial asset at fair value through profit or loss (FVTPL)

Financial asset except for above mentioned financial asset at amortised cost or financial asset at fair value through other comprehensive income (FVTOCI), should be classified as financial asset at fair value through profit or loss (FVTPL). These financial assets should be subsequently measured at fair value. All the changes in fair value are included in current profit or loss.

(c) Classification and measurement of financial liabilities

The Company classified the financial liabilities as financial liabilities at fair value through profit or loss (FVTPL), loan commitments at a below-market interest rate and financial guarantee contracts and financial asset at amortised cost.

Subsequent measurement of financial assets will be based on the classification:

(i) Financial liabilities at fair value through profit or loss (FVTPL)

Held-for-trading financial liabilities (including derivatives that are financial liabilities) and financial liabilities designated at FVTPL are classified as financial liabilities at FVTP. After initial recognition, any gain or loss (including interest expense) are recognised in current profit or loss except for those hedge accounting is applied. For financial liability that is designated as at FVTPL, changes in the fair value of the financial liability that is attributable to changes in the own credit risk of the issuer shall be presented in other comprehensive income. At derecognition, cumulative gain or loss previously recognised under OCI is reclassified to retained earnings.

(ii) Loan commitments and financial guarantee contracts

Loan commitment is a commitment by the Company to provide a loan to customer under specified contract terms. The provision of impairment losses of loan commitments shall be recognised based on expected credit losses model.

Financial guarantee contract is a contract that requires the Company 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. Financial guarantee contracts liability shall be subsequently measured at the higher of: The amount of the loss allowance recognised according to the impairment principles of financial instruments; and the amount initially recognised less the cumulative amount of income recognised in accordance with the revenue principles.

(iii) Financial liabilities at amortised cost

After initial recognition, the Company measured other financial liabilities at amortised cost using the effective interest method.

Except for special situation, financial liabilities and equity instrument should be classified in accordance with the following principles:

(i) If the Company has no unconditional right to avoid delivering cash or another financial instrument to fulfill a contractual obligation, this contractual obligation meet the definition of financial liabilities. Some financial instruments do not comprise terms and conditions related to obligations of delivering cash or another financial instrument explicitly, they may include contractual obligation indirectly through other terms and conditions.

(ii) If a financial instrument must or may be settled in the Company's own equity instruments, it should be considered that the Company’s own equity instruments are alternatives of cash or another financial instrument, or to entitle the holder of the equity instruments to sharing the remaining rights over the net assets of the issuer. If the former is the case, the instrument is a liability of the issuer; otherwise, it is an equity instrument of the issuer. Under some circumstances, it is regulated in the contract that the financial instrument must or may be settled in the Company's own equity instruments, where, amount of contractual rights and obligations are calculated by multiplying the number of the equity instruments to be available or delivered by its fair value upon settlement. Such contracts shall be classified as financial liabilities, regardless that the amount of contractual rights and liabilities is fixed, or fluctuate totally or partially with variables other than market price of the entity’s own equity instruments (such as interest rate, price of some kind of goods or some kind of financial instrument).

(d) Derivatives and embedded derivatives

At initial recognition, derivatives shall be measured at fair value at the date of derivative contracts are signed and subsequently measured at fair value. The derivative with a positive fair value shall be recognised as an asset, and with a negative fair value shall be recognised as a liability.

Gains or losses arising from the changes in fair value of derivatives shall be recognised directly into current profit or loss except for the effective portion of cash flow hedges which shall be recognised in other comprehensive income and reclassified into current profit or loss when the hedged items affect profit or loss.

An embedded derivative is a component of a hybrid contract with a financial asset as a host, the Company shall apply the requirements of financial asset classification to the entire hybrid contract. If a host that is not a financial asset and the hybrid contract is not measured at fair value with changes in fair value recognised in profit or loss, and the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host, and a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, the embedded derivative shall be separated from the hybrid instrument and accounted for as a separate derivative instrument. If the Company is unable to measure the fair value of the embedded derivative at the acquisition date or subsequently at the balance sheet date, the entire hybrid contract is designated as financial assets or financial liabilities at fair value through profit or loss.

(e) Impairment of financial instrument

The Company shall recognise a loss allowance based on expected credit losses on a financial asset that is measured at amortised cost, a debt investment at fair value through other comprehensive income, a contract asset, a lease receivable, a loan commitment and a financial guarantee contract.

(i) Measurement of expected credit losses

Expected credit losses are the weighted average of credit losses of the financial instruments with the respective risks of a default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (ie all cash shortfalls), discounted at the original effective interest rate or credit- adjusted effective interest rate for purchased or originated credit-impaired financial assets.

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

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date (or the expected lifetime, if the expected life of a financial instrument is less than 12 months).

At each reporting date, the Company classifies financial instruments into three stages and makes provisions for expected credit losses accordingly. A financial instrument of which the credit risk has not significantly increased since initial recognition is at stage 1. The Company shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. A financial instrument with a significant increase in credit risk since initial recognition but is not considered to be credit-impaired is at stage 2. The Company shall measure the loss

allowance for that financial instrument at an amount equal to the lifetime expected credit losses. A financial instrument is considered to be credit-impaired as at the end of the reporting period is at stage 3. The Company shall measure the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses.

The Company may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date and measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

For financial instrument at stage 1, stage 2 and those have low credit risk, the interest revenue shall be calculated by applying the effective interest rate to the gross carrying amount of a financial asset (ie, impairment loss not been deducted). For financial instrument at stage 3, interest revenue shall be calculated by applying the effective interest rate to the amortised cost after deducting of impairment loss.

For notes receivable, accounts receivable and accounts receivable financing, no matter it contains a significant financing component or not, the Company shall measure the loss allowance at an amount equal to the lifetime expected credit losses.

Receivables

For the notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables which are demonstrated to be impaired by any objective evidence, or applicable for individual assessment, the Company shall individually assess for impairment and recognise the loss allowance for expected credit losses. If the Company determines that no objective evidence of impairment exists for notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables, or the expected credit loss of a single financial asset cannot be assessed at reasonable cost, such notes receivable, accounts receivable, other receivables, accounts receivable financing and long-term receivables shall be divided into several groups with similar credit risk characteristics and collectively calculated the expected credit loss. The determination basis of groups is as following:

Determination basis of notes receivable is as following:

Group	Items	Determination basis
Group one	Bank acceptance bills	The acceptor is the bank with low credit risk
Group two	Commercial acceptance bills	Determined by the acceptor’s credit risk

For each group, the Company calculates expected credit losses through default exposure and the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation. The Company estimates that the bank acceptance bills has no recovery risk and does not accrual expected credit losses; The accrual of the expected credit losses of commercial acceptance bills is performed with reference to accounts receivable and other receivables. The aging starting point of the commercial acceptance bills receivable is traced back to the aging point of the corresponding account receivables.

Determination basis of accounts receivable is as following:

Group one: Accounts receivables due from related parties (Anhui Transport Consulting & Design Institute Co., Ltd.)

Group two: Accounts receivables due from other customers (Anhui Transport Consulting & Design Institute Co., Ltd.)

For each group, the Company calculates expected credit losses through preparing an aging analysis schedule with the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

For group one, no bad debt provision shall be made for the receivables due from related parties, except for the existence of objective evidence that the Company will not be able to recover the payment in accordance with the original terms of receivables; For group two, the Company uses aging as credit risk characteristics, made bad debt provision based on the credit risk characteristics for accounts receivables due from other customers.

Determination basis of other receivables is as following:

Group one: Interest receivable (Anhui Transport Consulting & Design Institute Co., Ltd.)

Group two: Dividend receivable (Anhui Transport Consulting & Design Institute Co., Ltd.)

Group three: Deposit and guarantee receivable (Anhui Transport Consulting & Design Institute Co., Ltd.)

Group four: Other receivables (Anhui Transport Consulting & Design Institute Co., Ltd.)

Group five: Financial products receivable (Anhui Wantong Expressway Co., Ltd.)

Group six: Other receivables (Anhui Wantong Expressway Co., Ltd.)

For each group, the Company calculates expected credit losses through default exposure and the 12-months or lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Determination basis of long-term receivables financing is as following:

Group one: Warranty receivables, Project accounts receivables, Leasing accounts receivables

Group two: Other long-term receivables

For group one, the Company calculates expected credit losses through default exposure and the lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

For group two, the Company calculates expected credit losses through default exposure and the 12-months or lifetime expected credit losses rate, taking reference to historical experience for credit losses and considering current condition and expectation for the future economic situation.

Debt investment and other debt investment

For debt investment and other debt investment, the Company shall calculate the expected credit loss through the default exposure and the 12-month or lifetime expected credit loss rate based on the nature of the investment, counterparty and the type of risk exposure.

(ii) Low credit risk

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 fulfill its contractual cash flow obligations.

(iii) Significant increase in credit risk

The Company shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition, using the change in the risk of a default occurring over the expected life of the financial instrument, through the comparison of the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition.

To make that assessment, the Company shall consider reasonable and supportable information, that is available without undue cost or effort, and that is indicative of significant increases in credit risk since initial recognition, including forward-looking information. The information considered by the Company are as following:

- Significant changes in internal price indicators of credit risk as a result of a change in credit risk since inception
- Existing or forecast adverse change in the business, financial or economic conditions of the borrower that results in a significant change in the borrower's ability to meet its debt obligations;
- An actual or expected significant change in the operating results of the borrower; An actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements, which are expected to reduce the borrower's economic incentive to make scheduled contractual payments or to otherwise have an effect on the probability of a default occurring;
- Significant change that are expected to reduce the borrower's economic incentive to make scheduled contractual payments;
- Expected changes in the loan documentation including an expected breach of contract that may lead to covenant waivers or amendments, interest payment holidays, interest rate step-ups, requiring additional collateral or guarantees, or other changes to the contractual framework of the instrument;
- Significant changes in the expected performance and behaviour of the borrower;
- Contractual payments are more than 30 days past due.

Depending on the nature of the financial instruments, the Company shall assess whether the credit risk has increased significantly since initial recognition on an individual financial instrument or a group of financial instruments. When assessed based on a group of financial instruments, the Company can group financial instruments on the basis of shared credit risk characteristics, for example, past due information and credit risk rating.

Generally, the Company shall determine the credit risk on a financial asset has increased

significantly since initial recognition when contractual payments are more than 30 days past due. The Company can only rebut this presumption if the Company has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due.

(iv) Credit-impaired financial asset

The Company shall assess at each reporting date whether the credit impairment has occurred for financial asset at amortised cost and debt investment at fair value through other comprehensive income. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidences that a financial asset is credit-impaired include observable data about the following events:

Significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; the disappearance of an active market for that financial asset because of financial difficulties; the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(v) Presentation of impairment of expected credit loss

In order to reflect the changes of credit risk of financial instrument since initial recognition, the Company shall at each reporting date remeasure the expected credit loss and recognise in profit or loss, as an impairment gain or loss, the amount of expected credit losses addition(or reversal). For financial asset at amortised cost, the loss allowance shall reduce the carrying amount of the financial asset in the statement of financial position; for debt investment at fair value through other comprehensive income, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

(vi) Write-off

The Company shall directly reduce the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the contractual cash flow of a financial asset in its entirety or a portion thereof. Such write-off constitutes a derecognition of the financial asset. This circumstance usually occurs when the Company determines that the debtor has no assets or sources of income that could generate sufficient cash flow to repay the write-off amount.

Recovery of financial asset written off shall be recognised in profit or loss as reversal of impairment loss.

(f) Transfer of financial assets

Transfer of financial assets refers to following two situations:

- Transfers the contractual rights to receive the cash flows of the financial asset;
- Transfers the entire or a part of a financial asset and retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

(i) Derecognition of transferred assets

If the Company transfers substantially all the risks and rewards of ownership of the financial asset, or neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset, the financial asset shall be derecognised.

Whether the Company has retained control of the transferred asset depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, the Company has not retained control.

The Company judges whether the transfer of financial asset qualifies for derecognition based on the substance of the transfer.

If the transfer of financial asset qualifies for derecognition in its entirety, the difference between the following shall be recognised in profit or loss:

- The carrying amount of transferred financial asset;
- The sum of consideration received and the part derecognised of the cumulative changes in fair value previously recognised in other comprehensive income (The financial assets involved in the transfer are classified as financial assets at fair value through other comprehensive income in accordance with Article 18 of *the Accounting Standards for Business Enterprises - Recognition and Measurement of Financial Instruments*).

If the transferred asset is a part of a larger financial asset and the part transferred qualifies for derecognition, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognised (For this purpose, a retained servicing asset shall be treated as a part that continues to be recognised) and the part that is derecognised, based on the relative fair values of those parts on the date of the transfer. The difference between following two amounts shall be recognised in profit or loss:

- The carrying amount (measured at the date of derecognition) allocated to the part derecognised;
- The sum of the consideration received for the part derecognised and part derecognised of the cumulative changes in fair value previously recognised in other comprehensive income (The financial assets involved in the transfer are classified as financial assets at fair value through other comprehensive income in accordance with Article 18 of *the Accounting Standards for Business Enterprises - Recognition and Measurement of Financial Instruments*).

(ii) Continuing involvement in transferred assets

If the Company neither transfers nor retains substantially all the risks and rewards of ownership of a transferred asset, and retains control of the transferred asset, the Company shall continue to recognise the transferred asset to the extent of its continuing involvement and also recognise an associated liability.

The extent of the Company's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

(iii) Continue to recognise the transferred assets

If the Company retains substantially all the risks and rewards of ownership of the transferred financial asset, the Company shall continue to recognise the transferred asset in its entirety and the consideration received shall be recognised as a financial liability.

The financial asset and the associated financial liability shall not be offset. In subsequent accounting period, the Company shall continuously recognise any income (gain) arising from the transferred asset and any expense (loss) incurred on the associated liability.

(g) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities shall be presented separately in the statement of financial position and shall not be offset. When meets the following conditions, financial assets and financial liabilities shall be offset and the net amount presented in the statement of financial position:

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the Company shall not offset the transferred asset and the associated liability.

(h) Determination of fair value of financial instruments

Determination of fair value of financial assets and financial liabilities please refer to Note 4.32

4.11. Accounts receivable

"Companies that have not implemented the new financial instrument standards"

Receivables include Notes receivable, Accounts receivable, Other receivables, etc.

(a) Receivable with individually significant balance and recognised provision for bad debts individually

(i) Assessment basis or standard of amount individually significant: the individual ending balance of accounts receivable and other receivables over RMB 10 million is assessed as individually significant.

(ii) Method of provision for bad debts of accounts receivable that are individually significant:

For accounts receivable with individually significant amount, the Company shall test impairment separately. After separate impairment test, if there is objective evidence of impairment, the impairment loss of receivables shall be recognised at the difference between the individual receivable's carrying amount and the present value of estimated future cash flows and the provision for bad debts shall be recognised accordingly. If the difference between expected future cash flows and the present value of short-term accounts receivable is very small, when determine the relevant impairment loss, the expected future cash flows may not be discounted. For financial assets that have not been impaired after a separate test, shall be included in impairment test of financial asset group with similar credit risk characteristics. Accounts receivable that has impaired after a separate test shall no longer be included in the group of accounts receivable with similar credit risk characteristics.

(b) Receivables with provision for bad debts recognised on the basis of similar credit risk

characteristics

(i) Determine the basis for the group:

Group one: For accounts receivables with individually significant amount but with no impairment indicated after a separate test, combined with the accounts receivables with individually insignificant amount, the Company use aging as the credit risk characteristic.

Group two: The Company's receivables from related parties and internal employees.

Group three: Government grants and security deposit receivables. (Only applicable to Anhui Transportation Group Co., Ltd.)

(ii) Provision method for bad debt provision by group:

Group one: Aging analysis.

Group two: No provision for bad debts.

Group three: Aging analysis.

Based on the actual loss rate of accounts receivables in each aging group in previous year, the Company determines the provision ratio for accounts receivable in each aging group and calculate the provision for bad debt in current reporting period. Provision ratio for bad debts on the basis of aging analysis :

Aging	Provision ratio for accounts receivable	Provision ratio for other receivables
Within 1 year (including 1 year)	5	5
1-2 years (including 2 years)	10	10
2-3 years (including 3 years)	20	20
3-4 years (including 4 years)	30	30
4-5 years (including 5 years)	50	50
Over 5 years	100	100

Listed company of the Group, Anhui Transport Consulting & Design Institute Co., Ltd., adopted the following policy:

Aging	Provision ratio for accounts receivable	Provision ratio for other receivables
Within 1 year (including 1 year)	5	5
1-2 years (including 2 years)	10	10
2-3 years (including 3 years)	30	30
3-4 years (including 4 years)	50	50
4-5 years (including 5 years)	80	80
Over 5 years	100	100

The Group's subsidiary, Anhui Transportation Group Co., Ltd., adopted the following policy for group three:

Aging	Provision ratio for accounts receivable	Provision ratio for other receivables
Within 1 year (including 1 year)	1	1
1-2 years (including 2 years)	5	5
2-3 years (including 3 years)	20	20
3-4 years (including 4 years)	30	30
4-5 years (including 5 years)	50	50
Over 5 years	100	100

(c) Accounts receivable that are individually insignificant but with bad debt provision provided on an individual basis

For receivables that are individually insignificant with objective evidence of impairment, if the provision for bad debts based on the aging analysis method cannot reflect the actual situation, they shall be separately assessed for impairment and recognise the impairment losses. Impairment loss shall be recognised at the difference between the carrying amount and the present value of estimated future cash flows and the provision for bad debts shall be recognised accordingly, e.g. accounts receivables due from related parties; accounts receivables involving dispute or litigation and arbitration; obvious evidence indicates the debtor probably cannot fulfill the obligation under contract terms; etc.

(d) Provision methof of pawn loans and other related account receivables

A provision for impairment is made individually at the following ratio:

Credit Risk Rating	Provision ratio (%)
Pass	0%
Special Mention	2% to 6%
Substandard	20% to 40%
Doubtful	50% to 70%
Loss	100%

"Companies that have implemented the new financial instrument standards":

Please refer to Note 4.10 "Companies that have implemented the new financial instrument standards" (e) Impairment of financial instrument.

4.12. Inventory

(a) Classification of inventory

Inventories are finished goods or products held for sale in the ordinary course of business, in the process of production for such sale, or in the form of materials or supplies to be consumed in the production process or in the rendering of services, including raw materials, work in progress, finished goods, development products, development costs and turnover materials, etc.

(b) Measurement method of cost of inventories sold or used

(i) In general, the is generally initially measured at the actual cost, and cost of inventories used or sold is determined on the weighted average basis.

(ii) Real estate development

The inventories of the real estate are initially measured at cost. Inventories mainly include stock materials, development products under construction, completed development products, and development products held for sale but temporarily leased out. The actual cost of development products includes land transaction fee, infrastructure fee, construction and installation cost, borrowing costs incurred before the completion of development projects, and other related expenses incurred during the development process. When the development product is delivered, the actual cost is determined using the individual valuation method.

(iii) Construction contract

Construction contracts shall be measured at actual cost, including direct and indirect cost associated with the execution of the contract incurred from the date of securing the contract to the completion of the contract. Such travel expenses and bidding fees incurred in securing a contract shall be included in the contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained; otherwise shall be recognised in profit or loss.

The aggregate amount of costs incurred and the aggregate recognised profits (less recognised losses) to date and the settled amount shall be presented in the statement of financial position at net amount after offsetting. If the sum of the aggregate amount of costs incurred and the aggregate recognised profits (less recognised losses) to date exceeds the settled amount, the difference shall be listed in the inventory; if the settled amount exceeds the sum of the aggregate amount of costs incurred and the aggregate recognised profits (less recognised losses) to date, the difference shall be listed in the advances from customers

(c) Inventory system

The perpetual inventory system is adopted. The inventories should be counted at least once a year, and surplus or losses of inventory stocktaking shall be included in current profit and loss.

(d) Provision for impairment of inventory

Inventories are stated at the lower of cost and net realizable value. The excess of cost over net realizable value of the inventories is recognised as provision for impairment of inventory, and recognised in current profit or loss.

Net realizable value of the inventory should be determined on the basis of reliable evidence obtained, and factors such as purpose of holding the inventory and impact of post balance sheet event shall be considered.

(i) In normal operation process, finished goods, products and materials for direct sale, their net realizable values are determined at estimated selling prices less estimated selling expenses and relevant taxes and surcharges; for inventories held to execute sales contract or service contract, their net realizable values are calculated on the basis of contract price. If the quantities of inventories specified in sales contracts are less than the quantities held by the Company, the net realizable value of the excess portion of inventories shall be based on general selling prices. Net realizable value of materials held for sale shall be measured based on market price.

(ii) For materials in stock need to be processed, in the ordinary course of production and business, net realisable value is determined at the estimated selling price less the estimated costs of completion, the estimated selling expenses and relevant taxes. If the net realisable value of the finished products produced by such materials is higher than the cost, the materials shall be measured at cost; if a decline in the price of materials indicates that the cost of the finished products exceeds its net realisable value, the materials are measured at net realisable value and differences shall be recognised at the provision for impairment.

(iii) Provisions for inventory impairment are generally determined on an individual basis. For inventories with large quantity and low unit price, the provisions for inventory impairment are determined on a category basis.

(iv) If any factor rendering write-downs of the inventories has been eliminated at the reporting date, the amounts written down are recovered and reversed to the extent of the inventory impairment, which has been provided for. The reversal shall be included in profit or loss.

(e) Amortization method of turnover materials

A one-off write-off method is adopted.

4.13. Non-current assets or disposal group held for sale

(a) Classification of non-current assets or disposal group as held for sale

The Company classifies a non-current asset (or disposal group) as held for sale if the following requirements are met simultaneously:

(i) The asset or disposal group must be available for immediate sale in its present condition subject only to the terms that are usual and customary for sales of such assets (or disposal groups).

(ii) Its sale must be highly probable, i.e, the Company must be committed to a plan to sell the asset (or disposal group) and obtain definite purchase commitment, and the sale is expected to complete within one year. If the relevant regulations require the approval from the relevant power organisations or supervision departments of the Company before they can be sold, the approval has been obtained.

When the Company acquires a non-current asset (or disposal group) exclusively with a view to its subsequent disposal, it shall classify the non-current asset (or disposal group) as held for sale at the acquisition date only if the one-year requirement is met and it is highly probable that any other criteria that are not met at that date will be met within a short period following the acquisition (usually within three months).

The Company that is committed to dispose its equity investment in a subsidiary which will lead to its loss of control of the subsidiary shall classify the investment as held for sale in the separate financial statements of the Company, and classify all the assets and liabilities of that subsidiary as held for sale in the consolidated financial statements of the group, when the above criteria are met, regardless of whether the Company will remain part of equity investment in the subsidiary.

(b) Measurements of non-current assets or disposal group held for sale

The principal of measurement of non-current assets (or disposal groups) held for sale does not

apply to the following assets: investment properties that are measured in accordance with the fair value model, biological assets that are measured at fair value less costs to sell, assets arising from employee benefits, deferred tax assets, financial assets within the scope of relevant accounting standards related to financial instruments and contractual rights under insurance contracts as defined in accounting standards related to insurance contracts.

When the non-current assets (or disposal groups) as held for sale are initially measured or subsequently measured at balance sheet date, if the carrying amount of the asset (or disposal group) is higher than the fair value less cost to sell, it shall be written-down to its fair value less cost to sell, and the difference shall be recognised as impairment loss into current profit or loss, and provision for asset impairment shall be recognised simultaneously.

When the assets (or disposal groups) ceases to be classified as held for sale or the non-current assets are removed from disposal groups since the criteria for held for sale are no longer met, the assets shall be measured at the lower of:

(i) Its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale, and

(ii) Its recoverable amount

(c) Presentation

An entity shall present a non-current asset classified as held for sale and the assets of a disposal group classified as held for sale separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

4.14. Long-term equity investments

Long-term equity investments refer to equity investments where an investor has control of, or significant influence over, an investee, as well as equity investments in joint ventures. Associates of the Company are those entities over which the Company has significant influence.

(a) Determination basis of joint control or significant influence over the investee

Joint control is the relevant agreed sharing of control over an arrangement, and the arranged relevant activity must be decided under unanimous consent of the parties sharing control. In assessing whether the Company has joint control of an arrangement, the Company shall assess first whether all the parties, or a group of the parties, control the arrangement. When all the parties, or a group of the parties, considered collectively, are able to direct the activities of the arrangement, the parties control the arrangement collectively. Then the Company shall assess whether decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. If two or more groups of the parties could control the arrangement collectively, it shall not be assessed as have joint control of the arrangement. When assessing the joint control, the protective rights are not considered.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. In determination of significant influence over an investee, the Company should consider not only the existing voting rights directly or indirectly held but also the effect of potential voting rights held by the Company and

other entities that could be currently exercised or converted, including the effect of share warrants, share options and convertible corporate bonds that issued by the investee and could be converted in current period.

If the Company holds, directly or indirectly 20% or more but less than 50% of the voting power of the investee, it is presumed that the Company has significant influence of the investee, unless it can be clearly demonstrated that in such circumstance, the Company cannot participate in the decision-making in the production and operating of the investee.

(b) Determination of initial investment cost

(i) Long-term equity investments generated in business combinations

For a business combination involving enterprises under common control, if the Company makes payment in cash, transfers non-cash assets or bears liabilities as the consideration for the business combination, the share of carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognised as the initial cost of the long-term equity investment on the combination date. The difference between the initial investment cost and the carrying amount of cash paid, non-cash assets transferred and liabilities assumed shall be adjusted against the capital reserve; if capital reserve is not enough to be offset, undistributed profit shall be offset in turn.

For a business combination involving enterprises under common control, if the Company issues equity securities as the consideration for the business combination, the share of carrying amount of the owners' equity of the acquiree in the consolidated financial statements of the ultimate controlling party is recognised as the initial cost of the long-term equity investment on the combination date. The total par value of the shares issued is recognised as the share capital. The difference between the initial investment cost and the carrying amount of the total par value of the shares issued shall be adjusted against the capital reserve; if capital reserve is not enough to be offset, undistributed profit shall be offset in turn.

For business combination not under common control, the assets paid, liabilities incurred or assumed and the fair value of equity securities issued to obtain the control of the acquiree at the acquisition date shall be determined as the cost of the business combination and recognised as the initial cost of the long-term equity investment. The audit, legal, valuation and advisory fees, other intermediary fees, and other relevant general administrative costs incurred for the business combination, shall be recognised in profit or loss as incurred.

(ii) Long-term equity investments acquired not through the business combination, the investment cost shall be determined based on the following requirements:

For long-term equity investments acquired by payments in cash, the initial cost is the actually paid purchase cost, including the expenses, taxes and other necessary expenditures directly related to the acquisition of long-term equity investments.

For long-term equity investments acquired through issuance of equity securities, the initial cost is the fair value of the issued equity securities.

For the long-term equity investments obtained through exchange of non-monetary assets, if the exchange has commercial substance, and the fair values of assets traded out and traded in can be measured reliably, the initial cost of long-term equity investment traded in with non-monetary assets are determined based on the fair values of the assets traded out together with relevant taxes. Difference between fair value and book value of the assets traded out is recorded in current profit

or loss. If the exchange of non-monetary assets does not meet the above criterion, the book value of the assets traded out and relevant taxes are recognised as the initial investment cost.

For long-term equity investment acquired through debt restructuring, the initial cost is determined based on the fair value of the equity obtained and the difference between initial investment cost and carrying amount of debts shall be recorded in current profit or loss.

(c) Subsequent measurement and recognition of profit or loss

Long-term equity investment to an entity over which the Company has ability of control shall be accounted for at cost method. Long-term equity investment to a joint venture or an associate shall be accounted for at equity method.

(i) Cost method

For Long-term equity investment at cost method, cost of the long-term equity investment shall be adjusted when additional amount is invested or a part of it is withdrawn. The Company recognises its share of cash dividends or profits which have been declared to distribute by the investee as current investment income.

(ii) Equity method

If the initial cost of the investment is in excess of the share of the fair value of the net identifiable assets in the investee at the date of investment, the difference shall not be adjusted to the initial cost of long-term equity investment; if the initial cost of the investment is in short of the share of the fair value of the net identifiable assets in the investee at the date investment, the difference shall be included in the current profit or loss and the initial cost of the long-term equity investment shall be adjusted accordingly.

The Company recognises the share of the investee's net profits or losses, as well as its share of the investee's other comprehensive income, as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. The carrying amount of the investment shall be reduced by the share of any profit or cash dividends declared to distribute by the investee. The investor's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, shall be recognised in the investor's equity, and the carrying amount of the long-term equity investment shall be adjusted accordingly. The Company recognises its share of the investee's net profits or losses after making appropriate adjustments of investee's net profit based on the fair values of the investee's identifiable net assets at the investment date. If the accounting policy and accounting period adopted by the investee is not in consistency with the Company, the financial statements of the investee shall be adjusted according to the Company's accounting policies and accounting period, based on which, investment income or loss and other comprehensive income, etc., shall be adjusted. The unrealized profits or losses resulting from inter-company transactions between the company and its associate or joint venture are eliminated in proportion to the company's equity interest in the investee, based on which investment income or losses shall be recognised. Any losses resulting from inter-company transactions between the investor and the investee, which belong to asset impairment, shall be recognised in full.

Where the Company obtains the power of joint control or significant influence, but not control, over the investee, due to additional investment or other reason, the relevant long-term equity investment shall be accounted for by using the equity method, initial cost of which shall be the fair value of the original investment plus the additional investment. Where the original

investment is classified as available-for sale investment, difference between its fair value and the carrying value, in addition to the cumulative changes in fair value previously recorded in other comprehensive income, shall be recogised into current profit or loss using equity method.

If the Company loses the joint control or significant influence of the investee for some reasons such as disposal of equity investment, the retained interest shall be measured at fair value and the difference between the carrying amount and the fair value at the date of loss the joint control or significant influence shall be recognised in profit or loss. When the Company discontinues the use of the equity method, the Company shall account for all amounts previously recognised in other comprehensive income under equity method in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities.

4.15. Investment properties

Investment properties are properties to earn rentals or for capital appreciation or both, including:

(i)Land use right leased out

(ii)Land held for transfer upon appreciation

(iii)Buildings leased out

The Company adopts the cost model for subsequent measurement of investment properties.

The initial measurement of the investment property shall be measured at cost. For the subsequent measurement of the investment property, if it is probable that the economic benefits relating to the investment property will flow into the Company; and the costs of the fixed assets can be measured reliably, the cost shall be included in the cost of the investment property. Otherwise, they should be included in the current profits and losses upon occurrence.

The Company adopts the cost model for subsequent measurement of investment properties, and the depreciation or amortization policies are consistent with the building and construction and land use right.

When own-occupied property or inventory is transferred to investment property, or investment property is transferred to owner-occupied property, the book value is recorded as its carrying amount at the date of the transfer.

When an investment property is transferred to owner-occupied properties, it is reclassified as fixed asset or intangible asset at the date of the transfer. When an owner-occupied property is transferred out for earning rentals or for capital appreciation, the fixed asset or intangible asset is reclassified as investment properties at its carrying amount at the date of the transfer. If trsnsfered to investment property measured using the cost model, and the book value before the transfer is used as the booked value after the transfer.

An investment property is derecognised when disposal or permanently withdrawn from use and no future economic benefits are expected from its disposal. The disposal amount from sale, transfer, retirement or damage of an investment property after deducting its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

4.16. Fixed assets

Fixed assets refer to the tangible assets with higher unit price held for the purpose of producing

commodities, rendering services, renting or business management with useful lives exceeding one year.

(a) Recognition criteria of fixed assets

Fixed assets will only be recognised at the actual cost when obtained when all the following criteria are satisfied:

(i) It is probable that the economic benefits relating to the fixed assets will flow into the Company.

(ii) The costs of the fixed assets can be measured reliably.

Subsequent expenditure for fixed assets shall be recorded in cost of fixed assets, if recognition criteria of fixed assets are satisfied, otherwise the expenditure shall be recorded in current profit or loss when incurred.

(b) Depreciation methods of fixed asset.

The Company begins to depreciate the fixed asset from the next month after it is available for intended use using the straight-line-method. The estimated useful life and annual depreciation rates which are determined according to the categories, estimated economic useful lives and estimated net residual rates of fixed assets are listed as followings:

Categories of fixed assets	Depreciation method	Estimated useful life (years)	Residual Rates (%)	Annual depreciation rates (%)
Highways and structures	*1Traffic flow method Note1	-	-	-
Plant&Buildings	Straight-line basis	20-30	3	3.23-4.85
Safety facilities	Straight-line basis	10	3	9.7
Communication facilities	Straight-line basis	5-10	3	9.7-19.4
Monitoring facilities	Straight-line basis	5	3	19.4
Tolling facilities	Straight-line basis	5	3	19.4
Power supply&distribution and lighting facilities	Straight-line basis	5	3	19.4
Machinery equipment	Straight-line basis	9	3	10.78
Motor Vehicles	Straight-line basis	6	3	16.17
Others	Straight-line basis	3	3	32.33

*1. The depreciation method for highways and structures is traffic flow method, ie. the total yearly depreciation shall be calculated according to the proportion of traffic flow in specific year to the estimated total traffic flow during the operation period. If there is a significant difference between actual traffic flow and estimated total traffic flow, the Company will re-estimate the total traffic flow and accrual the depreciation.

For the fixed assets with impairment provided, the impairment provision should be excluded from the cost when calculating depreciation.

At the end of reporting period, the Company shall review the useful life, estimated net residual

value and depreciation method of the fixed assets. Estimated useful life of the fixed assets shall be adjusted if it is changed compared to the original estimation.

(c) Recognition criteria, valuation and depreciation methods of fixed assets obtained through a finance lease

If the entire risk and rewards related to the leased assets have been substantially transferred, the Company shall recognise the lease as a finance lease. The cost of the fixed assets obtained through a finance lease is determined at the lower of the fair value of the leased assets and the present value of the minimum lease payment on the date of the lease. The fixed assets obtained by a finance lease are depreciated in the method which is consistent with the self-owned fixed assets of the Company. For fixed assets obtained through a finance lease, if it is reasonably certain that the ownership of the leased assets will be transferred to the lessee by the end of the lease term, they shall be depreciated over their remaining useful lives; otherwise, the leased assets shall be depreciated over the shorter of the lease terms or their remaining useful lives.

4.17. Construction in progress

(a) Classification of construction in progress

Construction in progress is measured on an individual project basis.

(b) Recognition criteria and timing of transfer from construction in progress to fixed assets

The initial book values of the fixed assets are stated at total expenditures incurred before they are ready for their intended use, including construction costs, original price of machinery equipment, other necessary expenses incurred to bring the construction in progress to get ready for its intended use and borrowing costs of the specific loan for the construction or the proportion of the general loan used for the constructions incurred before they are ready for their intended use. The construction in progress shall be transferred to fixed asset when the installation or construction is ready for the intended use. For construction in progress that has been ready for their intended use but relevant budgets for the completion of projects have not been completed, the estimated values of project budgets, prices, or actual costs should be included in the costs of relevant fixed assets, and depreciation should be provided according to relevant policies of the Company when the fixed assets are ready for intended use. After the completion of budgets needed for the completion of projects, the estimated values should be substituted by actual costs, but depreciation already provided is not adjusted.

4.18. Borrowing costs

(a) Recognition criteria and period for capitalization of borrowing costs

The Company shall capitalize the borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets when meet the following conditions:

(i) Expenditures for the asset are being incurred;

(ii) Borrowing costs are being incurred, and;

(iii) Acquisition, construction or production activities that are necessary to prepare the assets for their intended use or sale are in progress.

Other borrowing cost, discounts or premiums on borrowings and exchange differences on foreign currency borrowings shall be recognized into current profit or loss when incurred.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is interrupted abnormally and the interruption is for a continuous period of more than 3 months.

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. The expenditure incurred subsequently shall be recognised as expenses when incurred.

(b) Capitalization rate and measurement of capitalized amounts of borrowing costs

When funds are borrowed specifically for purchase, construction or manufacturing of assets eligible for capitalization, the Company shall determine the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any interest income on bank deposit or investment income on the temporary investment of those borrowings.

Where funds allocated for purchase, construction or manufacturing of assets eligible for capitalization are part of a general borrowing, the eligible amounts are determined by the weighted-average of the cumulative capital expenditures in excess of the specific borrowing multiplied by the general borrowing capitalization rate. The capitalization rate will be the weighted average of the borrowing costs applicable to the general borrowing.

4.19. Intangible assets

(a) Measurement method of intangible assets

Intangible assets are recognised at actual cost on acquisition.

(b) The useful life and amortization of intangible assets

(i) The estimated useful lives of the intangible assets with finite useful lives are as follows:

Category	Amortization Method	Estimated useful life Estimated useful life	Basis
Land use right	Straight-line method	30-50 years	Legal use rights
Software license use right	Straight-line method	2-10 years	The service life is determined by reference to the period that can bring economic benefits to the Company
Franchise	Straight-line method	3-10 years	The service life is determined by reference to the period that can bring economic benefits to the Company
Parking use right	Straight-line method	45.58 years	The service life is determined by reference to the period that can bring economic benefits to the Company
Operation right of advertisement	Straight-line method	-	The remaining years of the toll road when obtain the management rights of the advertisement
Others	Straight-line method	5 years	The service life is determined by reference to the period that can bring economic benefits to the Company

For intangible assets with finite useful life, the estimated useful life and amortisation method are reviewed annually at the end of each reporting period and adjusted when necessary. No change incurred in current year in the estimated useful life and amortisation method upon review.

(ii) Assets of which the period to bring economic benefits to the Company are unforeseeable are regarded as intangible assets with indefinite useful lives. The Company reassesses the useful lives of those assets at every year end. If the useful lives of those assets are still indefinite, impairment test should be performed on those assets at the balance sheet date.

(iii) Amortisation of the intangible assets

For intangible assets with finite useful lives, their useful lives should be determined upon their acquisition and systematically amortised on a straight-line basis [units of production method] over the useful life. The amortisation amount shall be recognized into current profit or loss according to the beneficial items. The amount to be amortised is cost deducting residual value. For intangible assets which has impaired, the cumulative impairment provision shall be deducted as well. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless: there is a commitment by a third party to purchase the asset at the end of its useful life; or there is an active market for the asset and residual value can be determined by reference to that market; and it is probable that such a market will exist at the end of the asset's useful life.

Intangible assets with indefinite useful lives shall not be amortised. The Company reassesses the useful lives of those assets at every year end. If there is evidence to indicate that the useful lives of those assets become finite, the useful lives shall be estimated and the intangible assets shall be amortised systematically and reasonably within the estimated useful lives.

(c) Criteria of classifying expenditures on internal research and development projects into research phase and development phase

Preparation activities related to materials and other relevant aspects undertaken by the Company for the purpose of further development shall be treated as research phase.

Expenditures incurred during the research phase of internal research and development projects shall be recognised in profit or loss when incurred.

Development activities after the research phase of the Company shall be treated as development phase.

(d) Criteria for capitalization of qualifying expenditures during the development phase

Expenditures arising from development phase on internal research and development projects shall be recognised as intangible assets only if all of the following conditions have been met:

(i) Technical feasibility of completing the intangible assets so that they will be available for use or sale;

(ii) Its intention to complete the intangible asset and use or sell it;

(iii) The method that the intangible assets generate economic benefits, including the Company can demonstrate the existence of a market for the output of the intangible assets or the intangible assets themselves or, if it is to be used internally, the usefulness of the intangible assets;

(iv) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(v) Its ability to measure reliably the expenditure attributable to the intangible asset.

4.20. Impairment of long-term asset

(a) Impairment test method and accounting treatment of long-term equity investment

(i) Impairment test and accounting treatment for long-term equity investment

The Company shall assess each long-term equity investment at the end of the reporting period whether there is any indication that the long-term equity investment may be impaired based on the various changes in the operating policy, legal environment, market demand, industry and profitability of the investee. If the recoverable amount of the long-term equity investment is less than its carrying amount, the difference between the recoverable amount and the carrying amount shall be recognised as the provision for impairment loss. The impairment loss will not be reversed in subsequent accounting period once it had been recognised.

(ii) Impairment test and accounting treatment for investment property

On the balance sheet date, investment property shall be measured at the lower of the cost and the recoverable amount. If the recoverable amount is lower than the cost, the difference shall be recognized as the provision for impairment loss. If the carrying amount of the impaired investment property has been restored, the impairment loss provided in the previous period shall not be reversed.

(iii) Impairment test and accounting treatment for fixed assets

The Company shall assess each fixed asset at the end of the reporting period. If there is any indication that the fixed asset may be impaired and the recoverable amount has been estimated to be lower than its carrying amount, the carrying amount shall be written down to its recoverable amount, the write-down amount shall be recorded as impairment loss and charged to profit or loss for the reporting period. Provisions for impairment loss on the assets are made accordingly. The impairment loss will not be reversed in subsequent accounting period once it had been recognised. The individual fixed asset shall be fully impaired if the following indications exist:

Long-term idle, will not be used for the foreseeable future and have no transfer value;

Cannot be used because of some reasons such as technological development;

The fixed asset can still be used, but produce a large number of non-conforming products;

The Fixed asset has been damaged, so that it no longer has use value and transfer value;

Other fixed assets that can no longer bring economic benefits to the Company in substance.

(iv) Impairment test and accounting treatment for construction in progress

The Company shall conduct a comprehensive inspection of construction in progress at the end of the reporting period. If there is any indication that the construction in progress may be impaired and the recoverable amount has been estimated to be lower than its carrying amount, the carrying amount shall be written down to its recoverable amount, the write-down amount shall be recorded as impairment loss and charged to profit or loss for the reporting period. Provisions for impairment loss on the assets are made accordingly. The impairment loss will not be reversed in subsequent accounting period once it had been recognised. The impairment test shall be conducted if one of the following indications exist:

The construction in progress is suspended a long time and is not expected to restart work in 3 years;

The construction in progress have fallen behind not matter in performance or in technology and its ability to bring the economic benefits to the Comoany is subject to greater uncertainty.

Other circumstances that is sufficient to demonstrate that the construction in progress has been impaired.

(v) **Impairment test and accounting treatment for intangible asset**

If the recoverable amount of the intangible asset is lower than its carrying amount, the carrying amount shall be written down to its recoverable amount. The write-down amount shall be recorded as impairment loss and charged to profit or loss for the reporting period. Provisions for impairment loss on the assets are made accordingly. The impairment loss will not be reversed in subsequent accounting period once it had been recognised. The impairment test shall be conducted if one of the following indications exist:

This intangible asset has been replaced by other new technologies, so that the ability to bring economic benefits to the Company has been significantly adversely affected;

The market price of the intangible asset fell sharply in the current reporting period, and may not rebound in the remaining useful lives;

Other circumstances that is sufficient to indicate that the carrying amount of the intangible asset has exceeded the recoverable amount.

(vi) Impairment test of goodwill

Impairment testing for goodwill acquired in a business combination shall be performed at least annually. If impairment indication exists in the assets or a group of assets, the impairment shall be accounted for in accordance with the following procedures:

Firstly, impairment testing for asset or assets group excluding goodwill shall be made. Impairment loss is recognised through comparing the recoverable amount of the assets and assets group with their carrying amount; then, impairment testing for assets or assets group including goodwill shall be made. The excess of the carrying amount of the assets or assets group (including goodwill allocated to the assets or assets group) over their recoverable amount is recognised as impairment loss. The impairment loss shall be allocated to reduce the carrying amount of the assets of assets group in the following order:

(i) first, to reduce the carrying amount of any goodwill allocated to the assets or assets group; and

(ii) then, to the other assets or assets group pro rata on the basis of the carrying amount of each asset.

4.21. Long-term deferred expenses

Long-term deferred expenses are various expenses already incurred, which shall be amortised over current and subsequent periods with the amortisation period exceeding one year. Long-term deferred expenses are evenly amortised over the beneficial period. The contents and amortization period of the main long-term deferred expenses of the Company are shown as below:

Items	Amortization Period

Items	Amortization Period
Decoration expenses	5 years
Tax expense relating to one-time rental payment over 20 years	20 years
Parking rental fee	34 years
Lighting expenses	3 years
Others	5 years

4.22. Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to an employee's spouse, children, dependents, family members of decreased employees, or other beneficiaries are also employee benefits.

(a) Short-term benefits

(i) Employee basic salary (salary, bonus, allowance, subsidy)

The Company recognises, in the accounting period in which an employee provides service, actually occurred short-term employee benefits as a liability, with a corresponding charge to current profit except for those recognised as capital expenditure based on the requirement of accounting standards.

(ii) Employee welfare

The Company shall recognise the employee welfare based on actual amount when incurred into current profit or loss or related capital expenditure. Employee welfare shall be measured at fair value as it is a non-monetary benefits.

(iii) Social insurance such as medical insurance, work injury insurance and maternity insurance, housing funds, labor union fund and employee education fund

Payments made by the Company of social insurance for employees, such as medical insurance, work injury insurance and maternity insurance, payments of housing funds, and labor union fund and employee education fund accrued in accordance with relevant requirements, in the accounting period in which employees provide services, is calculated according to required accrual bases and accrual ratio in determining the amount of employee benefits and the related liabilities, which shall be recognised in current profit or loss or the cost of relevant asset.

(iv) Short-term paid absences

The company shall recognise the related employee benefits arising from accumulating paid absences when the employees render service that increases their entitlement to future paid absences. The additional payable amounts shall be measured at the expected additional payments as a result of the unused entitlement that has accumulated. The Company shall recognise relevant employee benefit of non-accumulating paid absences when the absences actually occurred.

(v) Short-term profit-sharing plan

The Company shall recognise the related employee benefits payable under a profit-sharing plan when all of the following conditions are satisfied:

(i) The Company has a present legal or constructive obligation to make such payments as a result of past events; and

(ii) A reliable estimate of the amounts of employee benefits obligation arising from the profit-sharing plan can be made.

(b) Post-employment benefits

(i) Defined contribution plans

The Company shall recognise, in the accounting period in which an employee provides service, the contribution payable to a defined contribution plan as a liability, with a corresponding charge to the current profit or loss or the cost of a relevant asset.

When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, they shall be discounted using relevant discount rate (market yields at the end of the reporting period on high quality corporate bonds in active market or government bonds with the currency and term which shall be consistent with the currency and estimated term of the defined contribution obligations) to measure employee benefits payable.

(ii) Defined benefit plan

The present value of defined benefit obligation and current service costs

Based on the expected accumulative welfare unit method, the Company shall make estimates about demographic variables and financial variables in adopting the unbiased and consistent actuarial assumptions and measure defined benefit obligation, and determine the obligation period. The Company shall discount the obligation arising from defined benefit plan using relevant discount rate (market yields at the end of the reporting period on high quality corporate bonds in active market or government bonds with the currency and term which shall be consistent with the currency and estimated term of the defined benefit obligations) in order to determine the present value of the defined benefit obligation and the current service cost.

The net defined benefit liability or asset

The net defined benefit liability (asset) is the deficit or surplus recognised as the present value of the defined benefit obligation less the fair value of plan assets (if any).

When the Company has a surplus in a defined benefit plan, it shall measure the net defined benefit asset at the lower of the surplus in the defined benefit plan and the asset ceiling.

The amount recognised in the cost of asset or current profit or loss

Service cost comprises current service cost, past service cost and any gain or loss on settlement. Other service cost shall be recognised in profit or loss unless accounting standards require or allow the inclusion of current service cost within the cost of assets.

Net interest on the net defined benefit liability (asset) comprising interest income on plan assets,

interest cost on the defined benefit obligation and interest on the effect of the asset ceiling, shall be included in profit or loss.

The amount recognised in other comprehensive income

Changes in the net liability or asset of the defined benefit plan resulting from the remeasurements including:

- Actuarial gains and losses, the changes in the present value of the defined benefit obligation resulting from experience adjustments or the effects of changes in actuarial assumptions;
- Return on plan assets, excluding amounts included in net interest on the net defined benefit liability or asset;
- Any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Remeasurements of the net defined benefit liability (asset) recognised in other comprehensive income shall not be reclassified to profit or loss in a subsequent period. However, the Company may transfer those amounts recognised in other comprehensive income within equity.

(c) Termination benefits

The Company providing termination benefits to employees shall recognise an employee benefits liability for termination benefits, with a corresponding charge to the profit or loss of the reporting period, at the earlier of the following dates:

(i) When the Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal.

(ii) When the Company recognises costs or expenses related to a restructuring that involves the payment of termination benefits.

If the termination benefits are not expected to be settled wholly before twelve months after the end of the annual reporting period, the Company shall discount the termination benefits using relevant discount rate (market yields at the end of the reporting period on high quality corporate bonds in active market or government bonds with the currency and term which shall be consistent with the currency and estimated term of the defined benefit obligations) to measure the employee benefits.

(d) Other long-term employee benefits

(i) Meet the conditions of the defined contribution plan

When other long-term employee benefits provided by the Company to the employees satisfies the conditions for classifying as a defined contribution plan, all those benefits payable shall be accounted for as employee benefits payable at their discounted value.

(ii) Meet the conditions of the defined benefit plan

At the end of the reporting period, the Company recognised the cost of employee benefit from other long-term employee benefits as the following components:

- Service costs;

- Net interest cost for net liability or asset of other long-term employee benefits
- Changes resulting from the remeasurements of the net liability or asset of other long-term employee benefits

In order to simplify the accounting treatment, the net amount of above items shall be recognised in profit or loss or relevant cost of assets.

4.23. Bonds payable

The non-convertible bonds issued by the Company shall be treated as liability according to the actually received amount (deducting the relevant transaction cost); the between actually received amount due to bond issue and the total amount of bond par value shall be regarded as the bond premium or discount, amortized when accrue the interest according to the effective interest rate during the bond duration, and treated according to the principle of borrowing costs.

For the convertible bonds issued by the Company, the liability and equity shall be splited during the initial recognition and treated respectively. Firstly, the fair value of liability shall be recognised as the initial recognition amount, secondly, the initial recognition amount of equity shall be recognised according to the amount of overall issue price (deducting the relevant transaction cost) of convertible bonds after deducting the initial recognition amount of liability.

4.24. Estimated liabilities

(a) Recognition of estimated liabilities

The Company recognizes the estimated liabilities when obligations related to contingencies satisfy all the following conditions:

(i) That obligation is a current obligation of the enterprise.

(ii) It is likely to cause any economic benefit to flow out of the Company as a result of performance of the obligation.

(iii) The amount of the obligation can be measured in a reliable way.

(b) Measurement of estimated liability

The estimated liabilities of the company are initially measured as the best estimate of expenses required for the performance of relevant present obligations. The company, when determining the best estimate, has had a comprehensive consideration of risks with respect to contingencies, uncertainties and the time value of money. The book value of the estimated liabilities is reviewed at each balance sheet date. If there is conclusive evidence that the book value does not reflect the current best estimate, the book value shall be adjusted in accordance with the current best estimate.

4.25. Other financial instrument such as preference share and perpetual capital securities

(a) Classification criteria of other financial instruments such as preference share and perpetual capital securities

Other financial instruments such as preference share and perpetual capital securities issued by the Company shall be classified into financial liabilities or equity instruments based on the judgment of specific contents of the relevant contracts or agreements in accordance with the

principle of substance over form.

(i) Option of redemption

A preference share that provides for mandatory redemption by the Company for a fixed or determinable amount at a fixed or determinable future date, or gives the holder the right to require the Company to redeem the instrument at or after a particular date for a fixed or determinable amount, is a financial liability. If the Company gives up the right of redemption option, the preference share is reclassified as an equity instrument. If the redemption of the shares is solely at the discretion of the Company, the preference share is an equity instrument. An obligation may arise, however, when the Company exercises its option, usually by formally notifying the shareholders of an intention to redeem the shares.

(ii) Dividend distribution

When distributions to holders of the preference shares are at the discretion of the Company, the shares are equity instruments. When distributions to holders of the preference shares are mandatory, and dividend distribution rate is higher than or equal to market rate of the current period, the shares are financial liability. When distributions to holders of the preference shares are mandatory, and dividend distribution rate is lower than the market rate of the current period, the shares are financial instruments, and further separation on the shares is needed.

(iii) Conversion into ordinary shares

A preference share with an embedded conversion option into a ordinary share is a financial instrument or an equity instrument, which depends on whether the number of ordinary shares converted, is fixed. If the number of common shares converted is fixed, the preference share is a financial liability; otherwise, the preference share is an equity instrument.

(b) Accounting for other financial instruments such as preference share and perpetual capital securities

The Company shall determine the accounting treatment of interest expense or dividend distribution of the financial instruments based on their category. For financial instruments classified as equity instruments, no matter whether the name contains the word of “debt”, the interest expense or dividend distribution shall be treated as the profit distribution of the Company (the issuing company), with the repurchase or cancellation shall be treated as the changes in equity; For financial instruments classified as financial liabilities, no matter whether the name contains the word of “share”, in principle, the interest expense or dividend distribution shall be treated as the borrowing cost , with any gain or loss on the repurchase or cancellation shall be recognised in current profit or loss.

4.26. Revenue

The future economic benefits associated with the transaction are likely to flow into the Company, and relevant income can be reliably measured and the related income can be recognised when the specific revenue recognition criteria for each of the following operating activities are met; The Group’s subsidiary Anhui Wantong Expressway Co., Ltd. recognises revenue according to the amount of consideration expected to be collected when the customer obtains control over the relevant goods or services.

(a) Toll income, road damage compensation income and rescue income

Toll income, road damages compensation income and rescue income of operating roads are recognised at the time of collection.

(b) Operating income in service area

Operating income in service area is service area lease income, which is recognised on average using the straight-line method over the lease period.

(c) Revenue from real estate sales

Revenue from real estate sales is recognised after the development of the product has been completed and accepted, a legally binding sales contract is signed, the delivery conditions of the sales contract are met, the buyer's payment certificate has been obtained, and the delivery notice has been issued and the delivery time determined at the delivery notice has passed.

(d) Revenue from property rental

The realization of rental property income is recognised when relevant rental has been received or evidence of collection has been obtained according to the rent date (consider the rent-free period if any) and the rental stipulated in the lease contract and agreement.

(e) Revenue from sale of goods

Revenue from sale of goods shall be recognised when the following criteria are satisfied:

(i) Significant risks and rewards related to ownership of the goods have been transferred to the buyer;

(ii) The Company retains neither continuous management rights associated with ownership of the goods sold nor effective control over the goods sold;

(iii) Relevant amount of revenue can be measured reliably;

(iv) It is probable that the economic benefits associated with the transaction will flow into the Company; and

(v) Relevant amount of cost incurred or to be incurred can be measured reliably.

(f) Revenue from the rendering of services

When the outcome of rendering of services can be estimated reliably at the balance sheet date, revenue associated with the transaction is recognised using the percentage of completion method. Percentage of completion is determined using the proportion of services performed to date to the total services that should be performed.

The outcome of rendering of services can be estimated reliably when all of the following conditions are satisfied: i) the amount of revenue can be measured reliably; ii) it is probable that the associated economic benefits will flow to the Company; iii) the percentage of completion of the transaction can be measured reliably; iv) the costs incurred and to be incurred for the transaction can be measured reliably.

If the outcome of rendering of services cannot be estimated reliably at the balance sheet date, the accounting treatment shall be based on the following circumstances, respectively:

(i) When the costs incurred are expected to be recovered, revenue shall be recognised to the extent

of costs incurred and charge an equivalent amount of cost to the profit and loss;

(ii) When the costs incurred are not expected to be recovered, revenue shall not be recognised and the costs incurred are recognised into current profit or loss

When the contract or agreement signed between the Company and other companies includes the sale of goods and the rendering of services, if the sales of goods and the rendering of services can be differentiated and measured separately, the sales of goods and the rendering of services shall be treated separately. If sale of goods and rendering of services cannot be distinguished from each other, or can be distinguished but cannot be measured respectively, both parts shall be accounted for as sale of goods.

(f) Royalty income

Royalty income is recognised based on accrual basis according to relevant contracts or agreements.

(g) Interest income

Interest income is determined based on the time and effective interest rate of others using the Company's monetary funds.

(h) Other business incomes

The future economic benefits associated with the transaction are likely to flow into the Company, and relevant income can be reliably measured and the related income can be recognised when the specific revenue recognition criteria for each of the following operating activities are met; The Group's subsidiary Anhui Wantong Expressway Co., Ltd. recognises revenue according to the amount of consideration expected to be collected when the customer obtains control over the relevant goods or services.

4.27. Construction contracts

Under the circumstances that result of the construction contracts can be estimated reliably, at the balance sheet date, contract revenue and contract cost shall be recognised by using percentage of completion method, which is determined according to the completion stages of the construction contracts. The completion stages of the contracts shall be calculated at the portion of the completed contract work to date to the total expected contract work..

The outcome of a transaction involving construction contracts can be estimated reliably when all of the following conditions are satisfied: 1. the amount of revenue can be measured reliably; 2. it is probable that the associated economic benefits will flow into the Company; 3. and the costs incurred can be clearly distinguished and measured reliably; 4. the stage of completion of the transaction and the costs to be incurred can be measured reliably.

Under the circumstances that the result of the construction contracts cannot be estimated reliably, while the estimated contact costs can be recovered, the revenue shall be recognised to the extent of costs incurred that are expected to be recoverable, contract costs shall be recognised as expense upon incurrence. If the estimated contract costs cannot be recovered, they shall be charged in expenses upon incurrence, without any revenue recognised. When the uncertain factors no longer have impact on estimation of the outcome of a construction contract, contract revenue and contract cost associated with the construction contract are recognised using the percentage of

completion method.

If the estimated total contract costs exceed the contract revenues, the estimated loss shall be recognised as expenses in current period.

The aggregate amount of costs incurred and the aggregate recognised profits (less recognised losses) to date and the settled amount shall be presented in the statement of financial position at net amount after offsetting. If the sum of the aggregate amount of costs incurred and the aggregate recognised profits (less recognised losses) to date exceeds the settled amount, the difference shall be listed in the inventory; if the settled amount exceeds the sum of the aggregate amount of costs incurred and the aggregate recognised profits (less recognised losses) to date, the difference shall be listed in the advances from customers.

4.28. Government grants

(a) Recognition of government grants

A government grant shall not be recgonised until there is reasonable assurance that:

(i) The Company will comply with the conditions attaching to them; and

(ii) The grants will be received.

(b) Measurement of government grants

Monetary grants from the government shall be measured at amount received or receivable, and non-monetary grants from the government shall be measured at their fair value or at a nominal value of RMB 1.00 when reliable fair value is not available.

(c) Accounting for government grants

(i) Government grants related to the assets

Government grants pertinent to assets mean the government grants that are obtained by the Company used for purchase or construction, or forming the long-term assets by other ways. Government grants pertinent to assets shall be recognised as deferred income, and should be recognised in profit or loss on a systematic basis over the useful lives of the relevant assets. Grants measured at their nominal value shall be directly recognised in profit or loss of the period when the grants are received. When the relevant assets are sold, transferred, written off or damaged before the assets are terminated, the remaining deferred income shall be transferred into profit or loss of the period of disposing relevant assets.

(ii) Government grants related to income

Government grants other than related to assets are classified as government grants related to income. Government grants related to income are accounted for in accordance with the following principles:

If the government grants related to income are used to compensate the enterprise's relevant expenses or losses in future periods, such government grants shall be recognised as deferred income and included into profit or loss (or write down related expenses) in the same period as the relevant expenses or losses are recognised;

If the government grants related to income are used to compensate the enterprise's relevant

expenses or losses incurred, such government grants are directly recognised into current profit or loss (or write down related expenses).

For government grants comprised of part related to assets as well as part related to income, each part is accounted for separately; if it is difficult to identify different part, the government grants are accounted for as government grants related to income as a whole.

Government grants related to daily operation activities are recognised in other income (or write down related expenses) in accordance with the nature of the activities, and government grants irrelevant to daily operation activities are recognised in non-operating income.

(iii) Policy-based preferential loan interest discount

When loan interest subsidy is allocated to the bank, and the bank provides a loan at lower-market rate of interest to the Company, the loan is recognised at the actual received amount, and the interest expense is calculated based on the principal of the loan and the lower-market rate of interest. When loan interest subsidy is directly allocated to the Company, the subsidy shall be recognised as offsetting the relevant borrowing cost.

(iv) Repayment of the government grants

Repayment of the government grants shall be recorded by increasing the carrying amount of the asset if the book value of the asset has been written down, or reducing the balance of relevant deferred income if deferred income balance exists, any excess will be recognised into current profit or loss; or directly recognised into current profit or loss for other circumstances.

4.29. Deferred tax assets and deferred tax liabilities

Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base at the balance sheet date. The Company recognise and measure the effect of taxable temporary differences and deductible temporary differences on income tax as deferred tax liabilities or deferred tax assets using liability method. Deferred tax assets and deferred tax liabilities shall not be discounted.

(a) Recognition of deferred tax assets

Deferred tax assets should be recognised for deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax losses and the carryforward of unused tax credits can be utilised at the tax rates that are expected to apply to the period when the asset is realised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

(i) Is not a business combination; and

(ii) At the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

The Company shall recognise a deferred tax asset for all deductible temporary differences arising from investments in subsidiaries, associates and joint ventures, only to the extent that, it is probable that:

(i) The temporary difference will reverse in the foreseeable future; and

(ii) Taxable profit will be available against which the deductible temporary difference can be utilised.

At the end of each reporting period, if there is sufficient evidence that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, the Company recognises a previously unrecognised deferred tax asset.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. The Company shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

(b) Recognition of deferred tax liabilities

A deferred tax liability shall be recognised for all taxable temporary differences at the tax rate that are expected to apply to the period when the liability is settled.

(i) No deferred tax liability shall be recognised for taxable temporary differences arising from:

- The initial recognition of goodwill; or
- The initial recognition of an asset or liability in a transaction which: is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss)

(ii) An entity shall recognise a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and joint ventures, except to the extent that both of the following conditions are satisfied:

- The Company is able to control the timing of the reversal of the temporary difference; and
- It is probable that the temporary difference will not reverse in the foreseeable future.

(c) Recognition of deferred tax liabilities or assets involved in special transactions or events

(i) Deferred tax liabilities or assets related to business combination

For the taxable temporary difference or deductible temporary difference arising from a business combination not under common control, a deferred tax liability or a deferred tax asset shall be recognised, and simultaneously, goodwill recognised in the business combination shall be adjusted based on relevant deferred tax expense (income).

(ii) Items directly recognised in equity

Current tax and deferred tax related to items that are recognised directly in equity shall be recognised in equity. Such items include: other comprehensive income generated from fair value fluctuation of available for sale investments; an adjustment to the opening balance of retained earnings resulting from either a change in accounting policy that is applied retrospectively or the correction of a prior period (significant) error; amounts arising on initial recognition of the equity component of a compound financial instrument that contains both liability and equity component.

(iii) Unused tax losses and unused tax credits

Unsused tax losses and unused tax credits generated from daily operation of the Company itself

Deductible loss refers to the loss calculated and permitted according to the requirement of tax law that can be offset against taxable income in future periods. The criteria for recognising deferred tax assets arising from the carryforward of unused tax losses and tax credits are the same as the criteria for recognising deferred tax assets arising from deductible temporary differences. The Company recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Income taxes in current profit or loss shall be deducted as well.

Unsused tax losses and unused tax credits arising from a business combination

Under a business combination, the acquiree's deductible temporary differences which do not satisfy the criteria at the acquisition date for recognition of deferred tax asset shall not be recognised. Within 12 months after the acquisition date, if new information regarding the facts and circumstances exists at the acquisition date and the economic benefit of the acquiree's deductible temporary differences at the acquisition is expected to be realised, the Company shall recognise acquired deferred tax benefits and reduce the carrying amount of any goodwill related to this acquisition. If goodwill is reduced to zero, any remaining deferred tax benefits shall be recognised in profit or loss. All other acquired deferred tax benefits realised shall be recognised in profit or loss.

(iv) Temporary difference generated in consolidation elimination

When preparing consolidated financial statements, if temporary difference between carrying value of the assets and liabilities in the consolidated financial statements and their taxable bases is generated from elimination of inter-company unrealized profit or loss, deferred tax assets or deferred tax liabilities shall be recognised in the consolidated financial statements, and income taxes expense in current profit or loss shall be adjusted as well except for deferred tax related to transactions or events recognised directly in equity and business combination.

4.30. Operating leases and financial leases

The Company classifies the lease that substantially transfers all the risks and rewards incidental to ownership of an underlying asset as a finance lease. Other lease shall be classified as an operating lease.

(a) Accounting for operating leases

(i) When the Company as a lessee, the lease payments should be recognised into profit or loss of the reporting period over the lease terms on a straight-line basis or the amount of usage. If the lessor provides the rent-free period, the Company shall allocate total lease payment over the entire lease terms including the rent-free period using straight-line basis or other reasonable method. Lease expense and the corresponding liabilities shall be recognised during the rent-free period. If expenses relating to lease which should be borne by the Company are paid by the lessor of the assets, they shall be deducted from the total lease expenses and the balances shall be amortised over the lease terms by the Company.

Initial direct costs relating to lease transactions incurred by the Company shall be recognised into current profit or loss. Contingent rental, if included in the lease contract, shall be recognised into profit or loss upon occurrence.

(ii) When the Company as a lessor, lease income should be recognised over the lease terms on a straight-line basis. If the lessor provides the rent-free period, the Company shall allocate total lease income over the entire lease terms including the rent-free period using straight-line basis or other reasonable method. Lease income shall be recognised during the rent-free period. If expenses relating to leases which should be borne by the lessee of the assets are paid by the Company, they shall be deducted from the total lease income and the balances shall be amortised over the lease terms by the Company.

Initial direct costs relating to lease transactions incurred by the Company shall be recognised into current profit or loss ; if the amounts are material, they shall be capitalised and amortised over the lease terms on the same basis as the recognition of lease income. Contingent rental, if included in the lease contract, shall be recognised into profit or loss upon occurrence.

(b) Accounting for finance leases

(i) When the Company as a lessee, at commencement of the lease, assets obtained through finance leases should be recorded at the lower of their fair values and the present values of the minimum lease payments. The Company shall recognise long-term payables at amounts equal to the minimum lease payments, and the differences shall be recognised as unrecognised finance charges, which shall be amortised over the lease terms as finance expenses by using effective interest rate method and recognised into finance cost.

Initial direct costs are recorded in the value of the leased assets.

The Company adopts the same depreciation policy for the leased assets as its self-owned fixed assets. Depreciation period is determined according to the lease contract. If it is reasonably certain that the Company will obtain the ownership of the assets at the expiration of the lease, the depreciation period will be the useful lives of the leased assets. If it is not certain that the Company will obtain the ownership of the asset at the expiration of the lease, the depreciation period is the shorter of the lease period and their useful lives.

(ii) When the Company as a lessor, at commencement of the lease, lease receivables shall be measured at minimum lease receivables plus initial direct costs relating to lease transactions and recognised as long-term receivable in the statement of financial position. Unguaranteed residual values are recorded simultaneously. The differences between the total of minimum lease receivable, initial direct cost and unguaranteed residual values and their present value shall be recognised as unearned finance income, and shall amortised over the lease terms as lease income at the effective interest rate method.

4.31. Discontinued operations

(a) Recognition criteria

A discontinued operation is a component of the Company that either has been disposed of, or is classified as held for sale, and satisfies one of the following conditions:

(i) Such component can represent a separate major line of business or geographical area of operations.

(ii) Such component is part of a single coordinated disposal plan for separate major line of business or geographical area of operations.

(iii) Such component is a subsidiary acquired exclusively with a view to resale.

(b) Presentation

The Company presents profit or loss arising from both continuing operations and discontinued operations separately in the statement of comprehensive income. In the financial statements of current period, the results of operations of the component previously presented in continuing operations shall be reclassified and included in profit or loss from discontinued operations during the comparative period. If the discontinued operations cannot meet the conditions as held-for-sale, in the financial statements of current period, the results of operations of the component previously presented in discontinued operation shall be reclassified and included in profit or loss from continuing operations during the comparative period.

4.32 Fair Value Measurement

Fair value refers to 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.

The Company's assets and liabilities measured at fair value include: held-for-trading financial assets, available-for-sale financial assets, other equity instruments investment, and other non-current financial assets.

If the active market of the financial asset or financial liability exists, the Company shall measure the fair value using the quoted price in the active market. If the active market of the financial instrument is not available, the Company shall measure the fair value using valuation techniques. The valuation models used are mainly discounted cash flow model and market comparable company model. The input value of valuation techniques mainly includes risk-free interest rate, benchmark interest rate, exchange rate, credit point difference, liquidity premium, liquidity discount, etc.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value. When using the valuation technique, the Company shall give the priority to relevant observable inputs. The unobservable inputs can only be used when relevant observable inputs is not available or practically would not be obtained.

The treatment of gains and losses resulting from changes in the fair value of financial assets or financial liabilities (except those related to hedging) please refer to Note 4.10.

For the investment properties measured by the fair value model, the book value of the investment properties shall be adjusted on the basis of the fair value of the investment properties on the balance sheet date, and the difference between the fair value and the original book value shall be recorded into the current profit and loss.

Assets and liabilities measured or disclosed at fair value in the financial statements, the fair value hierarchy is determined in accordance with the input value at the lowest level that is significant to the measurement of fair value as a whole: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

On each balance sheet date, the Company reevaluates the assets and liabilities that are continuously measured at fair value as recognised in the financial statements to determine whether there is a conversion between the levels of fair value measurement.

Note 5. Changes in significant accounting policies, accounting estimates and error corrections

5.1. Change in significant accounting policies

On 30 April 2019, Ministry of Finance announced the "Notice of Revising and Issuing the Format of Financial Statements of General Enterprises for 2019" (Caikuai [2019] No.6) and required enterprise which adopted the new financial instrument standard but not yet adopt the new revenue standard and new lease standard to prepare the financial statements according to the following requirements:

In the statement of financial position, "Notes receivable and Accounts receivable" are split into "Notes receivable" and "Accounts receivable"; "Accounts receivable financing" are added to reflect the notes receivable and accounts receivable which measured at fair value through other comprehensive income on balance sheet date; "Notes payable and Accounts payable" are split into "Notes payable" and "Accounts payable";

In the statement of comprehensive income, "Gains /(losses) from derecognition of financial assets measured at amortised cost" are added under the "Investment income/(losses)".

On 19 September 2019, the Ministry of Finance issued "Notice of Revising and Issuing the Format of Consolidated Financial Statements for 2019" (Caikuai [2019] No. 16), as a complement of the announcement Caikuai [2019] No. 6.

The Company has prepared comparative financial statements in accordance with the requirement of Caikuai [2019]No. 6 and and Caikuai [2019] No. 16, and changed the presentation by retrospective adjustment method.

On 31 March 2017, the Ministry of Finance issued "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (Revised in 2017)" (Caikuai [2017] No. 7), "Accounting Standard for Business Enterprises No. 23 - Transfer of financial assets (Revised in 2017) "(Caikuai [2017] No. 8), "Accounting Standards for Business Enterprises No. 24 - Hedging (Revised in 2017)" (Caikuai [2017] No. 9). On 2 May 2017, the Ministry of Finance issued "Accounting Standards for Business Enterprises No. 37 - Presentation of Financial Instruments (Revised in 2017)" (Caikuai [2017] No. 14) (the above standards are collectively referred to as the "New Financial Instruments Standards"). Domestic listed companies are required to implement the new financial instruments standards from 1 January 2019. The Company implemented the above mentioned new financial instrument standards on 1January 2019, and adjusted the relevant contents of accounting policies. Details please refer to Note 3.10.

If the recognition and measurement of financial instruments before 1 January 2019 was inconsistent with the requirements of the new financial instruments' standards, the Company retroactively adjusted the classification and measurement (including impairment) of the financial instruments in accordance with the new financial instrument standards. The difference between the original carrying amount of the financial instrument and the new carrying amount on the date of implementation of the new financial instruments' standards (i.e. 1 January 2019) was recognised in retained earnings or other comprehensive income at 1 January 2019. At the same

time, the company dod not adjust the comparative financial statement data.

On 9 May 2019, the Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 7 - Exchange of Non-Monetary Assets" (Caikuai [2019] No. 8). According to the requirements, the Company adjusted the exchange of non-monetary assets occurred between 1 January 2019 and the implementation date in accordance with this standard. The exchange of non-monetary assets occurred before 1 January 2019 shall not be retrospectively adjusted. The Company have adopted the standard since 10 June 2019.

On 16 May 2019, the Ministry of Finance issued the "Accounting Standards for Business Enterprises No. 12 - Debt Restructuring" (Caikuai [2019] No. 9). According to the requirements, the Company adjusted the debt restructuring occurred between 1 January 2019 and the implementation date in accordance with this standard. The debt restructuring occurred before 1 January 2019 shall not be retrospectively adjusted. The Company has adopted the standard since 17 June 2019.

The cumulative impact of the above accounting policies is as follows:

Due to adoption of the new financial instrument standards, the Company's subsidiary Anhui Transport Consulting & Design Institute Co., Ltd. adjusted the consolidated financial statements as at January 1, 2019, including 501,780,000.00 yuan in held-for-trading financial assets, -500,000,000.00 yuan in other current assets, -72,000.00 in available-for-sale financial assets, 145,712.27 yuan in Other non-current financial assets, 278,056.84 yuan in deferred tax liabilities, 1,853,712.27 yuan in Gains/(losses) from changes in fair values and 278,056.84 yuan in income tax expense. The impact of the corresponding adjustments on the owner's equity attributable to the parent company in the Company's consolidated financial statements is 766,241.24 yuan, including retained earnings 766,241.24 yuan, and owner's equity attributable to the non-controlling interests 809,414.19 yuan. There is no effect on the financial statements of the Company's parent company.

In 2018, the Ministry of Finance issued the revised *"Accounting Standards for Business Enterprises No. 21 - Leasing"* (hereinafter referred to as "New Leasing standard"). And in 2019, the Ministry of Finance issued "*Notice on the Revision and Issuance of the Format of 2019 General Enterprises Financial Statements"* (CaiKuai [2018] No.15), the revised *"Accounting Standards for Business Enterprises No. 7 - Exchange of Non-Monetary Assets"* (Caikuai [2019] No. 8) (hereinafter referred to as "Exchange of Non-Monetary Assets standard") and the revised *"Accounting Standards for Business Enterprises No. 12 - Debt Restructuring"* (Caikuai [2019] No. 9) (hereinafter referred to as "Debt Restructuring standard"). The Company's subsidiary Anhui Wantong Expressway Co., Ltd. had adopted the above standards and prepared financial statements for 2019. New Leasing standard, the revised Exchange of Non-Monetary Assets standard and the revised Debt Restructuring standard have no significant impact on the financial statements of Anhui Wantong Expressway Co., Ltd. The impact of other revisions on the Company's financial statements is listed below:

Due to the Company's subsidiary Anhui Wantong Expressway Co., Ltd. had adopted the above standards, the Company adjusted the consolidated financial statements as at December 31, 2018, including 12,827,993.23 yuan in cash and cash equivalents, -12,827,993.23 yuan in other receivables (Interest receivable), 6,169,269.36 yuan in non-current liabilities maturing within one year, -6,169,269.36 yuan in other payables (Interest payable). The above adjustment have no impact on the owner's equity at the beginning of the period of the Company. There is no effect on the financial statements of the Company's parent company.

5.2. Significant change in accounting estimates

The Company has no significant changes in accounting estimates for the reporting period.

5.3. Adjustments of the financial statements at the beginning of the reporting period for the first year adoption of new financial instruments standards.

Consolidated Financial Statements

Unit: Yuan Currency: RMB

Items	31 December 2018	1 January 2019	Adjustment
Current assets:			
Cash and cash equivalents	14,807,533,559.09	14,807,533,559.09	-
Deposit reservation for balance	-	-	-
Lendings to banks and other financial institutions	-	-	-
Held-for-trading financial assets	-	501,780,000.00	501,780,000.00
Financial assets at fair value through profit or loss	-	-	-
Derivative financial assets	-	-	-
Notes receivable	45,980,512.70	45,980,512.70	-
Accounts receivable	1,944,776,287.88	1,944,776,287.88	-
Accounts receivable financing	-	-	-
Advances to suppliers	905,925,741.94	905,925,741.94	-
Premium receivable	-	-	-
Reinsurance accounts receivable	-	-	-
Reinsurance contract reserves receivable	-	-	-
Other receivables	1,013,016,867.65	1,013,016,867.65	-
Including: Interests receivable	15,459,459.74	15,459,459.74	-
Dividend receivable	22,225,430.85	22,225,430.85	-
Financial assets purchased under agreements to resell	-	-	-
Inventories	20,959,582,704.31	20,959,582,704.31	-
Assets classified as held for sale	-	-	-
Non-current assets maturing within one year	540,007,982.70	540,007,982.70	-
Other current assets	2,339,725,632.32	2,289,725,632.32	-500,000,000.00
Total current assets	42,556,549,288.59	42,558,329,288.59	1,780,000.00
Non-current assets:			
Loans and advances	-	-	-
Debt investments	-	-	-
Available-for-sale financial assets	3,734,163,273.95	3,734,091,273.95	-72,000.00

Items	31 December 2018	1 January 2019	Adjustment
Other debt investments	-	-	-
Held-to-maturity investments	-	-	-
Long-term receivables	1,124,724,503.45	1,124,724,503.45	-
Long-term equity investments	2,921,861,649.63	2,921,861,649.63	-
Other equity instrument investment	121,299,364.67	121,299,364.67	-
Other non-current financial assets	-	145,712.27	145,712.27
Investment properties	2,604,389,281.45	2,604,389,281.45	-
Fixed assets	173,619,417,383.18	173,619,417,383.18	-
Construction in progress	14,533,426,513.25	14,533,426,513.25	-
Productive biological assets	-	-	-
Oil and gas assets	-	-	-
Intangible assets	537,595,264.16	537,595,264.16	-
Research and development expenditure	-	-	-
Goodwill	37,395,104.78	37,395,104.78	
Long-term deferred expenses	115,050,945.54	115,050,945.54	
Deferred tax assets	918,269,002.34	918,269,002.34	
Other non-current assets	1,858,603,442.90	1,858,603,442.90	
Total non-current assets	202,126,195,729.30	202,126,269,441.57	73,712.27
Total assets	244,682,745,017.89	244,684,598,730.16	1,853,712.27
Current liabilities:			
Short-term borrowings	4,221,980,000.00	4,221,980,000.00	-
Borrowing from the central bank	-	-	-
Deposits from customers and interbank	-	-	-
Borrowings from banks and other financial institutions	-	-	-
Held-for-trading financial liabilities	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-
Derivative financial liabilities	-	-	-
Notes payable	64,237,136.90	64,237,136.90	-
Trade payables	12,754,194,810.83	12,754,194,810.83	-
Advances from customers	6,943,756,641.17	6,943,756,641.17	-
Selling of repurchased financial assets	-	-	-
Fees and commissions payable	-	-	-
Employee benefits payable	218,721,849.99	218,721,849.99	-
Taxes payable	1,050,777,237.67	1,050,777,237.67	-

Items	31 December 2018	1 January 2019	Adjustment
Other payables	3,830,189,039.20	3,830,189,039.20	-
Including: Interests payables	861,297,250.02	861,297,250.02	-
Dividend payables	39,749,405.18	39,749,405.18	-
Reinsurance payables	-	-	-
Insurance contract reserve	-	-	-
Funds received as agent of stock exchange	-	-	-
Funds received as stock underwrite	-	-	-
Liabilities classified as held for sale	-	-	-
Non-current liabilities maturing within one year	17,833,869,763.14	17,833,869,763.14	-
Other current liabilities	4,633,881,372.90	4,633,881,372.90	-
Total current liabilities	51,551,607,851.80	51,551,607,851.80	-
Non-current liabilities:			
Long-term borrowings	85,535,834,194.98	85,535,834,194.98	-
Bonds payable	19,584,210,561.26	19,584,210,561.26	-
Including: Preference share	-	-	-
Perpetual capital securities	-	-	-
Long-term payables	1,301,059,201.54	1,301,059,201.54	-
Long-term employee benefits payable	-	-	-
Estimated liabilities	18,314,587.75	18,314,587.75	-
Deferred income	315,642,451.95	315,642,451.95	-
Deferred tax liabilities	1,778,318,484.78	1,778,596,541.62	278,056.84
Other non-current liabilities	70,000,000.00	70,000,000.00	-
Total non-current liabilities	108,603,379,482.26	108,603,657,539.10	278,056.84
Total liabilities	160,154,987,334.06	160,155,265,390.90	278,056.84
Owners' equity:			
Share capital	16,000,000,000.00	16,000,000,000.00	-
Other equity instruments	2,000,000,000.00	2,000,000,000.00	-
Including: Preference shares	-	-	-
Perpetual capital securities	-	-	-
Capital reserves	43,337,654,173.97	43,337,654,173.97	-
Less: Treasury stock	-	-	-
Other comprehensive income	978,673,866.44	978,673,866.44	-
Specific reserves	41,836,390.37	41,836,390.37	-
Surplus reserves	785,741,765.99	785,741,765.99	-

Items	31 December 2018	1 January 2019	Adjustment
General risk reserves	-	-	-
Retained earnings	9,179,174,042.83	9,179,940,284.07	766,241.24
Total owner's equity attributable to parent company	72,323,080,239.60	72,323,846,480.84	766,241.24
Non-controlling interests	12,204,677,444.23	12,205,486,858.42	809,414.19
Total owners' equity	84,527,757,683.83	84,529,333,339.26	1,575,655.43
Total liabilities and owners' equity	244,682,745,017.89	244,684,598,730.16	1,853,712.27

5.4. Retrospective restatement of previous comparative data for the first adoption of new financial instruments standards

(i) At January 1, 2019, the comparative statements of classification and measurement for financial assets before and after the adoption of new financial instruments standards

Consolidated Financial Statements (The impact to the Anhui Transport Consulting & Design Institute Co., Ltd.)

31 December 2018 (Original financial instruments standard)			1 January 2019 (New financial instruments standard)		
Items	Measurement category	Carrying amount	Items	Measurement category	Carrying amount
Cash and cash equivalents	Amortised cost	575,100,663.44	Cash and cash equivalents	Amortised cost	575,100,663.44
Accounts receivable	Amortised cost	1,220,138,562.58	Accounts receivable	Amortised cost	1,220,138,562.58
Other receivables	Amortised cost	100,762,873.20	Other receivables	Amortised cost	100,762,873.20
Available-for-sale financial assets	Cost (equity instrument)	72,000.00	Other non-current financial assets	Fair value through profit or loss	145,712.27
Other current assets (finance products)	Amortised cost	500,000,000.00	Held-for-trading financial assets	Fair value through profit or loss	501,780,000.00

(ii) At January 1, 2019, adjustments for carrying amount of original financial assets according to new financial instruments standards

Consolidated Financial Statements (The impact to the Anhui Transport Consulting & Design Institute Co., Ltd.)

Items	Carrying amount at 31 December 2018 (Original financial instruments standards)	Reclassification	Remeasurement	Carrying amount at 1 January 2019 (New financial instruments standards)
I. Financial assets measured at amortised cost based on new financial instruments standards				
Available-for-sale financial assets	72,000.00	-	-	-
Less: Transfer to Other non-current financial assets	-	72,000.00	73,712.27	-
Available-for-sale financial assets	-	-	-	-
II. Financial assets measured at fair value through profit or loss based on new financial instruments standards				

Items	Carrying amount at 31 December 2018 (Original financial instruments standards)	Reclassification	Remeasurement	Carrying amount at 1 January 2019 (New financial instruments standards)
Other current assets-entrust finance products	500,000,000.00	-	-	-
Less: Transfer to Held-for-trading financial assets	-	500,000,000.00	1,780,000.00	-
Held-for-trading financial assets	-	-	-	501,780,000.00
Other non-current financial assets	-	-	-	-
Add: Transfer from available-for-sale financial assets	-	72,000.00	73,712.27	-
Other non-current financial assets	-	-	-	145,712.27

(iii) At January 1, 2019, adjustments for impairment provision of original financial assets according to new financial instruments standards

Consolidated Financial Statements (The impact to the Anhui Transport Consulting & Design Institute Co., Ltd.)

Items	Provision for bad debt at 31 December 2018 (Original financial instruments standards)	Reclassification	Remeasurement	Provision for bad debt at 1 January 2019 (New financial instruments standards)
(I) Financial assets measured at amortised cost				
Including: Impairment provision of accounts receivable	478,070,271.23	-	-	478,070,271.23
Impairment provision of other receivables	65,878,264.01	-	-	65,878,264.01

5.5. Error corrections of prior period

The Company has no prior period error corrections during the reporting period.

Note 6. Taxation

6.1. Major Categories of Tax and Tax Rates Applicable to the Company

Taxes	Tax rate and basis of tax assessment
Value added tax	The taxable income is calculated at the output tax rate of 16%, 10%, 13%, 9%and 6%, and the value-added tax is paid at the net amounts after deducting input VATs for the reporting period. Small-scale taxpayers and simple collection methods are subject to pay VAT in accordance with taxable income of 3% and 5%
Urban maintenance and construction tax	5%,7% of the turnover taxes paid
Educational surcharges	3% of the turnover taxes paid
Local educational surcharges	2% of the turnover taxes paid
Corporate income tax	15%, 25% of taxable income; 16.5% for subsidiaries registered in Hong Kong

Taxes	Tax rate and basis of tax assessment
Property tax	1.2% of the residual value of the property and 12% of the rental income
Construction fee for cultural undertakings	3% of VAT taxable services
Land appreciation tax	In accordance with the revenue of real estate sales after deducting the specified amount of the project, it is calculated at the rate of progressive tax rates.

Note: The original tax rate applied by the Company on VAT taxable sales or imported goods was 16%/10%. According to *the Announcement on Policies Governing Deepening VAT Reform from the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs* (CGHGG [2019] No.39), the applicable tax rate is adjusted to 13%/9%, being effective from April 1, 2019. From April 1, 2019 to December 31, 2021, production and living service taxpayers are allowed to deduct the input tax of the current period by an additional 10% to deduction the tax payable.

6.2. Tax preference and approvals

(a) On September 9, 2019, Anhui Transport Consulting & Design Institute Co., Ltd. re-certified and obtained the High-tech Enterprise Certificate with the number GR201934001087, which is valid for three years (from January 1, 2019 to January 1, 2021). According to the relevant regulations of the *Enterprise Income Tax Law* and other related regulations, Anhui Transport Consulting & Design Institute Co., Ltd. has enjoyed the preferential income tax policy of the national high-tech enterprises for three consecutive years since 2019, and paid corporate income tax at a preferential tax rate of 15%.

(b) On July 24, 2018, the Company's subsidiary Anhui Transport Survey and Design Institute was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate with the number GR201834001078; On October 26, 2018, the Company's subsidiary Expressway Testing was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate with the number GR201834001966; all are valid for three years(from January 1, 2018 to December 31, 2020). According to the relevant regulations of the *Enterprise Income Tax Law* and other related regulations, they have enjoyed the national high-tech enterprise income tax preferential policies during the reporting period, and paid corporate income tax at a preferential tax rate of 15%.

(c) According to *Notification on the implementation of the inclusive tax reduction and exemption policy for small and micro enterprises from the Ministry of Finance and the State Administration of Taxation* (Caishui [2019] No. 13), the annual taxable income of small and micro enterprises with the portion not exceeding 1 million yuan will be reduced to 25% of the taxable income, and the corporate income tax will be paid at a rate of 20%; the portion of the annual taxable income exceeding 1 million yuan but not exceeding 3 million yuan will be reduced by 50% of the taxable income and pay corporate income tax at a rate of 20%. Some of the Company's subsidiaries with annual taxable income less than 200 thousand yuan (including 200 thousand yuan), are identified as small and micro enterprises, the annual taxable income will be reduced to 50% of the taxable income, and the corporate income tax will be paid at a rate of 20%.

(d) According to *Notification on expanding the scope of exemption for relevant government funds from the Ministry of Finance and the State Administration of Taxation* (Caishui [2016] No. 12), the scope of exemption for educational surcharges, local educational surcharges and

water conservancy construction fund, will be extended to taxpayers with monthly sales or turnover less than 100 thousand yuan (quarterly sales or turnover less than 300 thousand yuan). The Company's subsidiary Anhui Xunjie Logistics Suzhou Co., Ltd. enjoys the preferential policy of exemption of educational surcharges and local educational surcharges for the current year.

(e) According to *Notification on preferential policies for urban land use tax of urban bus station, road passenger station and urban rail transit system* (Finance and Taxation [2016] No. 16) issued by the Ministry of Finance and the State Administration of Taxation, the operation land of urban bus station and road passenger station is exemption from urban land use tax.

Note 7. Business combination and consolidated financial statements

7.1. General information of subsidiaries in the scope of consolidation

No.	Enterprise name	Level	Type of enterprise	Registered address	Principal place of business	Business nature
1	Anhui Wantong Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway construction and operation management
2	Anhui Anlian Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway construction and operation management, and real estate development
3	Anhui Wuyan Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Wuhu, Anhui Province	Wuhu, Anhui Province	Highway construction and operation management
4	Anhui Anqing Changjiang River Highway Bridge Co., Ltd.	Secondary	Domestic non-financial subsidiary	Anqing, Anhui Province	Anqing, Anhui Province	Highway and bridge construction and operation management
5	Anhui Expressway Media Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Advertising production and publication
6	Anhui Highway Construction Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Construction for highway traffic facilities
7	Anhui Yida Expressway Service Area Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Operation and management in service area
8	Anhui Yangji Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Xuancheng, Anhui Province	Xuancheng, Anhui Province	Highway construction and operation management
9	Anhui Expressway Real Estate Group Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Real estate development and sales
10	Anhui Expressway Petrochemical Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Sales of oil products
11	Hefei Wantong Microfinance Co., Ltd.	Secondary	Domestic financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Microfinance origination
12	Anhui Liguang Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway construction and operation management
13	Anhui Wangqian Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway construction and operation management
14	Anhui Transportation Holding Group (Hongkong) Co., Ltd.	Secondary	Oversea non-financial subsidiary	Hongkong, China	Hongkong, China	Offshore financing platform
15	Anhui Jiefubeng Expressway Management Co., Ltd.	Secondary	Domestic non-financial	Mengcheng, Anhui	Mengcheng, Anhui Province	Expressway operation management

No.	Enterprise name	Level	Type of enterprise	Registered address	Principal place of business	Business nature
			subsidiary	Province		
16	Anhui Transportation Holding Group Lujiang Expressway Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Lujiang, Anhui Province	Lujiang, Anhui Province	Expressway operation management
17	Anhui Machao Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	He county, Anhui Province	Expressway operation management
18	Anhui Xuming Expressway Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Wuhe, Anhui Province	Wuhe, Anhui Province	Expressway operation management
19	Anhui Transportation Group Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Passenger service
20	Anhui Transport Consulting & Design Institute Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Survey and design
21	Anhui Qixing Property Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Property service
22	Anhui Xunjie Logistics Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Logistics storage
23	Anhui Jinggong Construction Group Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Building construction project, Municipal administration public project construction primary contractor
24	Anhui Expressway Network Operation Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Expressway network toll
25	Anhui Transportation Bomeng Highway Development Limited	Secondary	Domestic non-financial subsidiary	Bozhou, Anhui Province	Bozhou, Anhui Province	Highway and related infrastructure investment construction and operation under project contract
26	Anhui Construction Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Construction of roads, bridges, tunnels, ports, buildings, etc.
27	Anhui Transportation Capital Investment Management Co., Ltd.	Secondary	Domestic financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Investment management
28	Anhui Hezong Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway construction and operation management
29	Anhui Yuehuang Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway construction and operation management
30	Anhui Transportation Holding Information Industry Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Information system integration

(Continued)

Enterprise name	Paid-in capital	Shareholding (%)	Voting rights (%)	Investment amount	Ways of acquisition
Anhui Wantong Expressway Co., Ltd.	1,658,610,000.00	31.63	31.63	959,876,379.62	Investment establishment
Anhui Anlian Expressway Co., Ltd.	700,000,000.00	98.86	98.86	892,441,500.00	Business combination not under common control
Anhui Wuyan Expressway Co.,	100,000,000.00	70.00	70.00	70,000,000.00	Investment

Enterprise name	Paid-in capital	Shareholding (%)	Voting rights (%)	Investment amount	Ways of acquisition
Ltd.					establishment
Anhui Anqing Changjiang River Highway Bridge Co., Ltd.	150,000,000.00	100.00	100.00	483,000,000.00	Business combination not under common control
Anhui Expressway Media Co., Ltd.	50,000,000.00	Direct holding 51%, and indirect holding 49%	100.00	25,500,000.00	Other
Anhui Highway Construction Co., Ltd.	190,000,000.00	100.00	100.00	533,676,089.55	Other
Anhui Yida Expressway Service Area Management Co., Ltd.	50,000,000.00	100.00	100.00	79,243,778.64	Investment establishment
Anhui Yangji Expressway Co., Ltd.	300,000,000.00	90.00	90.00	270,000,000.00	Investment establishment
Anhui Expressway Real Estate Group Co., Ltd.	3,367,000,100.00	100.00	100.00	3,498,520,364.30	Investment establishment
Anhui Expressway Petrochemical Co., Ltd.	1,040,000,000.00	51.00	51.00	2,128,669,745.27	Investment establishment
Hefei Wantong Microfinance Co., Ltd.	150,000,000.00	Direct holding 30%, and indirect holding 50%	80.00	45,000,000.00	Investment establishment
Anhui Liguang Expressway Co., Ltd.	100,000,000.00	80.00	80.00	80,000,000.00	Investment establishment
Anhui Wangqian Expressway Co., Ltd.	100,000,000.00	60.00	60.00	60,000,000.00	Investment establishment
Anhui Transportation Holding Group (Hongkong) Co., Ltd.	61,964,259.06	100.00	100.00	161,068,220.00	Investment establishment
Anhui Jiefubeng Expressway Management Co., Ltd.	8,700,000.00	100.00	100.00	8,700,000.00	Business combination under the same control
Anhui Transportation Holding Group Lujiang Expressway Management Co., Ltd.	500,000.00	100.00	100.00	500,000.00	Business combination under common control
Anhui Machao Expressway Co., Ltd.	486,810,921.67	51.00	51.00	248,528,570.05	Business combination under common control
Anhui Xuming Expressway Management Co., Ltd.	500,000.00	100.00	100.00	500,000.00	Business combination under common control
Anhui Transportation Group Co., Ltd.	73,025,085.37	100.00	100.00	93,025,085.37	Business combination under common control
Anhui Transport Consulting & Design Institute Co., Ltd.	454,542,698.00	48.63	48.63	191,102,700.00	Business combination under common control
Anhui Qixing Property Management Co., Ltd.	1,000,000.00	100.00	100.00	50,573,693.05	Business combination under commoncontrol
Anhui Xunjie Logistics Co., Ltd.	181,500,000.00	100.00	100.00	180,346,925.18	Business combination under common control
Anhui Jinggong Construction Group Co., Ltd.	100,000,000.00	100.00	100.00	131,590,408.48	Business combination

Enterprise name	Paid-in capital	Shareholding (%)	Voting rights (%)	Investment amount	Ways of acquisition
					under common control
Anhui Expressway Network Operation Co., Ltd.	1,000,000.00	100.00	100.00	26,058,024.57	Business combination not under common control
Anhui Transportation Bomeng Highway Development Limited	100,000,000.00	51.00	51.00	51,000,000.00	Investment establishment
Anhui Construction Management Co., Ltd.	-	100.00	100.00	-	Investment establishment
Anhui Transportation Capital Investment Management Co., Ltd.	2,383,759,900.00	100.00	100.00	3,633,000,305.17	Investment establishment
Anhui Hezong Expressway Co., Ltd.	369,000,000.00	51.00	51.00	188,000,000.00	Investment establishment
Anhui Yuehuang Expressway Co., Ltd.	915,000,000.00	51.00	51.00	467,000,000.00	Investment establishment
Anhui Transportation Holding Information Industry Co., Ltd.	30,000,000.00	Direct holding 40%, and indirect holding 30%	70.00	12,000,000.00	Investment establishment

7.2. Reasons for control exists of the parent company when voting rights in the investees is 50% or lower

No.	Enterprise name	Shareholding (%)	Voting rights (%)	Registered capital	Investment amount	Level	Reason for being included in the scope of consolidation
1	Anhui Wantong Expressway Co., Ltd	31.63	31.63	1,658,610,000.00	959,876,379.62	Secondary	Actual control
2	Anhui Transport Consulting & Design Institute Co., Ltd.	48.63	48.63	454,542,698.00	191,102,700.00	Secondary	Actual control
3	Anhui Hefei Automobile Passenger Transport Terminal Co., Ltd.	45.00	45.00	60,000,000.00	27,000,000.00	Tertiary	Have control power
4	Dongzhi Jingwei Real Estate Co., Ltd.	40.00	40.00	15,000,000.00	6,000,000.00	Fourth level	Leading related activities

7.3. Reasons for the voting rights of parent company that direct or indirect in the investee through other subsidiary is above 50% but no control exists

No.	Enterprise name	Shareholding (%)	Voting rights (%)	Registered capital	Investment amount	Level	Reason for not being included in the scope of consolidation
1	Anhui Traffic Merchants Industry Investment Fund (Limited Partnership)	79.70	79.70	300,000.00	1,195,500,000.00	Tertiary	The operation policy and financial policy of the investee shall be decided by unanimous vote of

No.	Enterprise name	Shareholding (%)	Voting rights (%)	Registered capital	Investment amount	Level	Reason for not being included in the scope of consolidation
							all shareholders
2	Anhui Traffic Turnover Goldstone M&A Fund Partnership (Limited Partnership)	69.70	69.70	300,000.00	1,045,500,000.00	Tertiary	The operation policy and financial policy of the investee shall be decided by unanimous vote of all shareholders

Note: The Company's subsidiaries Transportation Capital Investment, Anlian Expressway, Wantong Expressway respectively hold 63.06%, 10.00% and 6.64% shares of Anhui Traffic Merchants Industry Investment Fund (Limited Partnership), the total shareholding is 79.70%; The Company's subsidiaries Transportation Capital Investment and Wantong Expressway respectively hold 63.06%, 6.64% shares of Anhui Traffic Turnover Goldstone M&A Fund Partnership (Limited Partnership), the total shareholding is 69.70%.

7.4. Significant non-wholly owned subsidiaries

(a) Minority shareholders

No.	Enterprise name	roportion of ownership interest held by non-controlling interests (%)	Profit or loss attributable to non- controlling interests during the reporting period	Dividends distribute to non-controlling interests during the reporting period	Accumulated non-controlling interests at the end of the reporting period
1	Anhui Anlian Expressway Co., Ltd	1.14	-2,168,589.40	-	19,766,161.40
2	Anhui Wuyan Expressway Co., Ltd.	30.00	-29,995,969.22	-	-178,353,566.46
3	Anhui Wangqian Expressway Co., Ltd.	40.00	-5,894,765.26	-	-10,203,447.93
4	Anhui Liguang Expressway Co., Ltd.	20.00	-14,492,433.79	-	-28,611,905.44
5	Anhui Yangji Expressway Co., Ltd.	10.00	-22,263,718.23	-	-74,839,695.98
6	Hefei Wantong Microfinance Co., Ltd.	20.00	104,394.37	-	23,005,263.80
7	Anhui Expressway Petrochemical Co., Ltd.	49.00	44,878,828.30	24,199,907.18	2,230,908,215.58
8	Anhui Wantong Expressway Co., Ltd.	68.37	592,737,136.36	426,126,803.70	7,190,506,452.12
9	Anhui Machao Expressway Co., Ltd.	49.00	30,294,505.53	14,960,911.60	253,744,585.11
10	Anhui Transport Consulting & Design Institute Co., Ltd.	51.37	166,813,523.10	68,385,275.96	1,200,776,171.86
11	Anhui Transportation Bomeng Highway Development Limited	49.00	-61,291,971.31	-	331,786,177.08
12	Anhui Hezong Expressway Co., Ltd.	49.00	-	-	460,300,000.00
13	Anhui Yuehuang Expressway Co., Ltd.	49.00	-	-	1,031,100,000.00
14	Anhui Transportation Holding Information Industry Co., Ltd.	30.00	180,660.33	-	9,180,660.33

(b) Main financial information

Items	2019		2018	
	Anhui Anlian Expressway Co., Ltd.	Anhui Wuyan Expressway Co., Ltd.	Anhui Anlian Expressway Co., Ltd.	Anhui Wuyan Expressway Co., Ltd.
Current assets	4,580,328,941.00	81,996,614.24	5,003,965,701.12	80,264,878.34
Non-current assets	8,731,701,994.82	1,174,697,312.24	8,010,049,986.21	1,230,195,884.83
Total assets	13,312,030,935.82	1,256,693,926.48	13,014,015,687.33	1,310,460,763.17
Current liabilities	6,085,509,275.30	793,024,152.73	6,108,515,167.34	718,978,085.96
Non-current liabilities	5,413,992,353.48	1,058,181,661.93	4,915,899,054.63	1,086,008,001.33
Total liabilities	11,499,501,628.78	1,851,205,814.66	11,024,414,221.97	1,804,986,087.29
Operating income	857,037,719.09	29,059,764.55	839,619,372.79	28,209,649.48
Net profit	-174,510,734.93	-99,986,564.06	-131,874,464.97	-83,541,078.30
Total comprehensive income	-174,510,734.93	-99,986,564.06	-131,874,464.97	-83,541,078.30
Cash flow from operating activities	901,765,729.26	-2,620,066.62	-499,777,181.52	-13,981,086.45

(Continued)

Items	2019		2018	
	Anhui Wangqian Expressway Co., Ltd.	Anhui Liguang Expressway Co., Ltd.	Anhui Wangqian Expressway Co., Ltd.	Anhui Liguang Expressway Co., Ltd.
Current assets	261,438,838.41	74,088,334.93	174,088,998.00	91,208,283.30
Non-current assets	1,920,899,736.72	1,538,588,001.25	1,963,175,726.73	1,568,017,544.44
Total assets	2,182,338,575.13	1,612,676,336.18	2,137,264,724.73	1,659,225,827.74
Current liabilities	742,286,212.73	852,418,538.53	642,807,568.53	799,181,591.06
Non-current liabilities	1,465,560,982.24	903,317,324.84	1,505,228,862.89	930,641,594.92
Total liabilities	2,207,847,194.97	1,755,735,863.37	2,148,036,431.42	1,729,823,185.98
Operating income	92,709,301.58	28,660,985.57	82,570,074.61	16,799,490.74
Net profit	-14,736,913.15	-72,462,168.95	-21,139,233.33	-78,359,776.84
Total comprehensive income	-14,736,913.15	-72,462,168.95	-21,139,233.33	-78,359,776.84
Cash flow from operating activities	-8,770,850.36	-16,640,922.89	-22,317,999.23	28,431,258.80

(Continued)

Items	2019		2018	
	Anhui Yangji Expressway Co., Ltd.	Hefei Wantong Microfinance Co., Ltd.	Anhui Yangji Expressway Co., Ltd.	Hefei Wantong Microfinance Co., Ltd.

Items	2019		2018	
	Anhui Yangji Expressway Co., Ltd.	Hefei Wantong Microfinance Co., Ltd.	Anhui Yangji Expressway Co., Ltd.	Hefei Wantong Microfinance Co., Ltd.
Current assets	434,089,415.21	104,222,236.75	325,296,243.84	116,065,887.92
Non-current assets	3,602,922,017.47	13,634,690.12	3,707,132,187.93	108,723.77
Total assets	4,037,011,432.68	117,856,926.87	4,032,428,431.77	116,174,611.69
Current liabilities	2,471,771,612.43	2,830,607.91	1,763,410,643.24	1,670,264.59
Non-current liabilities	2,313,636,779.96	-	2,794,777,565.97	-
Total liabilities	4,785,408,392.39	2,830,607.91	4,558,188,209.21	1,670,264.59
Operating income	97,900,942.69	8,211,353.75	81,734,279.09	3,292,379.76
Net profit	-222,637,182.27	521,971.86	-213,453,431.10	824,282.89
Total comprehensive income	-222,637,182.27	521,971.86	-213,453,431.10	824,282.89
Cash flow from operating activities	-26,529,063.95	-15,255,025.52	-16,384,796.41	-46,489,040.81

(Continued)

Items	2019		2018	
	Anhui Expressway Petrochemical Co., Ltd.	Anhui Wantong Expressway Co., Ltd.	Anhui Expressway Petrochemical Co., Ltd.	Anhui Wantong Expressway Co., Ltd.
Current assets	416,880,360.03	2,744,428,474.34	1,320,004,953.11	2,693,590,443.83
Non-current assets	4,205,228,091.30	13,175,583,193.56	3,210,370,110.68	12,086,697,369.98
Total assets	4,622,108,451.33	15,920,011,667.90	4,530,375,063.79	14,780,287,813.81
Current liabilities	208,258,818.92	2,103,501,303.41	173,435,711.21	1,431,532,276.62
Non-current liabilities	-	2,246,768,014.95	-	2,767,656,584.32
Total liabilities	208,258,818.92	4,350,269,318.36	173,435,711.21	4,199,188,860.94
Operating income	6,429,603,010.39	2,946,420,820.29	6,153,213,566.42	2,966,948,529.24
Net profit	91,589,445.51	1,059,204,628.74	54,875,072.98	1,096,642,037.84
Total comprehensive income	91,589,445.51	1,043,628,271.32	54,875,072.98	1,045,232,498.54
Cash flow from operating activities	320,783,699.04	1,822,702,104.07	-135,224,121.85	1,807,953,185.70

(Continued)

Items	2019		2018	
	Anhui Machao Expressway Co., Ltd.	Anhui Transport Consulting & Design Institute Co., Ltd.	Anhui Machao Expressway Co., Ltd.	Anhui Transport Consulting & Design Institute Co., Ltd.

Items	2019		2018	
	Anhui Machao Expressway Co., Ltd.	Anhui Transport Consulting & Design Institute Co., Ltd.	Anhui Machao Expressway Co., Ltd.	Anhui Transport Consulting & Design Institute Co., Ltd.
Current assets	64,034,209.99	2,939,839,329.83	141,492,462.68	2,799,341,300.59
Non-current assets	1,985,692,318.69	471,221,980.15	2,058,286,617.67	306,732,872.95
Total assets	2,049,726,528.68	3,411,061,309.98	2,199,779,080.35	3,106,074,173.54
Current liabilities	176,150,085.53	1,048,703,226.96	156,346,607.70	936,893,254.56
Non-current liabilities	1,324,440,000.00	10,609,721.61	1,437,400,000.00	15,566,881.07
Total liabilities	1,500,590,085.53	1,059,312,948.57	1,593,746,607.70	952,460,135.63
Operating income	267,776,933.02	1,619,104,797.73	261,276,559.63	1,648,842,617.39
Net profit	61,825,521.48	325,039,560.15	50,986,937.21	436,632,134.17
Total comprehensive income	61,825,521.48	325,039,560.15	50,986,937.21	436,632,134.17
Cash flow from operating activities	219,720,491.01	51,589,578.86	229,297,199.10	257,103,447.18

(Continued)

Items	2019		2018	
	Anhui Transportation Bomeng Highway Development Limited	Anhui Hezong Expressway Co., Ltd.	Anhui Transportation Bomeng Highway Development Limited	Anhui Hezong Expressway Co., Ltd.
Current assets	65,903,362.69	138,508,339.62	109,316,836.43	552,822,321.09
Non-current assets	2,701,109,467.47	1,310,668,498.41	2,942,923,076.94	1,127,872,908.28
Total assets	2,767,012,830.16	1,449,176,838.03	3,052,239,913.37	1,680,695,229.37
Current liabilities	227,095,305.52	510,176,838.03	2,260,745,733.00	810,695,229.37
Non-current liabilities	2,438,086,000.00	-	569,820,000.00	1,000,000.00
Total liabilities	2,665,181,305.52	510,176,838.03	2,830,565,733.00	811,695,229.37
Operating income	-	-	-	-
Net profit	-125,085,655.73	-	-210,946,555.11	-
Total comprehensive income	-125,085,655.73	-	-210,946,555.11	-
Cash flow from operating activities	371,991,876.70	-	13.18	-

(Continued)

Items	2019		2018	
	Anhui Yuehuang Expressway Co., Ltd.	Anhui Transportation Holding Information Industry Co., Ltd.	Anhui Yuehuang Expressway Co., Ltd.	-
Current assets	1,104,718,820.30	33,016,973.29	1,107,221,439.07	-
Non-current assets	2,117,788,109.17	3,199,724.83	1,823,436,560.30	-
Total assets	3,222,506,929.47	36,216,698.12	2,930,657,999.37	-
Current liabilities	1,117,506,929.47	5,597,113.07	1,175,657,999.37	-
Non-current liabilities	-	189,174.96	-	-
Total liabilities	1,117,506,929.47	5,786,288.03	1,175,657,999.37	-
Operating income	-	15,018,310.03	-	-
Net profit	-	430,410.09	-	-
Total comprehensive income	-	430,410.09	-	-
Cash flow from operating activities	-	2,611,510.07	-	-

7.5. Change of the scope of consolidation

(a) The newly incorporated subsidiaries during the reporting period are as follows

Company	Net asset at 31 December, 2019	Net profit in 2019	Control nature
Anhui Transportation Holding Information Industry Co., Ltd.	30,430,410.09	430,410.09	Control (Secondary subsidiary)

(b) The subsidiaries reduced during the reporting period are as follows

(i) General information of original subsidiaries reduced during the reporting period

Subsidiaries	Registered address	Business nature	Shareholding (%)	Voting rights(%)	Reason of Reduction
Anhui Transportation Holding Group Suzhou Expressway Management Co., Ltd.	Suzhou, Anhui Province	Expressway operation management	100.00	100.00	Liquidation and cancellation

(ii) Financial position of the original subsidiaries on the date of disposal and on balance sheet date in the last accounting period

Subsidiaries	Date of disposal	Date of disposal		
		Total assets	Total liabilities	Total equity
Anhui Transportation Holding Group Suzhou Expressway Management Co., Ltd.	In January, 2019	26,429,020.04	26,157,044.34	271,975.70

(Continued)

Subsidiaries	31 December 2018		
	Total assets	Total liabilities	Total equity
Anhui Transportation Holding Group Suzhou Expressway Management Co., Ltd.	26,429,020.04	26,157,044.34	271,975.70

(iii) Business performance of original subsidiaries from the beginning of the reporting period to the date of disposal

Subsidiaries	Date of disposal	From the beginning of the reporting period to the date of disposal		
		Incomes	Expenses	Net profit
Anhui Transportation Holding Group Suzhou Expressway Management Co., Ltd.	In January, 2019	-	-	-

Note 8. Notes to the consolidated financial statements

8.1. Cash and Cash Equivalents

Items	31 December 2019	31 December 2018
Cash on hand	3,093,524.57	3,423,385.83
Cash in bank	14,657,289,141.27	13,794,577,397.83
Other monetary fund	373,697,024.92	1,022,360,768.66
Total	15,034,079,690.76	14,820,361,552.32
Including: The total amount deposited overseas	140,269,278.42	257,516,195.81

Note:

1. At 31 December 2019, the cash and cash equivalents that are restricted in use are as follows: bank acceptance bill guarantee RMB22,229,494.10; performance bond RMB 155,393,528.73; bank loan mortgage guarantee RMB 121,699,875.11; pre-sale supervision margin RMB 10,946,417.31; court frozen fund RMB 44,271,413.12; structured deposit over three months RMB 201,791,560.00; quality deposits RMB 3,400,077.22; other restricted funds RMB16,432,835.17. The total amount of restricted in use is RMB 455,169,678.16.

2. At December 31, 2019, cash and cash equivalents include interest payable of fixed time deposit RMB 6,696,619.31.

3. The amount deposited overseas were HKD current deposits of the subsidiary of the Compsny, Anhui Wantong Expressway Co., Ltd, Anhui Wantong Expressway Co., Ltd (HK) and Transportation Holding Group (HK).

8.2. Held-for-trading financial assets

Items	31 December 2019	31 December 2018
Financial assets at fair value through profit or loss	974,373,486.30	-
Including: Structured deposit	422,316,986.30	-
Financial products (principal)	550,000,000.00	-

Items	31 December 2019	31 December 2018
Financial products (earnings)	2,056,500.00	-
Total	974,373,486.30	-

8.3. Notes Receivable

(a) Notes receivable by category

Items	31 December 2019			31 December 2018		
	Book Balance	Provision for bad debt	Carrying amount	Book Balance	Provision for bad debt	Carrying amount
Bank acceptance bills	38,928,333.81	-	38,928,333.81	45,880,512.70	-	45,880,512.70
Commercial acceptance bills	10,104,704.59	83,763.67	10,020,940.92	100,000.00	-	100,000.00
Total	49,033,038.40	83,763.67	48,949,274.73	45,980,512.70	-	45,980,512.70

(b) At the end of the period, the Company had no notes receivable that were pledged.

(c) Notes receivable discounted or endorsed to third parties but not yet matured at 31 December 2019:

Items	The amount of derecognition	The amount of recognition
Bank acceptance bills	7,173,314.90	-
Commercial acceptance bills	-	-
Total	7,173,314.90	-

(d) Notes receivable by bad debt provision method

"Companies that have implemented the new financial instrument standards":

Items	31 December 2019				Carrying amount
	Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Recognize provision for bad debts by groups					
Including: group one: Bank acceptance bills	3,562,500.00	97.14	-	-	3,562,500.00
group two: Commercial acceptance bills	104,704.59	2.86	83,763.67	80.00	20,940.92
Total	3,667,204.59	100.00	83,763.67	2.28	3,583,440.92

At 31 December 2019, notes receivable with provision for bad debt recognised by group two

Item	31 December 2019		Provision ratio (%)
	Book balance	Provision for bad debt	

Commercial acceptance bills	104,704.59	83,763.67	80.00
Total	104,704.59	83,763.67	80.00

8.4. Accounts Receivable

Items	31 December 2019			31 December 2018		
	Book Balance	Provision for bad debt	Carrying amount	Book Balance	Provision for bad debt	Carrying amount
Companies that have not implemented the new financial instrument standards	928,908,068.31	147,146,830.43	781,761,237.88	811,079,196.37	106,140,268.19	704,938,928.18
Companies that have implemented the new financial instrument standards	1,850,567,258.71	444,592,520.22	1,405,974,738.49	1,576,943,850.49	337,106,490.79	1,239,837,359.70
Total	2,779,475,327.02	591,739,350.65	2,187,735,976.37	2,388,023,046.86	443,246,758.98	1,944,776,287.88

(a) Accounts receivable by bad debt provision method

"Companies that have not implemented the new financial instrument standards":

Items	31 December 2019				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with individually significant balance and provision for bad debt recognised individually	38,956,447.06	4.19	38,956,447.06	100.00	-
Accounts receivable with bad debt provision recognised collectively by similar credit risk characteristics	884,961,259.23	95.27	103,200,021.35	11.66	781,761,237.88
Accounts receivable with individually insignificant balance but provision for bad debt recognised individually	4,990,362.02	0.54	4,990,362.02	100.00	-
Total	928,908,068.31	100.00	147,146,830.43	15.84	781,761,237.88

(Continued)

Items	31 December 2018				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with individually significant balance and provision for bad debt recognised individually	65,436,459.99	8.07	7,846,393.13	11.99	57,590,066.86

Items	31 December 2018				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with bad debt provision recognised collectively by similar credit risk characteristics	741,722,939.70	91.45	94,374,078.38	12.72	647,348,861.32
Accounts receivable with individually insignificant balance but provision for bad debt recognised individually	3,919,796.68	0.48	3,919,796.68	100.00	-
Total	811,079,196.37	100.00	106,140,268.19	13.09	704,938,928.18

A. Accounts receivable with individually significant balance and provision for bad debt recognised individually

Name	Carrying amount at 31 December 2019	Provision for bad debt	Aging	Provision ratio (%)	Reason
Runyu Technology Information Management (Shenzhen) Co., Ltd.	19,971,149.50	19,971,149.50	1-2 years	100.00	Irrecoverable
Changzhou Yuhui Logistics Co., Ltd.	7,979,100.00	7,979,100.00	Within 1 year	100.00	The judgment can not be executed
Anhui Dongjie Chemical Fuel Co., Ltd.	5,776,196.80	5,776,196.80	Over 5 years	100.00	Irrecoverable
Shenzhen Qianhai Miya Logistics Co., Ltd.	1,800,000.00	1,800,000.00	Within 1 year	100.00	Irrecoverable
Chuzhou Anbang Polymerization Technology Co., Ltd. and Chuzhou Anxing Environmental Protection Colored Fiber Co., Ltd.	1,493,444.67	1,493,444.67	Over 3 years	100.00	The court judged bankruptcy restructuring
Others	1,936,556.09	1,936,556.09	Over 5 years	100.00	Long-term, difficult to recover
Total	38,956,447.06	38,956,447.06	-	-	-

B. Accounts receivable with bad debt provision recognised by credit risk characteristics

(i) Accounts receivable with provision for bad debts using aging analysis method

Aging	31 December 2019			31 December 2018		
	Accounts receivable		Provision for bad debt	Accounts receivable		Provision for bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	521,220,808.86	65.08	26,061,036.41	466,339,738.10	66.71	23,316,986.89
1-2 years (including 2 years)	59,532,988.35	7.43	5,953,299.35	94,413,090.34	13.51	9,441,309.03
2-3 years (including 3	90,513,260.01	11.30	18,102,652.00	57,783,145.03	8.27	11,557,539.21

Aging	31 December 2019			31 December 2018		
	Accounts receivable		Provision for bad debt	Accounts receivable		Provision for bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
years)						
Over 3 years	129,601,087.66	16.19	51,819,772.37	80,522,939.25	11.51	49,643,611.89
Total	800,868,144.88	100.00	101,936,760.12	699,058,912.72	100.00	93,959,447.01

(ii) Accounts receivable with bad debt provision recognised collectively by other methods

Items	31 December 2019			31 December 2018		
	Accounts receivable	Provision ratio (%)	Provision for bad debt	Accounts receivable	Provision ratio (%)	Provision for bad debt
Related party and internal employees	2,052,794.84	-	-	1,200,889.89	-	-
Government subsidies and security deposit	82,040,319.51	1.54	1,263,261.23	41,463,137.09	1.00	414,631.37
Total	84,093,114.35	1.50	1,263,261.23	42,664,026.98	0.97	414,631.37

C. Accounts receivable with individually insignificant balance and provision for bad debt recognised individually

Name	Balance at 31 December 2019	Provision for bad debt	Aging	Provision ratio (%)	Reason
Nanjing Tianjia Air conditioner Co., Ltd. and other units (Chuzhou Automobile Transport)	3,297,401.29	3,297,401.29	Over 5 years	100.00	Long-term, difficult to recover
Anhui Baoyi Steel Processing Logistics and distribution Co., Ltd.	930,683.13	930,683.13	4-5years	100.00	No executable property, unliquidated
Anhui Huifeng New Energy Co., Ltd.	667,907.00	667,907.00	Over 5 years	100.00	No executable property, unliquidated
Others	94,370.60	94,370.60	Various	100.00	Irrecoverable
Total	4,990,362.02	4,990,362.02	-	-	-

"Companies that have implemented the new financial instrument standards":

(i) Accounts receivable by aging

Aging	31 December 2019	31 December 2018
Within one year	789,289,506.47	782,550,392.29
1-2 years	446,267,964.80	378,913,962.97
2-3 years	242,167,272.47	125,176,017.48

Aging	31 December 2019	31 December 2018
Over 3 years	372,842,514.97	290,303,477.75
Subtotal	1,850,567,258.71	1,576,943,850.49
Less: Provision for bad debt	444,592,520.22	337,106,490.79
Total	1,405,974,738.49	1,239,837,359.70

(ii) Accounts receivable by bad debt provision method

Category	31 December 2019				Carrying amount
	Accounts receivable		Provision for bad debt		
	Amount	Proportion (%)	Amount	Expected credit losses rate (%)	
Provision for bad debt recognised individually	-	-	-	-	-
Provision for bad debt recognised collectively	1,850,567,258.71	100.00	444,592,520.22	24.02	1,405,974,738.49
Group two: Accounts receivables due from other customers	1,850,567,258.71	100.00	444,592,520.22	24.02	1,405,974,738.49
Total	1,850,567,258.71	100.00	444,592,520.22	24.02	1,405,974,738.49

(Continued)

Category	31 December 2018				Carrying amount
	Accounts receivable		Provision for bad debt		
	Amount	Proportion (%)	Amount	Expected credit losses rate (%)	
Provision for bad debt recognised individually	-	-	-	-	-
Provision for bad debt recognised collectively	1,576,943,850.49	100.00	337,106,490.79	21.38	1,239,837,359.70
Group two: Accounts receivables due from other customers	1,576,943,850.49	100.00	337,106,490.79	21.38	1,239,837,359.70
Total	1,576,943,850.49	100.00	337,106,490.79	21.38	1,239,837,359.70

Accounts receivable with bad debt provision recognised by group two

Aging	31 December 2019		
	Accounts receivable	Provision for bad debt	Provision ratio (%)
Within one year	789,289,506.47	39,464,475.32	5.00
1-2 years	446,267,964.80	44,626,796.48	10.00
2-3 years	242,167,272.47	72,650,181.74	30.00
Over 3 years	372,842,514.97	287,851,066.67	77.20

Aging	31 December 2019		
	Accounts receivable	Provision for bad debt	Provision ratio (%)
Total	1,850,567,258.71	444,592,520.22	24.02

(Continued)

Aging	31 December 2018		
	Accounts receivable	Provision for bad debt	Provision ratio (%)
Within one year	782,550,392.29	39,127,519.61	5.00
1-2 years	378,913,962.97	37,891,396.30	10.00
2-3 years	125,176,017.48	37,552,805.24	30.00
Over 3 years	290,303,477.75	222,534,769.64	76.66
Total	1,576,943,850.49	337,106,490.79	21.38

(b) Top five closing balances by entity

Entity name	Balance at 31 December 2019	Proportion of the balance to the total accounts receivable (%)	Provision for bad debt
Anhui Yangtze to HuaiheWater Co., Ltd.	170,228,639.24	6.12	8,705,673.92
Hefei Highway Administration	109,956,500.87	3.96	70,298,264.83
Hefei Construction Engineering Group Co., Ltd.	71,563,985.41	2.57	3,578,199.27
Guangxi Traffic Engineering Construction Support Center	58,087,590.85	2.09	2,904,379.54
Industrial and Commercial Bank of China Anhui Branch	37,361,940.00	1.34	1,868,097.00
Total	447,198,656.37	16.09	87,354,614.56

8.5. Advances to Suppliers

(a) Advances to suppliers by aging

Aging	31 December 2019			31 December 2018		
	Advances to suppliers		Provision for bad debt	Advances to suppliers		Provision for bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	699,258,613.16	69.30	96,451.07	843,614,152.79	93.12	1,153.36
1-2 years (including 2 years)	288,155,292.85	28.56	-	27,161,688.64	3.00	-
2-3 years (including 3 years)	10,771,706.57	1.07	-	9,621,044.06	1.06	-

Aging	31 December 2019			31 December 2018		
	Advances to suppliers		Provision for bad debt	Advances to suppliers		Provision for bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Over 3 years	10,809,753.78	1.07	91,057.45	25,530,009.81	2.82	-
Total	1,008,995,366.36	100.00	187,508.52	905,926,895.30	100.00	1,153.36

(b) Significant advances to suppliers with aging more than one year

Creditor	Debtor	Balance at 31 December 2019	Aging	Reason for unsettlement
Anhui Transportation Holding Group Co., Ltd.	China Railway 21th Bureau Group Third Engineering Co., Ltd.	48,464,766.41	1-2 years	To be settled
Anhui Transportation Holding Group Co., Ltd.	Guangdong Changda Highway Engineering Co., Ltd.	41,774,464.75	1-2 years	To be settled
Anhui Transportation Holding Group Co., Ltd.	Anhui Hengmao Transportation Material Equipment Co., Ltd.	38,716,422.87	1-2 years	To be settled
Anhui Transportation Holding Group Co., Ltd.	China Railway Tunnel Stock Co., Ltd.	37,161,609.08	1-2 years	To be settled
Anhui Transportation Holding Group Co., Ltd.	China Railway Construction Bridge Engineering Bureau Group Co., Ltd.	36,406,804.16	1-2 years	To be settled
Anhui Expressway Real Estate Group Fuyang Co., Ltd.	Fuyang Property Special Maintenance Fund Management Office	27,842,000.00	1-2 years	The guarantee period has not expired
Anhui Transportation Industrial Construct Co., Ltd.	Anhui Highway & Port Engineering Co., Ltd. (Hezong expressway precast girder yard , the first bid section project management department)	20,000,000.00	1-2 years	To be settled
Anhui Highway Construction Co., Ltd.	Hebei Tiandu Traffic Facilities Co., Ltd.	4,864,725.40	1-2 years	To be settled
Anhui Expressway Real Estate Group Fuyang Co., Ltd.	China Construction Eighth Engineering Division Co., Ltd.	4,797,468.54	1-2 years	To be settled
Anhui Highway Construction Co., Ltd.	Huoqiu Ansheng Trading Co., Ltd.	3,750,000.00	1-2 years	To be settled
Anhui Expressway Real Estate Group Fuyang Co., Ltd.	Anhui Sanhuan Electric Power Engineering Group Co., Ltd.	2,090,990.97	2-3 years	The project has not been completed yet
Chuzhou Yizhong Automobile Sales and Service Co. Ltd.	Shanghai SAIC Volkswagen Automobile Sales Co., Ltd.	2,050,000.00	2-3 years	To be settled
Anhui Expressway Real Estate Group Fuyang Co., Ltd.	Fuyang Fushui Industrial Co., Ltd.	1,718,181.82	1-2 years	The project has not been completed yet
Anhui Transportation Group Chuzhou Transportation Co., Ltd	Nanjing Huafu Bus Co., Ltd.	1,670,430.42	Over 3 years	Prepayment for car rental (deposit)
Anhui Transportation Group Tongling Transportation Co., Ltd	Tongling Transportation Investment Co., Ltd.	1,000,000.00	Over 3 years	Security deposit
Anhui Transportation Group Anqing Transportation Co., Ltd Susong Branch	Others	4,939,632.81	Various	To be settled

Creditor	Debtor	Balance at 31 December 2019	Aging	Reason for unsettlement
Total		277,247,497.23	-	-

Note: The amount listed above refers to the part of creditor' advances to suppliers to debtor with aging more than one year at the end of the reporting period.

(c) Top five closing balances by entity

Entity name	Balance at 31 December 2019	Proportion of the balance to the total advances to suppliers (%)	Provision for bad debt
China Railway 21th Bureau Group Third Engineering Co., Ltd.	48,464,766.41	4.80	-
Guangdong Changda Highway Engineering Co., Ltd.	44,197,285.42	4.38	-
China Road Bridge Construction Engineering Co., Ltd.	43,960,362.00	4.36	-
Anhui Hengmao Transportation Material Equipment Co., Ltd.	38,716,422.87	3.84	-
China Railway Tunnel Stock Co., Ltd.	37,161,609.08	3.68	-
Total	212,500,445.78	21.06	-

8.6. Other Receivables

(a) Other receivables by category

Items	31 December 2019	31 December 2018
Interest receivable	5,398,670.85	2,631,466.51
Dividend receivable	21,608,230.85	22,225,430.85
Other receivables	1,347,984,515.33	975,331,977.06
Total	1,374,991,417.03	1,000,188,874.42

(b) Interest receivable by category

Items	31 December 2019	31 December 2018
Time deposits interest	5,054,402.23	1,233,874.68
Loans interest	220,643.96	259,774.26
Others	123,624.66	1,137,817.57
Total	5,398,670.85	2,631,466.51

(c) Dividends receivable

Items	31 December 2019	31 December 2018	Reason for delay	Impairment or not (if have, the indications for that)
Dividends receivable within one year	12,582,800.00	13,200,000.00	-	-

Including: Anhui Xin'an Financial Group Co., Ltd.	12,582,800.00	-	Unpaid	No impairment, estimating to be recovered
Anhui Bengming Expressway Development Co., Ltd.	-	13,200,000.00	-	-
Dividends receivable over one year	9,025,430.85	9,025,430.85	-	-
Among them: Anhui Jiangnan Changyun Co., Ltd.	8,468,535.65	8,468,535.65	Unpaid	No impairment, estimating to be recovered
Anhui Feiyan Bengbu Fast Passenger Transport Co.,Ltd.	556,895.20	556,895.20	Unpaid	No impairment, estimating to be recovered
Total	21,608,230.85	22,225,430.85	-	-

(d) Other Receivables

Items	31 December 2019			31 December 2018		
	Book Balance	Provision for bad debt	Carrying amount	Book Balance	Provision for bad debt	Carrying amount
Companies that have not implemented the new financial instrument standards	1,447,382,312.39	283,759,039.60	1,163,623,272.79	1,207,134,322.93	344,936,943.23	862,197,379.70
Companies that have implemented the new financial instrument standards	346,478,895.55	162,117,653.01	184,361,242.54	239,615,186.34	126,480,588.98	113,134,597.36
Total	1,793,861,207.94	445,876,692.61	1,347,984,515.33	1,446,749,509.27	471,417,532.21	975,331,977.06

(e) Other receivables by bad debt provision method

"Companies that have not implemented the new financial instrument standards":

Items	31 December 2019				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individually significant balance and provision for bad debt recognised individually	49,149,659.32	3.40	40,069,973.35	81.53	9,079,685.97
Other receivables with bad debt provision recognised collectively by similar credit risk characteristics	1,387,296,808.98	95.85	233,330,004.49	16.82	1,153,966,804.49
Other receivables with individually insignificant balance but provision for bad debt recognised individually	10,935,844.09	0.76	10,359,061.76	94.73	576,782.33
Total	1,447,382,312.39	100.00	283,759,039.60	19.60	1,163,623,272.79

(Continued)

Items	31 December 2018				
	Book balance		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individually significant balance and provision for bad debt recognised individually	70,056,142.02	5.80	64,065,637.34	91.45	5,990,504.68
Other receivables with bad debt provision recognised collectively by similar credit risk characteristics	1,129,230,938.62	93.55	273,266,680.19	24.20	855,964,258.43
Other receivables with individually insignificant balance but provision for bad debt recognised individually	7,847,242.29	0.65	7,604,625.70	96.91	242,616.59
Total	1,207,134,322.93	100.00	344,936,943.23	28.57	862,197,379.70

A. Other receivables with individually significant balance and provision for bad debt recognised individually

Name	Carrying amount at 31 December 2019	Provision for bad debt	Aging	Provision ratio (%)	Reason
Expressway Detachment Directly Under Traffic Police Force of Anhui Provincial Public Security Department	9,300,000.00	9,300,000.00	Over 5 years	100.00	Unable to recover
Anhui Expressway Logistics Co., Ltd. Manager	4,196,312.00	4,196,312.00	Within 1 year	100.00	It is estimated not to be recovered
Nanjing Lang 'an Industrial Co., Ltd.	1,000,000.00	1,000,000.00	Over 5 years	100.00	Unable to recover
Chuzhou Anbang Polymerization Technology Co., Ltd.	1,000,000.00	1,000,000.00	3-4 years	100.00	Corporate reorganization
Shenzhen Qianhai Miya Logistics Co., Ltd.	7,830,000.00	4,330,000.00	Within 1 year	55.30	Unable to recover, mortgage a house that worth 3.5 million yuan
Huang Yuanqing	4,973,751.99	994,750.40	4-5 years	20.00	Unable to locate parties, holding shares in the company, calculated at 20% temporarily
Fang Jingbiao	2,000,855.47	400,171.09	4-5 years	20.00	Unable to locate parties, holding shares in the company, calculated at 20% temporarily
Wang Dekai	9,027,096.81	9,027,096.81	Over 4 years	100.00	It is estimated not to be recovered
Anhui Luyu Lu 'an Highway Development Co., Ltd.	9,821,643.05	9,821,643.05	Over 5 years	100.00	Exist signs of impairment
Total	49,149,659.32	40,069,973.35	-	-	-

B. Other receivable with bad debt provision recognised collectively by credit risk characteristics

(i) Other receivables with provision for bad debts using aging analysis method

Aging	31 December 2019			31 December 2018		
	Other receivables		Provision for bad debt	Other receivables		Provision for bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	682,058,197.72	66.37	34,102,914.81	480,461,811.36	48.31	24,022,882.18
1-2 years (including 2 years)	90,808,386.00	8.84	9,080,838.60	159,867,235.63	16.07	15,987,181.96
2-3 years (including 3 years)	60,950,834.41	5.93	12,190,166.91	64,254,000.26	6.46	15,505,719.73
Over 3 years	193,871,961.95	18.86	175,687,442.44	289,974,153.29	29.16	216,738,424.17
Total	1,027,689,380.08	100.00	231,061,362.76	994,557,200.54	100.00	272,254,208.04

(ii) Other receivables with bad debt provision recognised collectively by other methods

Items	31 December 2019			31 December 2018		
	Other receivables	Provision ratio (%)	Provision for bad debt	Other receivables	Provision ratio (%)	Provision for bad debt
Related party and internal employees	208,161,148.34	-	-	52,534,423.09	-	-
Government subsidies and security deposit	151,446,280.56	1.50	2,268,641.73	82,139,314.99	1.23	1,012,472.15
Total	359,607,428.90	0.63	2,268,641.73	134,673,738.08	0.75	1,012,472.15

C. Other receivables with individually insignificant balance and provision for bad debt recognised individually

Name	Other receivables at December 31, 2019	Provision for bad debt	Aging	Provision ratio (%)	Reason
Chuzhou Housing System Reform Office	655,755.85	655,755.85	Over 5 years	100.00	Long period, hard to recover
Zhang Hanru	560,966.27	560,966.27	Over 5 years	100.00	Long period, hard to recover
Fang Jingbiao	513,523.39	102,704.68	3-4 years	20.00	Unable to locate parties, holding shares in the company, calculated at 20% temporarily
Mao Kehong	468,261.08	468,261.08	Over 5 years	100.00	Long period, hard to recover

Name	Other receivables at December 31, 2019	Provision for bad debt	Aging	Provision ratio (%)	Reason
Qian Shanxin	412,368.00	412,368.00	Over 5 years	100.00	Long period, hard to recover
Zhang Xiaocai	293,835.75	293,835.75	Over 5 years	100.00	Long period, hard to recover
Song Changzhu	200,000.00	200,000.00	Over 5 years	100.00	Long period, hard to recover
Wang Lei	193,833.94	193,833.94	Over 5 years	100.00	Long period, hard to recover
Ni Zehui	185,200.00	185,200.00	Over 5 years	100.00	Long period, hard to recover
Mingguang Highway Transport Management Office	175,000.00	175,000.00	Over 5 years	100.00	Long period, hard to recover
Zhou Zhenghua	159,275.89	159,275.89	Over 5 years	100.00	Long period, hard to recover
Chuzhou Housing Provident Fund Management Center	128,076.86	128,076.86	Over 5 years	100.00	Long period, hard to recover
Zhao Zhenghui	124,328.50	124,328.50	Over 5 years	100.00	Long period, hard to recover
Hu Jian	110,041.95	110,041.95	Over 5 years	100.00	Long period, hard to recover
Sheng Minghan	101,259.50	101,259.50	Over 5 years	100.00	Long period, hard to recover
Liu Deli	388,377.80	388,377.80	Over 5 years	100.00	It is estimated not to be recovered
Anhui Huifeng New Energy Co., Ltd.	300,000.00	300,000.00	Over 5 years	100.00	It is estimated not to be recovered
Kong Qingyang	213,916.00	213,916.00	Over 5 years	100.00	It is estimated not to be recovered
Anhui Haoqiang Logistics Co., Ltd.	843,490.00	843,490.00	1-2 years	100.00	No executable property, unliquidated
Jin Weiyun	101,963.32	101,963.32	Over 3 years	100.00	Unable to recover
Wei Fuping	130,758.00	130,758.00	Over 3 years	100.00	Unable to recover
Wen Houxiang	129,997.64	129,997.64	Over 3 years	100.00	Unable to recover
Xue Mingfu	101,707.85	101,707.85	Over 3 years	100.00	Unable to recover
Yuan Zicheng	299,408.50	299,408.50	Over 3 years	100.00	Unable to recover
Other receivables with Year-end balance less than 100,000.00	4,144,498.00	3,978,534.38	-	96.00	-
Total	10,935,844.09	10,359,061.76	-	94.73	-

"Companies that have implemented the new financial instrument standards":

(i) Other receivables by aging

Aging	31 December 2019	31 December 2018

Aging	31 December 2019	31 December 2018
Within one year	83,570,757.96	63,907,231.27
1-2 years	25,012,115.79	31,677,815.20
2-3 years	61,048,934.54	317,329.56
Over 3 years	176,847,087.26	143,712,810.31
Subtotal	346,478,895.55	239,615,186.34
Less: provision for bad debt	162,117,653.01	126,480,588.98
Total	184,361,242.54	113,134,597.36

Note: At December 31, 2019, companies that have implemented the new financial instrument standards includ Anhui Wantong Expressway Co., Ltd. and Anhui Transport Consulting & Design Institute Co., Ltd. At December 31, 2018, only Anhui Wantong Expressway Co., Ltd. had implemented the new financial instrument standards.

At 31 December 2019, provision for bad debt recognised based on three stages model:

Stages	Other receivables at December 31, 2019	Provision for bad debt	Carrying acount
Stage one	233,544,636.77	62,586,388.15	170,958,248.62
Stage two	-	-	-
Stage three	112,934,258.78	99,531,264.86	13,402,993.92
Total	346,478,895.55	162,117,653.01	184,361,242.54

At 31 December 2019, provision for bad debt at stage one:

Items	Other receivables at December 31, 2019	12-month expected credit losses rate (%)	Provision for bad debt	Carrying amount	Reason
Provision for bad debt recognised individually					
Provision for bad debt recognised collectively					
1. Group three: Deposit and guarantee receivable	146,447,365.97	38.26	56,029,562.14	90,417,803.83	-
2. Group four: Other receivables	10,319,385.57	55.50	5,727,630.46	4,591,755.11	-
3. Group six: Other receivables	76,777,885.23	1.08	829,195.55	75,948,689.68	-
Total	233,544,636.77	26.80	62,586,388.15	170,958,248.62	-

At 31 December 2019, provision for bad debt at stage three:

Items	Other receivables at December 31, 2019	12-month expected credit losses rate (%)	Provision for bad debt	Carrying amount	Reason
Provision for bad debt recognised individually					

Items	Other receivables at December 31, 2019	12-month expected credit losses rate (%)	Provision for bad debt	Carrying amount	Reason
Pawn loans	110,359,018.28	88.09	97,219,041.80	13,139,976.48	-
Pawn loans advance litigation fees	2,575,240.50	89.79	2,312,223.06	263,017.44	-
Total	112,934,258.78	88.13	99,531,264.86	13,402,993.92	-

At 31 December 2018, provision for bad debt recognised based on three stages model:

Stages	Other receivables at December 31, 2018	Provision for bad debt	Carrying acount
Stage one	98,031,993.65	718,074.26	97,313,919.39
Stage two	-	-	-
Stage three	141,583,192.69	125,762,514.72	15,820,677.97
Total	239,615,186.34	126,480,588.98	113,134,597.36

At 31 December 2018, provision for bad debt at stage one:

Items	Other receivables at December 31, 2018	12-month expected credit losses rate (%)	Provision for bad debt	Carrying amount	Reason
Provision for bad debt recognised individually					
Provision for bad debt recognised collectively					
1. Group six: Other receivables	98,031,993.65	0.73	718,074.26	97,313,919.39	-
Total	98,031,993.65	0.73	718,074.26	97,313,919.39	-

At 31 December 2018, provision for bad debt at stage three:

Items	Other receivables at December 31, 2018	12-month expected credit losses rate (%)	Provision for bad debt	Carrying amount	Reason
Provision for bad debt recognised individually					
Pawn loans	138,678,290.19	88.98	123,393,106.23	15,285,183.96	-
Pawn loans advance litigation fees	2,904,902.50	81.57	2,369,408.49	535,494.01	-
Total	141,583,192.69	88.83	125,762,514.72	15,820,677.97	-

(ii) Top five closing balances by entity

Name	Nature	Other receivables at 31 December 2019	Aging	Proportion of the balance to the total other receivables (%)	Provision for bad debt
Bozhou Finance Bureau	Current account	73,690,414.05	1-3years	4.11	7,900,120.70

Hefei Treasury Payment Center	Deposit	33,204,720.00	Within 3 years	1.85	3,774,590.20
Xuancheng People's Government	Project receivables	30,051,100.00	2-3years	1.68	300,511.00
Anhui Rongjian Ecological Economic Development	Loans	29,570,756.57	Over 3 years	1.65	29,570,756.57
Chaohu Julong Real EstateDevelopment Co., Ltd.	Loans	27,500,000.00	Over 3 years	1.53	19,250,000.00
Total	-	194,016,990.62	-	10.82	60,795,978.47

8.7. Inventories

(a) Inventories by category

Items	31 December 2019		
	Book value	Provision for impairment	Carrying amount
Raw materials	30,738,546.27	554,327.87	30,184,218.40
Self-made semi-finished products and work in process	17,715,584,532.98	-	17,715,584,532.98
Including: Work performed but not yet settled constructions	271,323,248.98	-	271,323,248.98
Real estate development products under construction	17,444,231,286.16	-	17,444,231,286.16
Finished goods	4,952,933,916.81	79,757,214.35	4,873,176,702.46
Including: Completed real estate development products	4,489,651,471.39	79,370,449.59	4,410,281,021.80
Turnover materials (packing materials low-value consumables, etc.)	8,200,913.30	10,107.30	8,190,806.00
Consumptive biological assets	13,083,051.49	-	13,083,051.49
Others	74,267,962.26	610,561.69	73,657,400.57
Including: Untapped land reserve	-	-	-
Total	22,794,808,923.11	80,932,211.21	22,713,876,711.90

(Continued)

Items	31 December 2018		
	Book value	Provision for impairment	Carrying amount
Raw materials	32,608,447.64	123,912.46	32,484,535.18
Self-made semi-finished products and work in process	16,045,546,515.78	-	16,045,546,515.78
Including: Work performed but not yet settled constructions	136,763,293.55	-	136,763,293.55
Real estate development products under construction	15,908,713,492.02	-	15,908,713,492.02
Finished goods	4,706,073,210.42	25,574,549.62	4,680,498,660.80

Including: Completed real estate development products	4,197,776,554.54	25,574,549.62	4,172,202,004.92
Turnover materials (packing materials low-value consumables, etc.)	2,757,998.05	10,107.30	2,747,890.75
Consumptive biological assets	14,165,207.79	-	14,165,207.79
Others	184,139,894.01	-	184,139,894.01
Including: Untapped land reserve	-	-	-
Total	20,985,291,273.69	25,708,569.38	20,959,582,704.31

(b) Capitalised borrowing costs included in the balance at 31 December 2019

Items	Capitalization of borrowing at 31 December 2019
Self-made semi-finished products and work in process	944,214,092.30
Finished goods	378,446,547.18
Total	1,322,660,639.48

8.8. Non-current Assets Maturing within One Year

(a) Nnon-current assets due within one year by category

Items	31 December 2019	31 December 2018
Finance lease	633,313,550.29	452,141,352.64
Loans and advances	80,355,646.40	71,120,696.36
Input tax to be deduced	-	16,745,933.70
Total	713,669,196.69	540,007,982.70

(b) Loans and advances

(i) Distribution of loans and advances by individual and enterprise

Items	31 December 2019	31 December 2018
Personal loans and advances	56,550,936.00	45,575,543.32
—credit card	-	-
—home mortgage	30,410,000.00	17,914,607.32
—others	26,140,936.00	27,660,936.00
Enterprise loans and advances	33,432,196.88	112,788,064.51
—loan	33,432,196.88	112,788,064.51
—discounting	-	-
—others	-	-
Total amount of loans and advances	89,983,132.88	158,363,607.83
Subtract : loan loss provision	9,627,486.48	87,242,911.47

Items	31 December 2019	31 December 2018
Including : provision recognized individually	-	-
Provision recognized collectively	9,627,486.48	87,242,911.47
Carrying amount of loans and advances	80,355,646.40	71,120,696.36

(ii) Distribution of loans and advances by industry

Industry	31 December 2019	Proportion (%)	31 December 2018	Proportion (%)
Agriculture, animal husbandry and fish	-	-	28,968,429.86	18.29
Mining industry	-	-	-	-
Real estate	-	-	10,647,145.90	6.72
Construction industry	25,132,196.88	27.93	43,108,249.07	27.22
Financial insurance	-	-	-	-
Other industries	64,850,936.00	72.07	75,639,783.00	47.77
Total amount of loans and advances	89,983,132.88	100.00	158,363,607.83	100.00
Subtract : loan loss provisions	9,627,486.48	-	87,242,911.47	-
Including : provision recognized individually	-	-	-	-
Provision recognized collectively	9,627,486.48	-	87,242,911.47	-
Carrying amount of loans and advances	80,355,646.40	-	71,120,696.36	-

(iii) Distribution of loans and advances by region

Region	31 December 2019	Proportion (%)	31 December 2018	Proportion (%)
East China	89,983,132.88	100.00	158,363,607.83	100.00
Other areas	-	-	-	-
Total amount of loans and advances	89,983,132.88	100.00	158,363,607.83	100.00
Subtract: loan loss provisions	9,627,486.48	-	87,242,911.47	-
Including: provision recognized individually	-	-	-	-
Provision recognized collectively	9,627,486.48	-	87,242,911.47	-
Carrying amountof loans and advances	80,355,646.40	-	71,120,696.36	-

(iv) Distribution of loans and advances conditions by guarantee method

Items	31 December 2019	31 December 2018
Credit Loans	-	40,369,906.05

Items	31 December 2019	31 December 2018
Guarantee loan	37,560,000.00	41,536,242.00
Loan with collateral	52,423,132.88	76,457,459.78
Including : mortgage loan	50,421,452.88	49,455,779.78
Pledge loan	2,001,680.00	27,001,680.00
Total amount of loan and advances	89,983,132.88	158,363,607.83
Subtract : loan loss provisions	9,627,486.48	87,242,911.47
Including: provision recognized individually	-	-
Provision recognized collectively	9,627,486.48	87,242,911.47
Carrying amountof loans and advances	80,355,646.40	71,120,696.36

(v) Overdue loans

Items	31 December 2019				
	Overdue by 1-90 days(including 90 days)	Overdue by 90-360 days(including 360 days)	Overdue by 360 days-3 years(including 3 years)	Overdue more than 3 years	Total
Credit Loans	-	-	-	-	-
Guarantee loan	-	-	-	1,950,000.00	1,950,000.00
Loan with collateral	-	-	2,001,680.00	7,531,452.88	9,533,132.88
Including : mortgage loan	-	-	-	7,531,452.88	7,531,452.88
Pledge loan	-	-	2,001,680.00	-	2,001,680.00
Total	-	-	2,001,680.00	9,481,452.88	11,483,132.88

(Continued)

Items	31 December 2018				
	Overdue by 1-90 days(including 90 days)	Overdue by 90-360 days(including 360 days)	Overdue by 360 days-3 years(including 3 years)	Overdue more than 3 years	Total
Credit Loans	-	-	-	39,369,906.05	39,369,906.05
Guarantee loan	-	-	-	34,206,242.00	34,206,242.00
Loan with collateral	2,001,680.00	-	-	26,055,779.78	28,057,459.78
Including : mortgage loan	-	-	-	26,055,779.78	26,055,779.78
Pledge loan	2,001,680.00	-	-	-	2,001,680.00
Total	2,001,680.00	-	-	99,631,927.83	101,633,607.83

(vi) Loan loss provision

Items	2019		2018	
	Individually	Collectively	Individually	Collectively
31 December 2018	-	87,242,911.47	-	86,304,726.25
Provision during the reporting period	-	2,786,017.38	-	938,185.22
Transfer during the reporting period	-	-	-	-
Write-off during the reporting period	-	80,401,442.37	-	-
Reversal during the reporting period	-	-	-	-
-Recovery of write-off loans and advances	-	-	-	-
-Recovery by increasing of discounted present value of loans and advances	-	-	-	-
-Recovery by other factors	-	-	-	-
31 December 2019	-	9,627,486.48	-	87,242,911.47

8.9. Other Current Assets

Items	31 December 2019	31 December 2018
Finance products	722,000,000.00	1,083,600,000.00
Pre-paid tax	503,402,579.28	529,728,273.32
Project loan	99,460,783.79	89,971,049.87
Input tax to be deduced	892,919,083.28	591,070,578.18
Hongmen overpass (Construction project)	65,311,638.30	20,114,346.44
Others	30,522,597.72	25,241,384.51
Total	2,313,616,682.37	2,339,725,632.32

8.10. Available-for-sale Financial Assets

(a) General information of available-for-sale financial assets

Items	31 December 2019			31 December 2018		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Available-for-sale debt instruments	-	-	-	-	-	-
Available-for-sale equity instruments	4,004,162,837.57	120,000.00	4,004,042,837.57	3,734,283,273.95	120,000.00	3,734,163,273.95
Including: measured at fair value	2,426,841,595.41	-	2,426,841,595.41	2,275,666,179.79	-	2,275,666,179.79
Measured at cost	1,577,321,242.16	120,000.00	1,577,201,242.16	1,458,617,094.16	120,000.00	1,458,497,094.16
Others	-	-	-	-	-	-
Total	4,004,162,837.57	120,000.00	4,004,042,837.57	3,734,283,273.95	120,000.00	3,734,163,273.95

(b) Available-for-sale financial assets measured at fair value

Items	Equity instruments	Debt instruments	Others	Total
Cost of equity instruments/amortised cost of debt instruments	957,950,178.26	-	-	957,950,178.26
Fair value	2,426,841,595.41	-	-	2,426,841,595.41
Cumulative gains /(losses) on changes in fair value recognised in other comprehensive income	1,468,891,417.15	-	-	1,468,891,417.15
Provision for impairment	-	-	-	-

(c) Details of available-for-sale financial assets at the end of the reporting period

No.	Investee	Book value at 31 December 2019	Provision for impairment	Note
1	Huishang Merchants Bank Co., Ltd.	1,329,477,029.24	-	Available-for-sale equity instrument
2	Huaan Securities Co., Ltd.	986,436,714.10	-	Available-for-sale equity instrument
3	Guotai Junan Securities Limited by Share Ltd.	110,927,852.07	-	Available-for-sale equity instrument
4	Anhui Anyuan Investment Fund Co., Ltd.	600,000,000.00	-	Available-for-sale equity instrument
5	Yicun Capital Co., Ltd.	300,000,000.00	-	Available-for-sale equity instrument
6	Hefei Xiangtong Highway Investment Co., Ltd.	152,020,453.18	-	Available-for-sale equity instrument
7	Ma'anshan Rural Commercial Bank	119,000,000.00	-	Available-for-sale equity instrument
8	Anhui Anhua Innovation Venture Capital Fund Co., Ltd.	100,000,000.00	-	Available-for-sale equity instrument
9	Anhui Refinancing Co., Ltd.	50,000,000.00	-	Available-for-sale equity instrument
10	Industrial Investment Fund Partnership (Limited Partnership) in Poverty-stricken Areas of Central Enterprises (Anhui)	50,000,000.00	-	Available-for-sale equity instrument
11	Anhui Wantou Anhua Modern Industry Investment Partnership (Limited Partnership)	50,000,000.00	-	Available-for-sale equity instrument
12	Shanghai Lucun Enterprise Management Consulting Partnership (Limited Partnership)	29,826,148.00	-	Available-for-sale equity instrument
13	Anhui Environmental Technology Co., Ltd.	27,000,000.00	-	Available-for-sale equity instrument
14	Anhui Huawen International Economic and Trade Limited by Share Ltd	24,000,000.00	-	Available-for-sale equity instrument
15	Anhui Provincial Enterprise Reform and Development Fund Partnership (Limited Partnership)	18,759,900.00	-	Available-for-sale equity instrument
16	Anhui Xingwan Venture Capital Co., Ltd.	15,000,000.00	-	Available-for-sale equity instrument
17	Anhui Yanye Yinhua Investment Co., Ltd.	13,000,000.00	-	Available-for-sale equity instrument
18	Anhui Jinglong Development Co., Ltd.	11,892,600.98	20,000.00	Available-for-sale equity instrument
19	Anhui Anyuan Investment Fund Management Co., Ltd.	10,000,000.00	-	Available-for-sale equity instrument
20	Anhui Changjie Transportation Development Co., Ltd.	2,590,000.00	-	Available-for-sale equity instrument

No.	Investee	Book value at 31 December 2019	Provision for impairment	Note
21	Chizhou Jieda Group Automobile Transportation Co., Ltd. Chizhou Jieda Group Automobile Transportation Co., Ltd.	2,085,400.00	-	Available-for-sale equity instrument
22	Shanghai Wanyun Commerce Co., Ltd.	900,000.00	-	Available-for-sale equity instrument
23	Anhui Yunsong Capital Investment Management Co., Ltd.	500,000.00	-	Available-for-sale equity instrument
24	Anhui Guotai Taxi Co., Ltd.	480,000.00	-	Available-for-sale equity instrument
25	Anhui Hefei Automobile Maintenance Service Co., Ltd.	116,740.00	-	Available-for-sale equity instrument
26	Anhui Economic and Credit Committee Organization Center Printing Factory	100,000.00	100,000.00	Available-for-sale equity instrument
27	Hefei Anyou Tourism Passenger Service Co., Ltd.	50,000.00	-	Available-for-sale equity instrument
Total		4,004,162,837.57	120,000.00	-

8.11. Long-term Receivables

Items	31 December 2019			31 December 2018			Range of discount rates
	Book value	Provision for bad debt	Carrying amount	Book value	Provision for bad debt	Carrying amount	
Finance leases	860,673,875.48	9,733,227.18	850,940,648.30	663,530,128.15	6,605,624.70	656,924,503.45	4.9598%-9.9294%
Including: unearned finance income	66,612,905.22	-	66,612,905.22	49,460,984.73	-	49,460,984.73	-
Sales of goods with installment receipts	-	-	-	-	-	-	-
Rendering of services with installment receipts	-	-	-	-	-	-	-
Others	619,945,000.00	619,945,000.00	-	651,175,000.00	183,375,000.00	467,800,000.00	-
Total	1,480,618,875.48	629,678,227.18	850,940,648.30	1,314,705,128.15	189,980,624.70	1,124,724,503.45	-

8.12. Long-term Equity Investments

(a) Classification of long-term equity investment

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Investment in subsidiaries	-	-	-	-
Investment in joint ventures	2,274,402,406.97	55,081,474.91	-	2,329,483,881.88
Investment in associated	647,459,242.66	3,312,411,738.90	185,821,144.33	3,774,049,837.23
Subtotal	2,921,861,649.63	3,367,493,213.81	185,821,144.33	6,103,533,719.11
Subtract: impairment provision for long-term equity investment	-	301,099,516.33	-	301,099,516.33
Total	2,921,861,649.63	3,066,393,697.48	185,821,144.33	5,802,434,202.78

(b) Details of long-term equity investment

Investee	Investment cost	31 December 2018	Changes during the reporting period			
			Increase during the reporting period	Decrease during the reporting period	Gains /(losses) on investments under the equity method	Adjustments of other comprehensive income
Total	5,785,499,362.00	2,921,861,649.63	3,030,170,000.00	50,398,747.00	335,154,724.39	2,168,489.42
I. Joint ventures	2,250,000,000.00	2,274,402,406.97	-	-	55,081,474.91	-
Anhui Traffic Merchants Fund Management Co., Ltd.	4,500,000.00	8,674,183.55	-	-	696,873.51	-
Anhui Traffic Merchants Industry Investment Fund (Limited Partnership)	1,195,500,000.00	1,207,727,671.42	-	-	13,048,272.89	-
Anhui Traffic Goldstone Fund Management Co., Ltd.	4,500,000.00	9,656,589.25	-	-	5,064,020.75	-
Anhui Traffic Turnover Goldstone M&A Fund Partnership (Limited Partnership)	1,045,500,000.00	1,048,343,962.75	-	-	36,272,307.76	-
II. Associates	3,535,499,362.00	647,459,242.66	3,030,170,000.00	50,398,747.00	280,073,249.48	2,168,489.42
Anhui Guolu Expressway Co., Ltd.	114,000,000.00	251,323,581.04	-	-	44,776,874.49	-
Anhui Guoyuan Venture Capital Co., Ltd.	71,295,000.00	94,537,608.32	-	-	1,994,407.58	-2,275,591.47
Anhui Anyitong Equity Investment Management Co., Ltd.	2,500,000.00	3,843,991.21	-	-	337,775.55	-
Anhui Anyi Datong Equity Investment Partnership	81,038,375.00	75,731,092.45	-	10,383,747.00	-10,346,684.03	4,444,080.89
Anhui Bengming Expressway Development Co., Ltd.	55,800,000.00	101,135,010.97	-	-	124,371,574.74	-
Huainan Hami Cultural Industry Development Co., Ltd.	75,000,000.00	52,294,016.97	-	-	-3,846,297.65	-
Taixing Anlian Real Estate Co., Ltd.	20,000,000.00	-	-	-	-	-
Anhui Expressway Jing'an Industrial Co., Ltd.	40,000,000.00	29,657,615.29	-	40,000,000.00	-	-
Anhui State Star Ticketing Service Co., Ltd.	200,000.00	213,821.45	-	-	59,607.60	-
Chuzhou 21st Century Bilingual Primary School	2,640,087.00	2,142,032.59	-	-	-306,262.88	-
Anhui Comprehensive Transportation Research Institute Co., Ltd.	58,000,000.00	23,362,890.30	30,000,000.00	-	2,191,483.22	-
Hefei Xingang Office Building Management Co., Ltd.	15,000.00	15,000.00	-	15,000.00	-	-
Anhui Expressway Broadcasting Co., Ltd.	10,000,900.00	7,896,629.00	-	-	-402,713.92	-
Hefei Passenger Transport School Bus Service Co., Ltd.	1,960,000.00	1,953,150.04	-	-	355,889.72	-

Investee	Investment cost	31 December 2018	Changes during the reporting period			
			Increase during the reporting period	Decrease during the reporting period	Gains /(losses) on investments under the equity method	Adjustments of other comprehensive income
Anhui Chaohu Chaoyu Car Rental Co., Ltd.	300,000.00	-	300,000.00	-	79,516.48	-
Wanjiang Financial Leasing Co., Ltd.	2,981,870,000.00	-	2,981,870,000.00	-	121,075,711.53	-
Taihu Anjian Traffic Investment Co., Ltd.	18,000,000.00	-	18,000,000.00	-	-	-
Anhui Feiyan Bengbu Fast Passenger Transport Co.,Ltd.	2,880,000.00	3,352,803.03	-	-	-267,632.95	-

(Continued)

Investee	Changes during the reporting period				31 December 2019	Provision for impairment at 31 December 2019
	Changes in other equity	Declaring distribution of cash dividends or profits	Provision for impairment	Others		
Total	-	145,764,782.04	301,099,516.33	-10,342,384.71	6,103,533,719.11	301,099,516.33
I. Joint ventures	-	-	-	-	2,329,483,881.88	-
Anhui Traffic Merchants Fund Management Co., Ltd.	-	-	-	-	9,371,057.06	-
Anhui Traffic Merchants Industry Investment Fund (Limited Partnership)	-	-	-	-	1,220,775,944.31	-
Anhui Traffic Goldstone Fund Management Co., Ltd.	-	-	-	-	14,720,610.00	-
Anhui Traffic Turnover Goldstone M&A Fund Partnership (Limited Partnership)	-	-	-	-	1,084,616,270.51	-
II. Associates	-	145,764,782.04	301,099,516.33	-10,342,384.71	3,774,049,837.23	301,099,516.33
Anhui Guolu Expressway Co., Ltd.	-	51,788,162.04	-	-	244,312,293.49	-
Anhui Guoyuan Venture Capital Co., Ltd.	-	1,666,620.00	-	-	92,589,804.43	-
Anhui Anyitong Equity Investment Management Co., Ltd.	-	900,000.00	-	-	3,281,766.76	-
Anhui Anyi Datong Equity Investment Partnership	-	-	-	-	59,444,742.31	-
Anhui Bengming Expressway Development Co., Ltd.	-	90,920,000.00	-	-	134,586,585.71	-
Huainan Hami Cultural Industry Development Co., Ltd.	-	-	-	-	48,447,719.32	-
Taixing Anlian Real Estate Co., Ltd.	-	-	-	-	-	-
Anhui Expressway Jing'an Industrial Co., Ltd.	-	-	-	-10,342,384.71	-	-
Anhui State Star Ticketing Service Co., Ltd.	-	-	-	-	273,429.05	-
Chuzhou 21st Century Bilingual Primary School	-	490,000.00	-	-	1,345,769.71	-
Anhui Comprehensive Transportation Research Institute Co., Ltd.	-	-	-	-	55,554,373.52	-
Hefei Xingang Office Building Management Co., Ltd.	-	-	-	-	-	-

Investee	Changes during the reporting period				31 December 2019	Provision for impairment at 31 December 2019
	Changes in other equity	Declaring distribution of cash dividends or profits	Provision for impairment	Others		
Anhui Expressway Broadcasting Co., Ltd.	-	-	-	-	7,493,915.08	-
Hefei Passenger Transport School Bus Service Co., Ltd.	-	-	-	-	2,309,039.76	-
Anhui Chaohu Chaoyu Car Rental Co., Ltd.	-	-	-	-	379,516.48	-
Wanjiang Financial Leasing Co., Ltd.	-	-	301,099,516.33	-	3,102,945,711.53	301,099,516.33
Taihu Anjian Traffic Investment Co., Ltd.	-	-	-	-	18,000,000.00	-
Anhui Feiyan Bengbu Fast Passenger Transport Co.,Ltd.	-	-	-	-	3,085,170.08	-

(c) Main financial information of important associated enterprise

Items	31 December 2019/2019		31 December 2018/2018	
	Anhui Guolu Expressway Co., Ltd.	Anhui Guoyuan Venture Capital Co., Ltd.	Anhui Guolu Expressway Co., Ltd.	Anhui Guoyuan Venture Capital Co., Ltd.
Current assets	210,934,008.73	18,228,668.84	273,364,417.05	75,317,003.72
Non-current assets	786,191,794.13	487,156,730.35	844,229,117.35	441,632,546.14
Total assets	997,125,802.86	505,385,399.19	1,117,593,534.40	516,949,549.86
Current liabilities	66,357,320.00	5,386,507.79	62,454,093.02	6,432,528.09
Non-current liabilities	143,000,000.00	-	244,000,000.00	-
Total liabilities	209,357,320.00	5,386,507.79	306,454,093.02	6,432,528.09
Net assets	787,768,482.86	499,998,891.40	811,139,441.38	510,517,021.77
Proportion of net assets calculated by shareholding	236,330,544.86	92,589,859.57	243,341,832.41	94,537,608.32
Adjusting events	7,981,748.63	-	7,981,748.63	-
Carrying amount of equity investment in associates	244,312,293.49	92,589,804.43	251,323,581.04	94,537,608.32
Fair value of equity (with existing public quote) investment	-	-	-	-
Operating income	398,637,750.97	-	395,294,406.43	29,119,095.00
Net profit	149,256,248.29	10,770,102.52	192,124,312.76	9,952,882.00
Other comprehensive income	-	-12,288,232.89	-	-35,761,739.75
Total comprehensive income	149,256,248.29	-1,518,130.37	192,124,312.76	-25,808,857.75
Dividends received by the Company from associates during the reporting period	51,788,162.04	1,666,620.00	49,635,652.59	1,851,818.00

(Continued)

Items	31 December 2019/2019		31 December 2018/2018	
	Anhui Anyi Datong Equity Investment Partnership	Anhui Bengming Expressway Development Co., Ltd.	Anhui Anyi Datong Equity Investment Partnership	Anhui Bengming Expressway Development Co., Ltd.
Current assets	21,977,667.71	68,365,332.61	8,657,475.77	49,580,052.60
Non-current assets	242,567,002.20	762,638,686.89	326,831,260.24	846,685,576.31
Total assets	264,544,669.91	831,004,019.50	335,488,736.01	896,265,628.91
Current liabilities	1,204,460.18	373,657,555.30	-	353,788,101.57
Non-current liabilities	-	120,880,000.00	-	289,640,000.00
Total liabilities	1,204,460.18	494,537,555.30	-	643,428,101.57
Net assets	263,340,209.73	336,466,464.20	335,488,736.01	252,837,527.34
Proportion of net assets calculated by shareholding	59,444,742.81	134,586,585.68	75,731,091.91	101,135,010.94
Adjusting events	-	-	-	-
Carrying amount of equity investment in associates	59,444,742.31	134,586,585.71	75,731,092.45	101,135,010.97
Fair value of equity (with existing public quote) investment	-	-	-	-
Operating income	-	620,853,120.53	-	629,965,720.13
Net profit	-45,835,736.00	310,928,936.86	43,184,032.83	319,612,911.76
Other comprehensive income	19,687,209.72	-	-114,047,232.17	-
Total comprehensive income	-26,148,526.28	310,928,936.86	-70,863,199.34	319,612,911.76
Dividends received by the Company from associates during the reporting period	-	90,920,000.00	16,930,022.00	129,040,000.00

(Continued)

Items	31 December 2019/2019		31 December 2018/2018	
	Anhui Anyitong Equity Investment Management Co., Ltd	Wanjiang Financial Leasing Co., Ltd.	Anhui Anyitong Equity Investment Management Co., Ltd	Wanjiang Financial Leasing Co., Ltd.
Current assets	9,725,847.83	21,289,004,560.77	11,658,738.41	-
Non-current assets	3,541,050.06	654,067,610.26	4,053,808.49	-
Total assets	13,266,897.89	21,943,072,171.03	15,712,546.90	-
Current liabilities	139,830.85	10,966,285,789.13	336,582.06	-

Items	31 December 2019/2019		31 December 2018/2018	
	Anhui Anyitong Equity Investment Management Co., Ltd	Wanjiang Financial Leasing Co., Ltd.	Anhui Anyitong Equity Investment Management Co., Ltd	Wanjiang Financial Leasing Co., Ltd.
Non-current liabilities	-	4,501,013,662.28	-	-
Total liabilities	139,830.85	15,467,299,451.41	336,582.06	-
Net assets	13,127,067.04	6,475,772,719.62	15,375,964.84	-
Proportion of net assets calculated by shareholding	3,281,766.76	2,322,833,771.44	3,843,991.21	-
Adjusting events	-	-	-	-
Carrying amount of equity investment in associates	3,281,766.76	2,801,846,195.20	3,843,991.21	-
Fair value of equity (with existing public quote) investment	-	-	-	-
Operating income	3,386,792.36	1,580,195,258.75	7,367,924.31	-
Net profit	1,351,102.20	337,544,080.58	3,538,011.93	-
Other comprehensive income	-	-	-	-
Total comprehensive income	1,351,102.20	337,544,080.58	3,538,011.93	-
Dividends received by the Company from associates during the reporting period	900,000.00	-	750,000.00	-

(Continued)

Items	31 December 2019/2019		31 December 2018/2018	
	Chuzhou 21st Century Bilingual Primary School	Anhui State Star Ticketing Service Co., Ltd.	Chuzhou 21st Century Bilingual Primary School	Anhui State Star Ticketing Service Co., Ltd.
Current assets	1,394,143.32	4,458,024.32	2,404,154.02	6,647,311.07
Non-current assets	1,464,118.15	349,640.62	1,836,863.15	535,184.79
Total assets	2,858,261.47	4,807,664.94	4,241,017.17	7,182,495.86
Current liabilities	584,889.15	3,477,356.64	342,618.57	6,150,225.58
Non-current liabilities	-	-	-	-
Total liabilities	584,889.15	3,477,356.64	342,618.57	6,150,225.58
Net assets	2,273,372.32	1,330,308.30	3,898,398.60	1,032,270.28
Proportion of net assets calculated by shareholding	1,113,952.44	266,061.66	1,910,215.31	206,454.06
Adjusting events	-	-	-	-
Carrying amount of equity investment in associates	1,345,769.71	273,429.05	2,142,032.59	213,821.45

Items	31 December 2019/2019		31 December 2018/2018	
	Chuzhou 21st Century Bilingual Primary School	Anhui State Star Ticketing Service Co., Ltd.	Chuzhou 21st Century Bilingual Primary School	Anhui State Star Ticketing Service Co., Ltd.
Fair value of equity (with existing public quote) investment	-	-	-	-
Operating income	4,888,338.60	1,539,254.32	5,572,114.31	700,793.87
Net profit	-625,026.28	298,038.02	840,671.71	60,265.60
Other comprehensive income	-	-	-	-
Total comprehensive income	-625,026.28	298,038.02	840,671.71	60,265.60
Dividends received by the Company from associates during the reporting period	490,000.00	-	294,000.00	-

(Continued)

Items	31 December 2019/2019		31 December 2018/2018	
	Huainan Hami Cultural Industry Development Co., Ltd.	Taixing Anlian Real Estate Co., Ltd.	Huainan Hami Cultural Industry Development Co., Ltd.	Taixing Anlian Real Estate Co., Ltd.
Current assets	441,238,225.40	295,754,644.63	730,888,670.41	453,090,604.28
Non-current assets	160,101.99	3,332,570.24	233,753.91	3,362,970.20
Total assets	441,398,327.39	299,087,214.87	731,122,424.32	456,453,574.48
Current liabilities	335,106,916.50	266,447,864.94	623,116,353.72	432,415,618.23
Non-current liabilities	-	28,970,000.00	-	30,230,000.00
Total liabilities	335,106,916.50	295,417,864.94	623,116,353.72	462,645,618.23
Net assets	106,291,410.89	3,669,349.93	108,006,070.60	-6,192,043.75
Proportion of net assets calculated by shareholding	51,434,413.73	1,467,739.97	52,264,137.56	-2,476,817.50
Adjusting events	-2,986,694.41	-	-	-
Carrying amount of equity investment in associates	48,447,719.32	-	52,294,016.97	-
Fair value of equity (with existing public quote) investment	-	-	-	-
Operating income	-	205,503,578.67	-	41,558,969.44
Net profit	-7,948,538.23	9,886,691.94	-32,609,453.28	-11,328,945.15
Other comprehensive income	-	-	-	-
Total comprehensive income	-7,948,538.23	9,886,691.94	-32,609,453.28	-11,328,945.15
Dividends received by the Company from associates during the reporting period	-	-	-	-

(Continued)

Items	31 December 2019/2019		31 December 2018/2018	
	Anhui Expressway Jing'an Industrial Co., Ltd	Anhui Comprehensive Transportation Research Institute Co., Ltd.	Anhui Expressway Jing'an Industrial Co., Ltd	Anhui Comprehensive Transportation Research Institute Co., Ltd.
Current assets	-	205,055,629.76	1,014,807,390.96	138,661,507.23
Non-current assets	-	103,769,103.35	14,386,744.07	55,336,235.39
Total assets	-	308,651,296.16	1,029,194,135.03	193,997,742.62
Current liabilities	-	104,816,986.86	619,057,651.62	82,697,003.84
Non-current liabilities	-	-	327,837,596.23	-
Total liabilities	-	104,816,986.86	946,895,247.85	82,697,003.84
Net assets	-	203,834,309.30	82,298,887.18	111,300,738.78
Proportion of net assets calculated by shareholding	-	40,766,861.86	32,919,554.87	22,260,147.76
Adjusting events	-	-	-3,261,939.58	1,102,742.54
Carrying amount of equity investment in associates	-	55,554,373.52	29,657,615.29	23,362,890.30
Fair value of equity (with existing public quote) investment	-	-	-	-
Operating income	-	127,367,014.50	-	104,615,954.73
Net profit	-	10,095,246.02	-10,335,501.80	3,228,503.55
Other comprehensive income	-	-	-	-
Total comprehensive income	-	10,095,246.02	-10,335,501.80	3,228,503.55
Dividends received by the Company from associates during the reporting period	-	-	-	-

Note: The difference between the book value of the equity investment of Anhui Comprehensive Transportation Research Institute Co., Ltd. held by the Company and the proportion of net asset calculated according to the shareholding is caused by the difference in the time of capital contribution by shareholders.

(Continued)

Items	31 December 2019/2019	31 December 2018/2018

	Anhui Traffic Goldstone Fund Management Co., Ltd.	Anhui Traffic Turnover Goldstone M&A Fund Partnership (Limited Partnership)	Anhui Traffic Goldstone Fund Management Co., Ltd.	Anhui Traffic Turnover Goldstone M&A Fund Partnership (Limited Partnership)
Current assets	54,473,857.57	1,556,158,140.35	34,845,215.82	1,509,452,302.00
Non-current assets	57,502.48	-	143,072.00	-
Total assets	54,531,360.05	1,556,158,140.35	34,988,287.82	1,509,452,302.00
Current liabilities	5,205,665.39	-	2,799,656.97	5,336,044.69
Non-current liabilities	260,334.53	-	-	-
Total liabilities	5,465,999.92	-	2,799,656.97	5,336,044.69
Net assets	49,065,360.13	1,556,158,140.35	32,188,630.85	1,504,116,257.31
Proportion of net assets calculated by shareholding	14,719,608.04	1,084,642,223.82	9,656,589.26	1,048,369,031.35
Adjusting events	-	-	-	-
Carrying amount of equity investment in associates	14,720,610.00	1,084,616,270.51	9,656,589.25	1,048,343,962.75
Fair value of equity (with existing public quote) investment	-	-	-	-
Operating income	23,504,389.84	77,200,661.54	23,544,674.95	28,432,302.14
Finance Costs	-	-	34,314.53	1,974,556.50
Income tax expenses	5,627,369.73	-	5,729,543.62	-
Net profit	16,880,069.18	52,041,883.04	17,188,630.85	4,116,257.31
Other comprehensive income	-	-	-	-
Total comprehensive income	16,880,069.18	52,041,883.04	17,188,630.85	4,116,257.31
Dividends received by the Company from associates during the reporting period	-	-	-	-

(Continued)

Items	31 December 2019/2019		31 December 2018/2018	
	Anhui Traffic Merchants Fund Management Co., Ltd.	Anhui Traffic Merchants Industry Investment Fund (Limited Partnership)	Anhui Traffic Merchants Fund Management Co., Ltd.	Anhui Traffic Merchants Industry Investment Fund (Limited Partnership)
Current assets	31,118,076.40	846,872,075.59	31,518,539.91	1,014,632,964.93
Non-current assets	130,712.25	699,999,990.88	179,729.25	501,260,849.01
Total assets	31,248,788.65	1,546,872,066.47	31,698,269.16	1,515,893,813.94
Current liabilities	-67,432.96	15,126,170.77	2,745,889.47	520,002.58

Items	31 December 2019/2019		31 December 2018/2018	
	Anhui Traffic Merchants Fund Management Co., Ltd.	Anhui Traffic Merchants Industry Investment Fund (Limited Partnership)	Anhui Traffic Merchants Fund Management Co., Ltd.	Anhui Traffic Merchants Industry Investment Fund (Limited Partnership)
Non-current liabilities	79,364.74	-	38,434.53	-
Total liabilities	11,931.78	15,126,170.77	2,784,324.00	520,002.58
Net assets	31,236,856.87	1,531,745,895.70	28,913,945.16	1,515,373,811.36
Proportion of net assets calculated by shareholding	9,371,057.06	1,220,801,478.87	8,674,183.55	1,207,752,927.65
Adjusting events	-	-	-	-
Carrying amount of equity investment in associates	9,371,057.06	1,220,775,944.31	8,674,183.55	1,207,727,671.42
Fair value of equity (with existing public quote) investment	-	-	-	-
Operating income	13,632,269.25	-	28,230,269.13	-
Finance Costs	-	-830,524.10	57,663.05	-1,811,823.93
Income tax expenses	936,647.08	-	3,267,011.45	-
Net profit	2,322,911.71	16,372,084.34	9,394,657.78	19,128,228.16
Other comprehensive income	-	-	-	-
Total comprehensive income	2,322,911.71	16,372,084.34	9,394,657.78	19,128,228.16
Dividends received by the Company from associates during the reporting period	-	-	2,400,000.00	-

(d) Excessive losses incurred by a joint venture or an associate

Joint venture or associates name	Cumulative unrecognised losses at 31 December 2018	Unrecognised losses for the period	Cumulative unrecognised losses at 31 December 2019
Taixing Anlian Real Estate Co., Ltd.	12,520,146.71	-3,954,676.78	8,565,469.93
Total	12,520,146.71	-3,954,676.78	8,565,469.93

8.13. Other equity instrument investment

(a) General information of other equity instrument investment

Items	31 December 2019	31 December 2018
Anhui Xin'an Financial Group Co., Ltd.	75,308,679.31	93,809,711.03
Anhui Xin'an Capital Operation Management Co., Ltd.	25,222,208.79	27,489,653.64
Total	100,530,888.10	121,299,364.67

(b) General information of other significant equity instruments investment at the end of the reporting period

Items	Investment costs	Cumulative gains /(losses) on changes in fair value recognised in other comprehensive income	Fair value on 31 December 2019
Anhui Xin'an Financial Group Co., Ltd.	125,827,800.00	-50,519,135.26	75,308,664.74
Anhui Xin'an Capital Operation Management Co., Ltd.	74,172,200.00	-48,949,976.64	25,222,223.36
Total	200,000,000.00	-99,469,111.90	100,530,888.10

8.14. Other non-current financial assets

Items	31 December 2019	31 December 2018
Financial asset designated at fair value through profit or loss	141,052.77	-
Total	141,052.77	-

8.15. Investment Properties

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
I. Total initial cost:	3,021,498,045.42	1,077,465,530.72	51,407,408.30	4,047,556,167.84
Including Building and constructions	2,964,113,843.60	1,036,992,626.03	51,407,408.30	3,949,699,061.33
Parking use rights	55,416,846.99	40,472,904.69	-	95,889,751.68
Land use rights	1,967,354.83	-	-	1,967,354.83
II. Total accumulated depreciationand amortization	417,108,763.97	94,497,684.87	10,490,508.74	501,115,940.10
Including : Building and constructions	409,692,002.57	89,627,458.44	10,490,508.74	488,828,952.27
Parking use rights	7,187,236.64	4,821,042.55	-	12,008,279.19
Land use rights	229,524.76	49,183.88	-	278,708.64
III. Total net book value	2,604,389,281.45	-	-	3,546,440,227.74
Including : Building and constructions	2,554,421,841.03	-	-	3,460,870,109.06
Parking use rights	48,229,610.35	-	-	83,881,472.49
Land use rights	1,737,830.07	-	-	1,688,646.19
IV. Provision for impairment	-	-	-	-
Including : Building and plants	-	-	-	-
Parking space use rights	-	-	-	-
Land use rights	-	-	-	-
V. Total carrying amount	2,604,389,281.45	-	-	3,546,440,227.74
Including : Building and constructions	2,554,421,841.03	-	-	3,460,870,109.06

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Parking use rights	48,229,610.35	-	-	83,881,472.49
Land use rights	1,737,830.07	-	-	1,688,646.19

8.16. Fixed Assets

(a) Fixed assets by category

Items	31 December 2019	31 December 2018
Fixed assets	180,588,445,775.79	173,615,424,213.61
Disposal of fixed assets	2,333,792.46	3,993,169.57
Total	180,590,779,568.25	173,619,417,383.18

(b) General information of fixed assets

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
I. Total initial cost:	218,279,991,522.30	14,077,056,157.76	732,871,393.48	231,624,176,286.58
Including : highway & structures	196,309,784,907.03	11,874,494,342.71	24,736,793.34	208,159,542,456.40
Buildings and constructions	8,217,284,270.24	209,700,067.71	88,163,177.16	8,338,821,160.79
Safety facilities	4,937,292,687.42	302,744,166.22	1,214,711.73	5,238,822,141.91
Communication facilities	1,247,096,386.59	44,642,983.07	1,231,528.12	1,290,507,841.54
Monitoring facilities	675,040,660.68	99,280,287.20	19,995,924.71	754,325,023.17
Tolling facilities	2,064,725,607.72	986,704,606.61	294,757,118.66	2,756,673,095.67
Power supply & distribution and lighting facilities	1,085,628,770.50	62,154,434.31	5,032,348.73	1,142,750,856.08
Machinery equipment	698,858,904.49	32,350,509.93	12,255,352.58	718,954,061.84
Vehicles	2,103,101,276.86	341,894,549.62	263,896,349.08	2,181,099,477.40
Electronic equipment	109,016,553.49	9,020,228.33	5,278,210.83	112,758,570.99
Office equipment	75,632,068.82	7,035,628.69	2,576,909.90	80,090,787.61
Furniture in hotel industry	11,956,982.39	1,275,391.17	590,643.19	12,641,730.37
Others	744,572,446.07	105,758,962.19	13,142,325.45	837,189,082.81
II.Total accumulated depreciation	44,664,567,308.69	6,875,156,550.50	503,993,348.40	51,035,730,510.79
Including : highway & structures	33,125,331,602.33	5,342,683,880.16	17,968.56	38,467,997,513.93
Buildings and constructions	2,066,614,219.96	281,277,616.89	9,927,000.35	2,337,964,836.50
Safety facilities	3,199,312,578.57	331,159,316.52	317,267.24	3,530,154,627.85
Communication facilities	924,407,374.09	67,969,980.22	1,194,724.48	991,182,629.83
Monitoring facilities	554,091,602.69	61,456,312.44	18,519,692.66	597,028,222.47

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Tolling facilities	1,315,249,241.57	283,481,457.37	208,856,824.44	1,389,873,874.50
Power supply & distribution and lighting facilities	970,222,733.24	77,735,359.98	4,460,784.04	1,043,497,309.18
Machinery equipment	370,629,655.40	72,835,254.24	3,565,589.72	439,899,319.92
Vehicles	1,460,820,345.63	277,142,077.46	237,596,877.76	1,500,365,545.33
Electronic equipment	71,249,541.16	5,820,677.44	5,223,095.01	71,847,123.59
Office equipment	60,317,450.88	5,040,983.17	2,387,269.97	62,971,164.08
Furniture in hotel industry	10,981,981.63	24,863.02	584,899.89	10,421,944.76
Others	535,338,981.54	68,528,771.59	11,341,354.28	592,526,398.85
III.Total net book value	173,615,424,213.61	-	-	180,588,445,775.79
Including : highway & structures	163,184,453,304.70	-	-	169,691,544,942.47
Buildings and constructions	6,150,670,050.28	-	-	6,000,856,324.29
Safety facilities	1,737,980,108.85	-	-	1,708,667,514.06
Communication facilities	322,689,012.50	-	-	299,325,211.71
Monitoring facilities	120,949,057.99	-	-	157,296,800.70
Tolling facilities	749,476,366.15	-	-	1,366,799,221.17
Power supply & distribution and lighting facilities	115,406,037.26	-	-	99,253,546.90
Machinery equipment	328,229,249.09	-	-	279,054,741.92
Vehicles	642,280,931.23	-	-	680,733,932.07
Electronic equipment	37,767,012.33	-	-	40,911,447.40
Office equipment	15,314,617.94	-	-	17,119,623.53
Furniture in hotel industry	975,000.76	-	-	2,219,785.61
Others	209,233,464.53	-	-	244,662,683.96
IV. Provision for impairment	-	-	-	-
V.Total carrying amount	173,615,424,213.61	-	-	180,588,445,775.79
Including : highway & structures	163,184,453,304.70	-	-	169,691,544,942.47
Buildings and constructions	6,150,670,050.28	-	-	6,000,856,324.29
Safety facilities	1,737,980,108.85	-	-	1,708,667,514.06
Communication facilities	322,689,012.50	-	-	299,325,211.71
Monitoring facilities	120,949,057.99	-	-	157,296,800.70
Tolling facilities	749,476,366.15	-	-	1,366,799,221.17
Power supply & distribution and lighting facilities	115,406,037.26	-	-	99,253,546.90
Machinery equipment	328,229,249.09	-	-	279,054,741.92

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Vehicles	642,280,931.23	-	-	680,733,932.07
Electronic equipment	37,767,012.33	-	-	40,911,447.40
Office equipment	15,314,617.94	-	-	17,119,623.53
Furniture in hotel industry	975,000.76	-	-	2,219,785.61
Others	209,233,464.53	-	-	244,662,683.96

(c) General information of disposal of fixed assets

Items	31 December 2019	31 December 2018	Reason for disposal
Pending demolition compensation	114,329.22	1,150,780.53	Be demolished by the government
Buildings and constructions	2,038,057.93	2,038,057.93	Be demolished by the government
Mechanical equipment	37,127.10	37,127.10	Has been scrapped and cannot be used
Toll facilities	3,225.00	3,225.00	Has been scrapped and cannot be used
Power supply & distribution and lighting facilities	55,859.21	55,859.21	Has been scrapped and cannot be used
Vehicles	53,492.68	633,288.76	Has been scrapped and cannot be used
Office equipment	30,734.86	-	Reach the retirement deadline and cannot be used
Monitoring facilities	-	2,700.00	Has been scrapped and cannot be used
Others	966.46	72,131.04	Has been scrapped and cannot be used
Total	2,333,792.46	3,993,169.57	-

8.17. Construction in Progress

(a) General information of construction in progress

Items	31 December 2019			31 December 2018		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Yuehuang Expressway	2,102,293,024.36	-	2,102,293,024.36	1,810,699,320.88	-	1,810,699,320.88
Chiqi Expressway	1,392,221,218.64	-	1,392,221,218.64	733,794,973.14	-	733,794,973.14
Wuhuang Expressway	1,370,393,787.79	-	1,370,393,787.79	1,074,540,154.23	-	1,074,540,154.23
Hezong Expressway	1,300,795,283.44	-	1,300,795,283.44	1,122,081,371.09	-	1,122,081,371.09
Chuzhou West Loop Expressway	790,905,432.42	-	790,905,432.42	336,282,967.15	-	336,282,967.15
Chutian Expressway	497,990,722.14	-	497,990,722.14	379,550,845.82	-	379,550,845.82

Items	31 December 2019			31 December 2018		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Gubeng Expressway	179,977,869.38	-	179,977,869.38	72,400,933.57	-	72,400,933.57
Large Reconstruction and Expansion Project	170,375,162.39	-	170,375,162.39	253,048,787.18	-	253,048,787.18
Station Reconstruction and Expansion Project	120,967,567.22	-	120,967,567.22	147,822,949.33	-	147,822,949.33
Wuhu East Entrance Toll Station Reconstruction and Expansion Project	119,214,569.30	-	119,214,569.30	50,799,203.49	-	50,799,203.49
Housing Construction Project	79,054,970.05	-	79,054,970.05	49,177,389.22	-	49,177,389.22
Taiping Lake Comprehensive Service Area	60,289,468.09	-	60,289,468.09	46,948,110.45	-	46,948,110.45
Logistics Base Construction	50,479,779.13	-	50,479,779.13	27,488,053.24	-	27,488,053.24
G40 Heluye Expressway Hefei to Dagudian Station Reconstruction and Expansion Project	35,751,565.86	-	35,751,565.86	7,992,940.00	-	7,992,940.00
Xuming Expressway Reserve Project	33,354,477.90	-	33,354,477.90	33,354,477.90	-	33,354,477.90
Digital Reform of Monitoring and Control (Forth Period)	27,975,873.99	-	27,975,873.99	15,497,847.20	-	15,497,847.20
Benghuai Expressway Reserve Project	23,862,263.19	-	23,862,263.19	22,751,680.23	-	22,751,680.23
Weight Equipment Purchase Project	19,620,635.00	-	19,620,635.00	19,620,635.00	-	19,620,635.00
G5011 Wuhe Expressway Longxi interchange to Lintou Station Reconstruction and Expansion Project	17,641,150.50	-	17,641,150.50	-	-	-
Heluye Expressway (Luye Section) Reserve Project	15,631,180.18	-	15,631,180.18	15,631,180.18	-	15,631,180.18
Hechaowu Chang'an (Second Dam) Interchange Project	14,713,969.23	-	14,713,969.23	14,713,969.23	-	14,713,969.23
Wangdong Changjiang River Highway Bridge Reserve Project	12,697,144.09	-	12,697,144.09	-	-	-
Hewu Expressway Reconstruction and Expansion Project and Reserve Project	48,947,309.48	-	48,947,309.48	1,499,028,199.67	-	1,499,028,199.67
Guangning Expressway Reserve Project	12,510,942.57	-	12,510,942.57	-	-	-
Laoji Interchanges	11,795,213.35	-	11,795,213.35	-	-	-
Electromechanical System Transformation	10,465,049.42	-	10,465,049.42	19,717,363.72	-	19,717,363.72
Jihuang Expressway Reserve Project	5,739,911.43	-	5,739,911.43	8,521,051.39	-	8,521,051.39
Sixu Expressway Suzhou Section Reserve Project	2,847,491.60	-	2,847,491.60	3,509,567.39	-	3,509,567.39
Chizhou Changjiang River Highway Bridge	-	-	-	3,309,369,635.39	-	3,309,369,635.39
Hean Expressway Reconstruction and Expansion	-	-	-	1,352,341,794.94	-	1,352,341,794.94
Monitoring and meteorological early warning	-	-	-	60,728,797.80	-	60,728,797.80
Zhoulu Expressway Reserve Project	-	-	-	2,076,309.69	-	2,076,309.69

Items	31 December 2019			31 December 2018		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Hening Expressway Reconstruction and Expansion	-	-	-	1,959,488,805.75	-	1,959,488,805.75
Others	132,141,148.03	-	132,141,148.03	84,447,198.98	-	84,447,198.98
Total	8,660,654,180.17	-	8,660,654,180.17	14,533,426,513.25	-	14,533,426,513.25

(b) Changes in significant projects of construction in progress

Projects	Budget (Ten thousand) yuan	31 December 2018	Increase during the reporting period	Transfer to fixed asset	Decrease during the reporting period	31 December 2019
Yuehuang Expressway	2,383,255.54	1,810,699,320.88	291,593,703.48	-	-	2,102,293,024.36
Chiqi Expressway	1,188,118.64	733,794,973.14	658,426,245.50	-	-	1,392,221,218.64
Wuhuang Expressway	1,186,471.34	1,074,540,154.23	295,853,633.56	-	-	1,370,393,787.79
Hezong Expressway	1,045,940.94	1,122,081,371.09	178,713,912.35	-	-	1,300,795,283.44
Chuzhou West Loop Expressway	234,737.40	336,282,967.15	454,622,465.27	-	-	790,905,432.42
Chutian Expressway	532,405.30	379,550,845.82	118,439,876.32	-	-	497,990,722.14
Gubeng Expressway	286,881.84	72,400,933.57	107,576,935.81	-	-	179,977,869.38
Hewu Expressway Reconstruction and Expansion Project and Reserve Project	465,772.71	1,499,028,199.67	654,918,150.36	2,104,999,040.55	-	48,947,309.48
Chizhou Changjiang River Highway Bridge	601,900.00	3,309,369,635.39	1,170,982,083.75	4,479,341,349.11	1,010,370.03	-
Hening Expressway Reconstruction and Expansion	637,466.32	1,959,488,805.75	1,694,010,536.05	3,618,664,568.18	34,834,773.62	-
Hean Expressway Reconstruction and Expansion	439,705.22	1,352,341,794.94	999,780,605.06	2,352,122,400.00	-	-
Total	6,117,497.00	13,649,579,001.63	6,624,918,147.51	12,555,127,357.84	35,845,143.65	7,683,524,647.65

(Continued)

Projects	Proportion of project input to budgets (%)	Rate of progress (%)	Cumulative amount of interest capitalisation	Including: interest capitalization during the reporting period	Interest capitalisation rate during the reporting period (%)	Source of funds
Yuehuang Expressway	8.82	8.82	-	-	-	Self-raised fund
Chiqi Expressway	11.72	11.72	18,601,727.78	17,949,537.78	4.32	Self-raised fund and loan
Wuhuang Expressway	11.55	11.55	32,500,411.62	28,024,898.62	4.42	Self-raised fund and loan

Projects	Proportion of project input to budgets (%)	Rate of progress (%)	Cumulative amount of interest capitalisation	Including: interest capitalization during the reporting period	Interest capitalisation rate during the reporting period (%)	Source of funds
Hezong Expressway	12.44	12.44	5,225,849.99	5,225,850.00	5.23	Self-raised fund and loan
Chuzhou West Loop Expressway	33.69	33.69	3,933,107.50	3,933,107.50	4.64	Self-raised fund and loan
Chutian Expressway	9.35	9.35	195,510.00	195,510.00	1.48	Self-raised fund and loan
Gubeng Expressway	6.27	6.27	-	-	-	Self-raised fund
Hewu Expressway Reconstruction and Expansion Project and Reserve Project	45.19	100.00	58,175,007.95	41,466,346.99	5.23	Self-raised fund and loan
Chizhou Changjiang River Highway Bridge	74.42	100.00	102,558,428.77	51,346,120.96	2.80	Self-raised fund and loan
Hening Expressway Reconstruction and Expansion	57.31	100.00	49,017,566.63	7,071,192.80	1.20	Self-raised fund and loan
Hean Expressway Reconstruction and Expansion	53.49	100.00	51,013,155.37	37,049,080.91	4.43	Self-raised fund and loan
Total	-	-	321,220,765.61	192,261,645.56	-	-

8.18. Intangible Assets

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
I.Total initial cost	789,485,162.02	539,532,294.13	289,657,000.49	1,039,360,455.66
Including: software	116,736,173.88	22,891,082.63	187,212.46	139,440,044.05
Land use right	670,741,904.11	97,086,112.32	15,539,233.44	752,288,782.99
Franchise	2,007,084.03	419,555,099.18	273,930,554.59	147,631,628.62
II.Total accumulated amortization	251,889,897.86	46,897,158.98	3,566,530.23	295,220,526.61
Including: software	96,152,222.17	19,845,264.02	43,253.93	115,954,232.26
Land use right	154,414,866.27	17,023,068.51	3,523,276.30	167,914,658.48
Franchise	1,322,809.42	10,028,826.45	-	11,351,635.87
III.Total provision for impairment	-	-	-	-
IV.Total carrying amount	537,595,264.16	-	-	744,139,929.05
Including: software	20,583,951.71	-	-	23,485,811.79
Land use right	516,327,037.84	-	-	584,374,124.51
Franchise	684,274.61	-	-	136,279,992.75

8.19. Goodwill

(a) Initial recognition

Investees or matters that goodwill arising from	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Laizhou Beihai Real Estate Development Company (Formed By Enterprise Merger)	8,335,366.22	-	-	8,335,366.22
Anhui Anqing Changjiang River Highway Bridge Co., Ltd. (Formed By Enterprise Merger)	21,097,968.55	-	1,406,531.27	19,691,437.28
Anhui Anlian Expressway Co., Ltd. (Formed By Enterprise Merger)	15,859,808.03	-	2,114,641.06	13,745,166.97
Anhui Feiyan Rapid Passenger Transport Co., Ltd. (Formed By Enterprise Merger)	437,328.20	-	-	437,328.20
Anhui Transportation Group Tongling Motor Transport Co., Ltd.	33,278,382.66	-	-	33,278,382.66
Total	79,008,853.66	-	3,521,172.33	75,487,681.33

Note: As for the goodwill that the Group cannot accurately allocate to each asset group, if it belongs to real estate development enterprise, amortisation shall be according to the proportion of carry-forward sold area in the available-for-sale area of development project in the project company; if it belongs to highway operation enterprise, amortisation shall be conducted by adopting straight-line method according to the tolling period approved by the state. Decrease of goodwill during the reporting period refers to the amortization of the recognised goodwill according to the established policy.

(b) Provision for impairment

Investees or matters that goodwill arising from	31 December 2018	Increase during the reporting period		Decrease during the reporting period		31 December 2019
		Provision	Others	Disposal	Others	
Laizhou Beihai Real Estate Development Company (Formed By Enterprise Merger)	8,335,366.22	-	-	-	-	8,335,366.22
Anhui Transportation Group Tongling Motor Transport Co., Ltd.	33,278,382.66	-	-	-	-	33,278,382.66
Total	41,613,748.88	-	-	-	-	41,613,748.88

8.20. Long-term Deferred Expenses

Items	31 December 2018	Increase during the reporting period	Amortisation during the reporting period	Other decrease during the reporting period	31 December 2019	Reason for other decrease

Items	31 December 2018	Increase during the reporting period	Amortisation during the reporting period	Other decrease during the reporting period	31 December 2019	Reason for other decrease
Project maintenance and reconstruction expenses	58,231,855.81	15,188,987.70	17,976,015.33	-	55,444,828.18	-
Double tank reconstruction	36,565,195.64	63,552,056.11	5,326,473.41	-	94,790,778.34	-
Vehicle purchase subsidy	-	35,435,481.49	3,512,277.03	-	31,923,204.46	-
Decoration work fund	13,283,393.50	6,343,109.79	6,366,462.50	117,779.14	13,142,261.65	Reduction in final accounts
Fengle Station reconstruction	-	11,303,154.86	807,368.20	-	10,495,786.66	-
Rental	2,412,187.30	-	273,340.44	-	2,138,846.86	-
Tourist route compensation	1,548,999.66	-	1,161,750.00	-	387,249.66	-
Monitoring equipment	1,348,850.62	81,192.66	357,510.82	-	1,072,532.46	-
Green belt billboard	1,103,622.66	227,451.88	273,497.60	-	1,057,576.94	
Others	556,840.35	2,378,785.35	641,892.40	-	2,293,733.30	-
Total	115,050,945.54	134,510,219.84	36,696,587.73	117,779.14	212,746,798.51	-

8.21. Deferred Tax Assets and Deferred Tax Liabilities

(a) Deferred tax assets and liabilities before offsetting

Items	31 December 2019		31 December 2018	
	Deferred tax assets and liabilities	Deductible temporary differences	Deferred tax assets and liabilities	Deductible temporary differences
I.Deferred tax assets	1,228,735,180.94	5,128,376,072.75	918,269,002.34	3,842,359,474.82
Assets impairment provision (including:credit impairment)	336,946,430.10	1,561,943,303.94	202,021,596.93	970,292,912.39
Deductible loss	15,944,058.67	63,776,234.68	28,851,146.34	115,404,585.34
Unrealized intragroup profit (entrusted loan)	96,375,632.70	385,502,530.81	89,208,421.36	356,833,685.45
Accrued or estimated expenses	214,177,725.71	856,710,902.81	199,998,895.84	799,995,583.35
Investment property	16,192,031.66	64,768,126.64	19,294,298.18	77,177,192.72
Fixed assets	1,937,019.12	7,748,076.50	2,367,889.63	9,471,558.52
Advance form customer-presale house fund	409,649,853.27	1,638,599,413.01	263,969,938.70	1,055,879,754.93
Governmental grants	14,126,157.13	56,504,628.54	13,102,413.91	52,409,655.66

Items	31 December 2019		31 December 2018	
	Deferred tax assets and liabilities	Deductible temporary differences	Deferred tax assets and liabilities	Deductible temporary differences
Employee benefit	8,520,577.70	36,373,947.89	9,051,148.03	46,295,404.47
Taxatble interest difference	53,208,429.54	212,833,718.15	53,650,552.38	214,602,209.46
Other current liabilities - highway repairment costs	8,347,661.83	33,390,647.32	5,752,624.10	23,010,496.31
Special reserve - safety expenses	12,524,999.55	47,086,126.67	10,945,488.00	40,768,080.47
Difference in fair value and tax base of other equity instrument investments	24,867,277.98	99,469,111.90	19,675,158.83	78,700,635.33
Advertising and publicity expense	2,675,653.42	10,702,613.65	379,430.11	1,517,720.42
Others	13,241,672.56	52,966,690.24	-	-
II.Deferred tax liabilities	2,026,862,082.05	8,111,546,091.09	1,778,318,484.78	7,048,307,747.46
Change in fair value of available-for-sale financial assets recognized in other comprehensive income	367,236,128.82	1,468,944,515.29	329,129,444.30	1,316,517,777.21
Pre-paid taxes (land appreciation tax and surcharge)	42,680,207.85	170,720,831.30	56,592,180.52	226,368,722.06
Depreciation of fixed assets (difference between traffic flow method and straight line method)	1,462,005,174.65	5,849,601,658.60	1,265,161,276.71	4,995,514,972.95
Difference between fair value and book value of assets for business combination not under common control (inventory)	10,049,796.51	40,199,186.04	13,832,328.89	55,329,315.56
Expressway net value difference	30,826,618.01	123,306,472.02	33,488,863.31	133,955,453.22
Others	114,064,156.21	458,773,427.84	80,114,391.05	320,621,506.46

8.22. Other Non-current Assets

Items	31 December 2019	31 December 2018
Circulation right for equity separation	165,836,293.57	165,836,293.57
One-time payment of rental income tax	70,353,690.15	74,552,630.24
Project funds	4,000,000.00	35,971,142.25
Shijie east interchange construction project	58,512,003.45	58,512,003.45
Advance payment for equity purchase	-	1,490,935,000.00
Others	48,905,772.51	32,796,373.39

Total	347,607,759.68	1,858,603,442.90

8.23. Short-term Borrowings

(a) Disclosure of short-term borrowings by category

Items	31 December 2019	31 December 2018
Pledge loans	450,000,000.00	24,000,000.00
Mortgage loans	35,880,000.00	1,165,880,000.00
Guarantee loans	462,000,000.00	518,100,000.00
Credit loans	2,570,000,000.00	2,514,000,000.00
Total	3,517,880,000.00	4,221,980,000.00

8.24. Notes Payable

Items	31 December 2019	31 December 2018
Bank acceptance bills	21,739,894.10	64,237,136.90
Commercial acceptance bills	-	-
Total	21,739,894.10	64,237,136.90

8.25. Accounts Payable

(a) Accounts payable by aging

Aging	31 December 2019	31 December 2018
Within 1 year (including 1 year)	6,379,093,362.57	7,170,102,219.61
1-2 years (including 2 years)	2,981,950,580.75	1,547,864,463.05
2-3 years (including 3 years)	895,857,693.15	2,925,276,960.83
Over 3 years	1,330,874,708.86	1,110,951,167.34
Total	11,587,776,345.33	12,754,194,810.83

(b) Significant accounts payable with aging of over one year

Name	Balance at 31 December 2019	Reason
China Communications Construction Hezong Expressway Project General Management department	224,114,334.76	Project payment, not yet settled
Feixi County Deshang Expressway Construction Headquarters	167,436,061.27	Project payment, not yet settled
Estimated project budget	138,426,838.62	Estimated project payment, not yet settled
Anhui Ruixun Traffic Development Co., Ltd.	90,314,746.58	The settlement date has not been reached
China Construction Fifth Engineering Bureau Co., Ltd.	89,888,940.62	Project payment, not yet settled

Name	Balance at 31 December 2019	Reason
Tongcheng Expressway Construction Headquarters	85,873,729.22	Project payment, not yet settled
China Road And Bridge Construction Co., Ltd.	78,582,637.77	Project retention, not yet due
Shoubing Resettlement Community Phase Four And Underground Parking	57,824,907.03	Project payment, not yet settled
Tongling Tongxuan Expressway Investment Co., Ltd.	44,063,191.66	Project payment, not yet settled
Bengbu Haitong Logistics Park Phase One	34,600,150.72	Project payment, not yet settled
Anhui Lugang Engineering Co., Ltd.	33,635,483.28	Project retention, not yet due
Cccc Third Highway Engineering Co., Ltd.	30,798,003.00	The settlement date has not been reached
China Communications Second Naviational Bureau Co., Ltd.	30,308,718.41	Project retention, not yet due
Shou County Chudu Resettlement Community	25,732,876.74	Project payment, not yet settled
Deshang Expressway Zongyang Section Construction Headquarters	25,000,000.00	Project payment, not yet settled
Total	1,156,600,619.68	-

8.26. Advances from Customers

(a) Advances from Customers by aging

Aging	31 December 2019	31 December 2018
Within 1 year(including 1 year)	7,819,713,139.15	4,641,574,288.57
Over 1 year	2,441,883,902.43	2,302,182,352.60
Total	10,261,597,041.58	6,943,756,641.17

(b) Significant advances from customers with aging of over one year

Name	Balance at 31 December 2019	Reason
Advance payment of housing	1,555,396,500.71	House not delivered
Petro China Co., Ltd – Anhui Sales Branch	19,760,000.00	Advance rental from customers, recognised on schedule
Petro China Co., Ltd – Anhui Bengbu Sales Branch	16,790,219.11	Revenue allocated according to contract
Sinopec Sales Co., Ltd. Anhui Petroleum Branch	12,945,427.49	Advance rental from customers, recognised on schedule
China Unicom Anhui Branch	10,195,643.60	Advance rental from customers
Tongling Hengduo Energy Investment Co., Ltd.	10,000,000.00	Advance land rental from customers
Total	1,625,087,790.91	-

8.27. Employee Benefits Payable

(a) Details of employee benefits payable

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
I.Short-term employee benefits	190,749,245.60	3,240,696,894.79	3,235,475,980.34	195,970,160.05
II.Post-employment benefits-defined contribution plans	27,972,604.39	368,323,148.85	365,681,383.70	30,614,369.54
III.Termination benefits	-	10,789,931.77	1,789,931.77	9,000,000.00
IV.Other benefits due within one year	-	-	-	-
V.Others	-	-	-	-
Total	218,721,849.99	3,619,809,975.41	3,602,947,295.81	235,584,529.59

(b) Short-term employee benefits

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
I.Salaries, bonuses, allowances and subsidies	119,283,731.35	2,313,982,508.97	2,312,992,483.94	120,273,756.38
II.Employee benefits	8,612,171.26	154,397,233.90	155,714,421.55	7,294,983.61
III.Social insurance	655,323.02	138,534,025.83	138,783,063.85	406,285.00
Including : Health insurance	596,815.78	128,394,868.39	128,731,733.48	259,950.69
Injury insurance	29,921.30	4,185,987.90	4,077,912.77	137,996.43
Birth insurance	28,585.94	5,948,078.54	5,968,326.60	8,337.88
Others insurance	-	4,905.00	4,905.00	-
IV.Housing accumulation fund	367,348.75	199,782,854.20	199,801,365.20	348,837.75
V.Labour union funds and employee education funds	61,537,877.87	60,459,016.57	54,601,791.83	67,395,102.61
VI.Short-term absence pay	-	-	-	-
VII.Short-term profit sharing plan	-	-	-	-
VIII.Other short term salary	292,793.35	373,541,255.32	373,582,853.97	251,194.70
Total	190,749,245.60	3,240,696,894.79	3,235,475,980.34	195,970,160.05

(c) Defined contribution plans

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Basic endowment insurance	21,107,692.96	277,205,946.63	278,571,476.41	19,742,163.18
Unemployment insurance	3,413,535.94	8,428,641.19	8,456,928.26	3,385,248.87
Enterprise annuity	3,451,375.49	82,688,561.03	78,652,979.03	7,486,957.49

Total	27,972,604.39	368,323,148.85	365,681,383.70	30,614,369.54

(d) Termination benefits

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Early retirement benefits	-	9,000,000.00	-	9,000,000.00
Other retirement benefits	-	1,789,931.77	1,789,931.77	-
Total	-	10,789,931.77	1,789,931.77	9,000,000.00

8.28. Taxes Payable

Items	31 December 2018	Accrued in the reporting period	Paid in the reporting period	31 December 2019
Value added tax (VAT)	106,109,715.03	1,062,535,608.38	1,021,647,733.38	146,997,590.03
Resource tax	-	2,876.40	2,876.40	-
Enterprise income tax	642,813,922.84	1,583,185,589.74	1,440,813,863.11	785,185,649.47
Urban maintenance and construction tax	9,859,999.08	60,803,430.14	63,601,093.99	7,062,335.23
Property tax	33,526,531.53	69,604,148.74	86,065,861.75	17,064,818.52
Land use tax	19,192,766.65	52,020,126.80	52,904,170.54	18,308,722.91
Individual income tax	27,873,686.64	38,252,757.57	47,090,773.34	19,035,670.87
Educational surcharge (Including local educational surcharge)	4,636,002.22	52,919,181.25	51,345,777.64	6,209,405.83
Other taxes	206,764,613.68	58,610,348.09	238,259,233.69	27,115,728.08
Total	1,050,777,237.67	2,977,934,067.11	3,001,731,383.84	1,026,979,920.94

8.29. Other Payables

(a) Other payables by category

Items	31 December 2019	31 December 2018
Interest payable	739,304,655.38	855,127,980.66
Dividend payable	31,493,397.11	39,749,405.18
Other payables	2,856,784,928.82	2,929,142,384.00
Total	3,627,582,981.31	3,824,019,769.84

(b) Interest payable

Items	31 December 2019	31 December 2018
Interest on long-term borrowings with installment interest payments and the repayment of the principal at maturity	133,112,142.13	139,797,329.84

Items	31 December 2019	31 December 2018
Interest on corporate bonds	547,856,419.18	633,769,250.26
Interest on short-term borrowings	3,075,797.21	15,536,739.30
Interest on preference shares /perpetual capital securities classified as financial liabilities	49,726,027.40	49,726,027.40
Other interests	5,534,269.46	16,298,633.86
Total	739,304,655.38	855,127,980.66

(c) Dividends Payable

Items	31 December 2019	31 December 2018
Dividends on ordinary shares	31,354,067.11	39,610,075.18
Others	139,330.00	139,330.00
Total	31,493,397.11	39,749,405.18

(d) Other payables by nature

Items	31 December 2019	31 December 2018
Current account	1,475,102,234.79	1,885,041,439.56
Security deposits	782,483,788.49	651,344,354.99
Others	599,198,905.54	392,756,589.45
Total	2,856,784,928.82	2,929,142,384.00

(e) Significant other payables with aging over one year

Name	Balance at 31 December 2019	Reason
Anhui Yangtze to HuaiheWater Co., Ltd.	259,336,496.50	Current accountto be settled
Beijing Anhengda Investment Co., Ltd.	150,300,000.00	Current account to be settled
Feidong County People's Government	40,000,000.00	Current account to be settled
Tongling Transportation Investment Co., Ltd.	28,000,000.00	Current account to be settled
Jiangsu Dezhong Industrial Development Co., Ltd.	22,000,000.00	Outstanding shareholders unsettment amount
Anhui Province Automobile Transportation Company	19,174,285.00	Loan interest and project payment payable
Andaer Automobile Factory	11,550,000.00	Purchase of Wangjiang city bus
Anhui Huishang Chuangyuan Decoration Engineering Co., Ltd.	7,512,390.56	Outstanding shareholders unsettment amount
Inner Mongolia Yinhong Energy Development Co., Ltd.	6,800,000.00	Security deposit not yet settled
Anhui Kaiyuan Road and Bridge Co., Ltd.	6,156,877.47	Performance bond
Anhui Highway and Bridge Engineering Co., Ltd.	5,579,412.67	Performance bond

Name	Balance at 31 December 2019	Reason
Cccc Third Highway Engineering Co., Ltd.	5,471,388.40	Performance bond
China Construction Eighth Engineering Bureau Co., Ltd.	5,000,000.00	Deposits, not yet returned
Total	566,880,850.60	-

8.30. Non-current Liabilities Maturing within One Year

Items	31 December 2019	31 December 2018
Long-term borrowings due within one year	14,878,473,484.63	12,329,419,617.34
Bonds payable due within one year	4,100,000,000.00	5,300,000,000.00
Long-term payables due within one year	73,772,154.28	210,619,415.16
Total	19,052,245,638.91	17,840,039,032.50

8.31. Other Current Liabilities

Items	31 December 2019	31 December 2018
Short-term bonds payable	4,020,000,000.00	2,200,000,000.00
Project difference	3,058,145,542.87	2,400,597,515.26
Highway repairment costs	39,113,774.62	23,010,496.31
Tax payable-reclassification from credit balance of VAT payable	13,254,362.39	9,072,010.38
Others	5,968,059.03	1,201,350.95
Total	7,136,481,738.91	4,633,881,372.90

Change in short-term bonds payable:

Bonds	Par value	Issue date	Bond duration	Amount issued	31 December 2018
18 WANJIAOKONG SCP001	100	2018/12/13	250days	1,000,000,000.00	1,000,000,000.00
18 GAOSUDICHAN (SCP)	100	2018/9/20	270days	500,000,000.00	500,000,000.00
18 GAOSUDICHAN (SCP)	100	2018/11/19	270days	700,000,000.00	700,000,000.00
19 WANJIAOKONG SCP001	100	2019/3/15	270days	1,500,000,000.00	-
19 WANJIAOKONG SCP002	100	2019/5/13	240days	1,000,000,000.00	-
19 WANJIAOKONG SCP003	100	2019/5/22	270days	1,000,000,000.00	-
19 GAOSUDICHAN (SCP)	100	2019/1/14	270days	300,000,000.00	-
19 GAOSUDICHAN (SCP)	100	2019/2/25	270days	200,000,000.00	-
19 GAOSUDICHAN (SCP)	100	2019/4/18	270days	300,000,000.00	-
19 GAOSUDICHAN (SCP)	100	2019/8/9	270days	270,000,000.00	-

Bonds	Par value	Issue date	Bond duration	Amount issued	31 December 2018
19 GAOSUDICHAN (SCP)	100	2019/9/20	270days	300,000,000.00	-
19 GAOSUDICHAN (SCP)	100	2019/11/8	270days	200,000,000.00	-
19 GAOSUDICHAN (CP)	100	2019/6/12	365days	520,000,000.00	-
19 GAOSUDICHAN (CP)	100	2019/7/9	365days	430,000,000.00	-
Total	-	-	-	8,220,000,000.00	2,200,000,000.00

(Continued)

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Amortisation of premium /discount	Repayment during the reporting period	31 December 2019
18 WANJIAOKONG SCP001	-	-	-	1,000,000,000.00	-
18 GAOSUDICHAN (SCP)	-	-	-	500,000,000.00	-
18 GAOSUDICHAN (SCP)	-	-	-	700,000,000.00	-
19 WANJIAOKONG SCP001	1,500,000,000.00	-	-	1,500,000,000.00	-
19 WANJIAOKONG SCP002	1,000,000,000.00	-	-	-	1,000,000,000.00
19 WANJIAOKONG SCP003	1,000,000,000.00	-	-	-	1,000,000,000.00
19 GAOSUDICHAN (SCP)	300,000,000.00	-	-	300,000,000.00	-
19 GAOSUDICHAN (SCP)	200,000,000.00	-	-	200,000,000.00	-
19 GAOSUDICHAN (SCP)	300,000,000.00	-	-	-	300,000,000.00
19 GAOSUDICHAN (SCP)	270,000,000.00	-	-	-	270,000,000.00
19 GAOSUDICHAN (SCP)	300,000,000.00	-	-	-	300,000,000.00
19 GAOSUDICHAN (SCP)	200,000,000.00	-	-	-	200,000,000.00
19 GAOSUDICHAN (CP)	520,000,000.00	-	-	-	520,000,000.00
19 GAOSUDICHAN (CP)	430,000,000.00	-	-	-	430,000,000.00
Total	6,020,000,000.00	-	-	4,200,000,000.00	4,020,000,000.00

8.32. Long-term Borrowings

Items	31 December 2019	31 December 2018
Pledge loans	77,312,236,450.37	68,602,927,714.33
Mortgage loans	1,631,537,885.37	1,332,103,156.09
Guarantee loans	2,787,530,081.91	2,937,146,238.45
Credit loans	18,010,954,673.17	24,991,372,694.41
Subtotal	99,742,259,090.82	97,863,549,803.28
Subtract : long-term borrowings due within one year	14,858,473,484.63	12,327,715,608.30

Total	84,883,785,606.19	85,535,834,194.98

Note: Pledge loans is the bank loan obtained by the Company and subsidiary by pledging the toll rights of relevant highway.

8.33. Bonds payable

(a) General information of bonds payable

Items	31 December 2019	31 December 2018
Medium note	13,600,000,000.00	15,700,000,000.00
Corporate bonds	1,500,000,000.00	1,500,000,000.00
USD bond	2,429,912,897.88	2,384,210,561.26
Total	17,529,912,897.88	19,584,210,561.26

(b) Changes in bonds payable

Bonds	Par value	Issue date	Bonds duration	Amount issued	31 December 2018
14 WANGAOSU MTN001	100	2014/4/9	5years	1,900,000,000.00	1,900,000,000.00
14 WANGAOSU MTN002	100	2014/7/15	5years	1,000,000,000.00	1,000,000,000.00
15 WANGAOSU MTN001	100	2015/2/12	5years	1,000,000,000.00	1,000,000,000.00
15 WANGAOSU MTN001	100	2015/2/12	7years	500,000,000.00	500,000,000.00
15 WANGAOSU MTN002	100	2015/5/18	5years	2,200,000,000.00	2,200,000,000.00
14 WANJIAOTOU MTN001	100	2014/5/27	5years	1,000,000,000.00	1,000,000,000.00
16 WANJIAOTONG MTN001A	100	2016/3/9	5years	1,300,000,000.00	1,300,000,000.00
16 WANJIAOTONG MTN001B	100	2016/3/9	7years	700,000,000.00	700,000,000.00
16 WANJIAOKONG MTN002A	100	2016/7/11	5years	1,000,000,000.00	1,000,000,000.00
16 WANJIAOKONG MTN002B	100	2016/7/11	7years	2,000,000,000.00	2,000,000,000.00
WANJIAOKONG 01	100	2017/5/24	3+2	500,000,000.00	500,000,000.00
WANJIAOKONG 02	100	2017/5/24	5years	500,000,000.00	500,000,000.00
17 WANJIAO 03	100	2017/7/31	3+2	400,000,000.00	400,000,000.00
17 WANJIAO 04	100	2017/7/31	5years	600,000,000.00	600,000,000.00
17 WANJIAOKONG MTN002	100	2017/12/11	5years	1,500,000,000.00	1,500,000,000.00
18 WANJIAOKONG MTN001	100	2018/4/9	5years	1,500,000,000.00	1,500,000,000.00
18 WANJIAOKONG MTN002	100	2018/9/10	5years	2,000,000,000.00	2,000,000,000.00
16 GAOSUDICHAN MTN001	100	2016/4/26	3years	500,000,000.00	500,000,000.00
16 GAOSUDICHAN MTN002	100	2016/6/29	3years	900,000,000.00	900,000,000.00

Bonds	Par value	Issue date	Bonds duration	Amount issued	31 December 2018
18 WANGAOSU (Small public offering)	100	2018/6/8	5years	1,000,000,000.00	1,000,000,000.00
18 WANGAOZHAI (Private placement)	100	2018/8/6	5years	500,000,000.00	500,000,000.00
19 WANJIAOKONG MTN001A	100	2019/8/12	5years	800,000,000.00	-
19 WANJIAOKONG MTN001B	100	2019/8/12	7years	200,000,000.00	-
19 WANJIAOKONG MTN002	100	2019/11/18	10years	1,000,000,000.00	-
USD bonds	100	2018/9/13	3years	2,388,833,992.06	2,384,210,561.26
Subtract : due within one year	-	-	-	4,100,000,000.00	5,300,000,000.00
Total	-		-	22,788,833,992.06	19,584,210,561.26

(Continued)

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Amortisation of premium /discount	Repayment during the reporting period	31 December 2019
14 WANGAOSU MTN001	-	-	-	1,900,000,000.00	-
14 WANGAOSU MTN002	-	-	-	1,000,000,000.00	-
15 WANGAOSU MTN001	-	-	-	-	1,000,000,000.00
15 WANGAOSU MTN001	-	-	-	-	500,000,000.00
15 WANGAOSU MTN002	-	-	-	-	2,200,000,000.00
14 WANJIAOTOU MTN001	-	-	-	1,000,000,000.00	-
16 WANJIAOTONG MTN001A	-	-	-	-	1,300,000,000.00
16 WANJIAOTONG MTN001B	-	-	-	-	700,000,000.00
16 WANJIAOKONG MTN002A	-	-	-	-	1,000,000,000.00
16 WANJIAOKONG MTN002B	-	-	-	-	2,000,000,000.00
WANJIAOKONG 01	-	-	-	-	500,000,000.00
WANJIAOKONG 02	-	-	-	-	500,000,000.00
17 WANJIAO 03	-	-	-	-	400,000,000.00
17 WANJIAO 04	-	-	-	-	600,000,000.00
17 WANJIAOKONG MTN002	-	-	-	-	1,500,000,000.00
18 WANJIAOKONG MTN001	-	-	-	-	1,500,000,000.00
18 WANJIAOKONG MTN002	-	-	-	-	2,000,000,000.00
16 GAOSUDICHAN MTN001	-	-	-	500,000,000.00	-
16 GAOSUDICHAN MTN002	-	-	-	900,000,000.00	-
18 WANGAOSU (Small public offering)	-	-	-	-	1,000,000,000.00

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Amortisation of premium /discount	Repayment during the reporting period	31 December 2019
18 WANGAOZHAI (Private placement)	-	-	-	-	500,000,000.00
19 WANJIAOKONG MTN001A	800,000,000.00	-	-	-	800,000,000.00
19 WANJIAOKONG MTN001B	200,000,000.00	-	-	-	200,000,000.00
19 WANJIAOKONG MTN002	1,000,000,000.00	-	-	-	1,000,000,000.00
USD bonds	-	124,927,454.97	79,225,118.35	-	2,429,912,897.88
Subtract : due within one year	-	-	-	-	4,100,000,000.00
Total	2,000,000,000.00	124,927,454.97	79,225,118.35	5,300,000,000.00	17,529,912,897.88

Note:

1. On April 10, 2014, the Company issued *14WANGAOSUMTN001* (5-year period) medium-term notes of RMB 1.9 billion via China Citic Bank Co. and China Everbright Bank Co., Ltd. The bonds have fixed interests rate of 6.38%, with the value date at April 11, 2014, and redemption date at April 11, 2019, and the bond have been redeemed during the reporting period.

2. On July 16, 2014, the Company issued *14WANGAOSUMTN002* medium-term notes of RMB 1 billion via China CITIC Bank Co., Ltd. and China Everbright Bank Co., Ltd. The bonds have fixed interests rate of 5.70%, with the value date at July 17, 2014, and redemption date at July 17, 2019, and the bond have been redeemed during the reporting period.

3. On February 12, 2015, the Company issued *15WANGAOSUMTN001* (5-year) medium-term notes of RMB 1 billion and *15WANGAOSUMTN001* (7-year) medium-term notes of RMB 0.5 billion via China Citic Bank and China Everbright Bank. The bonds have fixed interests rate of 4.85% and 5.19% respectively. The value date is February 16, 2015.

4. On May 18, 2015, the Company issued *15WANGAOSUMTN002* medium-term notes of RMB 2.2 billion via China Citic Bank and China Everbright Bank. The bonds have fixed interests rate of 4.40% for a period of 5 years. The value date is May 20, 2015.

5. On May 27, 2014, the Company issued *14WANGAOSUMTN001* medium-term notes of RMB 1 billion via Bank of Communications and the China Development Bank Co. Ltd. The bonds have fixed interests rate, for a period of 5 years and a coupon rate of 6.45%. The value date is May 28, 2014, and the bond have been redeemed during the reporting period.

6. On March 9, 2016, the Company issued *16WANGJIAOTONGMTN001A* medium-term notes of RMB 1.3 billion via China Everbright Bank. The bonds have fixed interests rate, for a period of 5 years and a coupon rate of 3.47%. The value date is March 10, 2016.

7. On March 9, 2016, the Company issued 16WANGJIAOTONGMTN001B medium-term notes of RMB 700 million via China Everbright Bank. The bonds have fixed interests rate, for a period of 7 years and a coupon rate of 3.99%. The value date is March 10, 2016.

8. On July 11, 2016, the Company issued *16WANJIAOKONGMTN002A* medium-term notes of RMB 1 billion via China Everbright Bank and Agricultural Bank of China. The bonds have fixed interests rate, for a period of 5 years and a coupon rate of 3.30%. The value date is July 13, 2016.

9. On July 11, 2016, the Company issued *16WANJIAOKONGMTN002B* medium-term notes of

RMB 2 billion via China Everbright Bank and Agricultural Bank of China. The bonds have fixed interests rate, for a period of 7 years and a coupon rate of 3.67%. The value date is July 13, 2016.

10. On May 24, 2017, the Company issued *WANJIAOKONG01* medium-term notes of RMB 500 million via Guotai Junan Securities Co., Ltd. The bonds have fixed interests rate, for a period of 5 years (the issuer has the option to adjust the coupon rate and the investor has the option to sell back at the end of the third year) and a coupon rate of 4.95%. The value date is May 24, 2017.

11. On May 24, 2017, the Company issued *WANJIAOKONG02* medium-term notes of RMB 500 million via Guotai Junan Securities Co., Ltd. The bonds have fixed interests rate, for a period of 5 years and a coupon rate of 5.10%. The value date is May 24, 2017.

12. On July 31, 2017, the Company issued 17WANJIAO03 medium-term notes of RMB 400 million via Guotai Junan Securities Co., Ltd. The bonds have fixed interests rate, for a period of 5 years (the issuer has the option to adjust the coupon rate and the investor has the option to sell back at the end of the third year) and a coupon rate of 4.50%. The value date is July 31, 2017.

13. On July 31, 2017, the Company issued 17WANJIAO04 medium-term notes of RMB 600 million via Guotai Junan Securities Co., Ltd. The bonds have fixed interests rate, for a period of 5 years and a coupon rate of 4.70%. The value date is July 31, 2017.

14. On December 11, 2017, the Company issued *17WANJIAOKONGMTN002* poverty reduction medium-term notes of RMB 1.5 billion via China Development Bank Co., Ltd. and China Merchants Bank Co., Ltd. The bonds have fixed interests rate, for a period of 5 years and a coupon rate of 5.42%, with the value date at December 13, 2017, and the redemption date at December 13, 2022.

15. On April 9, 2018, the Company issued *18WANJIAOKONGMTN001* poverty reduction medium-term notes of RMB 1.5 billion via China Development Bank Co., Ltd. and China Merchants Bank Co., Ltd. The bonds have fixed interests rate, for a period of 5 years and a coupon rate of 4.99%, with the value date at April 11, 2018, and the redemption date at is April 10, 2023.

16. On September 10, 2018, the Company issued *18WANJIAOKONGMTN002* poverty reduction medium-term notes of RMB 2 billion via China Development Bank Co., Ltd. and China Merchants Bank Co., Ltd. The bonds have fixed interests rate, for a period of 5 years and a coupon rate of 4.88%, with the value date at September 12, 2018, and the redemption date at September 12, 2023.

17. On April 22, 2016, the Company issued *16GAOSUDICHANMTN001* medium-term notes RMB of 500 million via Shanghai Pudong Development Bank Co., Ltd. and Industrial Bank Co., Ltd. The bonds have fixed interests rate, for a period of 3 years and a coupon rate of 4.39%. The value date is April 26, 2016, and the bond have been redeemed during the reporting period.

18. On June 28, 2016, the Company issued *16GAOSUDICHANMTN002* medium-term notes of RMB 900 million via Shanghai Pudong Development Bank Co., Ltd. and Industrial Bank Co., Ltd. The bonds have fixed interests rate, for a period of 3 years and a coupon rate of 3.22%. The value date is September 29, 2016, and the bond have been redeemed during the reporting period.

19. On June 8, 2018, the Company issued *18WANGAOSU* (Small public offering) corporate bonds of RMB 1 billion via Huafu Securities Co., Ltd. The bonds have fixed interests rate, for a period of 5 years with a coupon rate of 5.60%. The value date is June 9, 2018.

20. On August 6, 2018, the Company issued *18WANGAOSU* (Private placement) corporate bonds of RMB 500 million via Huafu Securities Co., Ltd. The bonds have fixed interests rate, for a period of 3 years with a coupon rate of 5.50%. The value date is August 7, 2018.

21. On August 12, 2019, the Company issued *19WANGJIAOKONGMTN001A* medium-term notes of RMB 800 million via Industrial Bank Co., Ltd.. The bonds have fixed interests rate, for a period of 5 years with a coupon rate of 3.8%. The value date is August 14, 2019, and the redemption date is August 14, 2024.

22. On August 12, 2019, the Company issued *19WANGJIAOKONGMTN001B* medium-term notes of RMB 200 million via Industrial Bank Co., Ltd.. The bonds have fixed interests rate, for a period of 7 years with a coupon rate of 4.09%. The value date is August 14, 2019, and the redemption date is August 14, 2024.

23. On November 18, 2019, the Company issued *19WANGJIAOKONGMTN002* medium-term notes of RMB 1 billion via Industrial Bank Co., Ltd.. The bonds have fixed interests rate, for a period of 10 years with a coupon rate of 4.35%. The value date is November 20, 2019, and the redemption date is November 20, 2029.

24. On September 13, 2018, the Company's subsidiary Traffic Control (HK) issued USD bonds for a period of 3 years via Industrial and Commercial Bank of China (Asia) Limited,which total issuance amount was USD 350 million and coupon rate was 4.875%.

8.34. Long-term Payables

(a) Long-term payables by category

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Long-term payables	872,467,586.84	2,516,792,831.77	2,678,389,286.03	710,871,132.58
Specific items payable	428,591,614.70	19,576,215.95	37,942,763.44	410,225,067.21
Total	1,301,059,201.54	2,536,369,047.72	2,716,332,049.47	1,121,096,199.79

(b) Long-term payables (Top five items at December 31, 2019)

Items	31 December 2019	31 December 2018
Total	629,772,134.29	744,131,214.52
Including:1.Cccc Third Highway Engineering Co., Ltd.	193,200,000.00	193,200,000.00
2.Xuancheng Traffic Investment Co., Ltd.	156,899,619.04	283,265,993.45
3.Finance lease payables	143,642,515.25	131,635,221.07
4.Wuhu Traffic Investment Co., Ltd.	76,030,000.00	76,030,000.00
5. Langxi Traffic Construction Development Co., Ltd.	60,000,000.00	60,000,000.00

(c) Specific items payable (Top five items at December 31, 2019)

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Total	236,621,422.94	14,519,900.00	3,624,570.75	247,516,752.19
Including : 1.Local government investment (borrow pit gap)	92,233,095.00	-	-	92,233,095.00
2.The passenger terminal construction special subsidy funds	76,017,120.00	14,517,200.00	1,681,300.00	88,853,020.00
3.Restructuring costs	41,638,288.03	-	1,443,270.75	40,195,017.28
4.Compensation for demolition of the square in front of the railway station	18,553,744.72	2,700.00	-	18,556,444.72
5.Yuanyang company employees resettlement fees	8,179,175.19	-	500,000.00	7,679,175.19

8.35. Estimated Liabilities

Items	31 December 2019	31 December 2018
Estimsted loss of default on delivery	15,738,682.30	18,314,587.75
Total	15,738,682.30	18,314,587.75

Note: The estimated liability is the default penalty for the construction and delivery of houses in the Company's subsidiary, Chuzhou Huishang Investment Development Co., Ltd.

8.36. Deferred Income

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Santong Yiping billing fee note1	5,796,773.33	-	691,439.44	5,105,333.89
Construction subsidy note2	28,589,732.33	-	2,172,787.68	26,416,944.65
Government subsidy for delivery Group Corporation note3	219,291,171.13	35,045,055.47	22,131,993.05	232,204,233.55
Railway Bridge subsidy on Ningji Road note4	54,553,200.00	-	2,098,200.00	52,455,000.00
Hefei Road Port Integrated Logistics Base note5	924,999.98	-	33,333.36	891,666.62
Wanjiang Integrated Logistics Park Project note6	6,070,666.64	-	263,766.65	5,806,899.99
Anhui Logistics Information Public Platform note7	415,908.54	-	415,908.54	-
Total	315,642,451.95	35,045,055.47	27,807,428.72	322,880,078.70

Note:

1. Santong Yiping billing fee is the Company's subsidiary, Anhui Chaohu Development & Investment Co., Ltd., received the Santong Yiping billing fee from Chaohu Juchao District Non-tax Revenue Administration Bureau June 2007, June 2009 and October 2009, total of RMB

24,028,600.00. Expenses are allocated according to the proportion of the sold housing area to the total available for sale area.

2. Construction subsidy is the Company's subsidiary, Wantong Company, received construction subsidy of RMB 50,000,000.00 for Ninghuai Expressway Tianchang section from Jiangsu Expressway Construction Headquarters, which belongs to Transport Department of Jiangsu Province, in 2007. Besides, the Wantong Company received the government grants RMB of 4,000,000.00 in 2010 for Hening Expressway and Gaojie Expressway from Anhui Highway Administration Bureau, which belongs to Transport Department of Anhui Province.

3. Anhui Transportation Group Co., Ltd. and its subsidiaries received government grants as following:

In 2019, Chuzhou Automotive increased government grants totaling of RMB 11,273,900.00 for subsidy of bus purchase, including (i) Quanjiao City Bus Branch received a subsidy of RMB6,410,000.00 for purchasing 12 vehicles, which was amortized in 6 years and the amortization in 2019 is RMB 737,289.00. (ii) Quanjiao City Bus Branch received a subsidy of RMB 4,863,900.00 for bus smart system upgrade costs, which was amortized in 5 years, and had not amortized in 2019.

In 2019, Chuzhou Intercity Bus increased government grants totaling of RMB 11,257,155.47 for subsidy of bus purchase, including (i)RMB 5,552,900.00 is the rest part subsidy of purchasing 30 vehicles in 2018 from local governments, which was amortized in 6 years and the amortization in 2019 is RMB 2,136,000.00. (ii) RMB 2,448,255.47 is the local government car purchase subsidy received by the 13 vehicles purchased by the government in 2019, and the amortization in 2019 is RMB 153,015.97. The remaining RMB 3,256,000.00 is the local government car purchase subsidy for purchasing 30 vehicles, received in December 2019, and had not amortized in 2019.

Dingyuan Urban and Rural Bus Co., Ltd. increased government grants "Urban and rural road passenger transport integration demonstration county construction" of RMB10,750,000.00, which was amortized in 8 years from May 2019, and the amortization in 2019 is RMB 895,833.00.

4. According to *Anhui provincial development and Reform Commission notice about HEFUHANGHUANG railway and Ningji expressway cross engineering investment meeting* (Anhui Development Foundation Letter [2013] 1442), the Company received additional compensation for investment of RMB 62,946,000.00 for changing Ningji Expressway to overhead bridge. This has been started to amortize for 30 years in non-operating income from 2017.

5. The subsidy fund for the Hefei Road Port Integrated Logistics Base: The Company's subsidiary, Anhui Xunjie Logistics Feidong Co., Ltd., received a subsidy fund of RMB 1,000,000.00 in 2016 from the Feidong County Finance Bureau for the Hefei Road Harbor Comprehensive Logistics Base subsidy project.

6. The Wanjiang Integrated Logistics Park project subsidy: The Company's subsidiary Anhui Xunjie Wanjiang Logistics Co., Ltd. received a subsidy fund of RMB 3,680,000.00 in 2013 and RMB 4,466,000.00 in 2017 respectively for the Wanjiang Integrated Logistics Park project fixed investment from the Management Committee of the Industrial Transfer Model Park in Ma'anshan. Besides, and the Company received subsidy payments of RMB 2,000,000.00 for the Wanjiang Integrated Logistics Park project from the Ma'anshan Finance Bureau in 2015.

7. The Anhui Logistics Information Public Platform Subsidy Fund : The Company received a

subsidy fund of RMB 2,000,000.00 from the Xinzhan Finance Bureau of Hefei City for logistics information platform construction in 2008.

8.37. Other Non-current Liabilities

Items	31 December 2019	31 December 2018
Guangde Traffic Investment Co., Ltd.	70,000,000.00	70,000,000.00
Total	70,000,000.00	70,000,000.00

8.38. Share capital

Name of shareholders	31 December 2018		Increase during the reporting period	Decrease during the reporting period	31 December 2019	
	Contribution	Proportion (%)			Contribution	Proportion (%)
Anhui Provincial State-owned Assets Supervision and Administration Commission	16,000,000,000.00	100.00	-	-	16,000,000,000.00	100.00
Total	16,000,000,000.00	100.00	-	-	16,000,000,000.00	100.00

8.39. Other Equity Instruments

Financial instruments issued	31 December 2018		Increase during the reporting period		Decrease during the reporting period		31 December 2019	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
16WANJIAOKONG MTN003	10,000,000.00	1,000,000,000.00	-	-	-	-	10,000,000.00	1,000,000,000.00
17WANJIAOKONG MTN001	10,000,000.00	1,000,000,000.00	-	-	-	-	10,000,000.00	1,000,000,000.00
Total	20,000,000.00	2,000,000,000.00	-	-	-	-	20,000,000.00	2,000,000,000.00

8.40. Capital Reserves

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
(a) Capital premium	4,453,129,500.12	-	865,073.34	4,452,264,426.78
(b) Other capital reserves	38,656,581,907.22	2,982,791,494.04	-	41,639,373,401.26
I. Changes in other equity of investees	290,329,950.70	-	-	290,329,950.70
II. Others	38,366,251,956.52	2,982,791,494.04	-	41,349,043,450.56
(c) Capital reserves of original policy transferred in	227,942,766.63	-	-	227,942,766.63
Total	43,337,654,173.97	2,982,791,494.04	865,073.34	46,319,580,594.67

Changes and relevant reasons for capital reserves during the reporting period:

1. The Company received RMB 1,848,600,000.00 from the Ministry of Communications' vehicle purchase tax subsidy for local transportation key projects. Including: construction fund for Chizhou Changjiang River Highway Bridge Construction of RMB 154,000,000.00, construction fund for Jingtai Expressway (Fangxing Avenue to Mayan) Reorganization and Expansion of RMB 582,200,000.00, construction fund for Wuhu to Hefei Expressway (Lintou to Longxi Section) Reorganization and Expansion of RMB 612,400,000.00, construction fund for Chizhou to Qimen Expressway (Chuzhou to Dingyuan Section) Construction of RMB 147,000,000.00, construction fund for G3W Dezhou to Shangrao Expressway (Chizhou to Qimen Section) Construction of RMB 500,000,000.00.

2. The Company received the registered capital ,RMB 594,000,000.00, of provincial transportation enterprises from Anhui Provincial Finance Department.

3. The Company received state-owned capital operating funds of RMB 100,000,000.00 of Wuhuang project.

4. The Company received subsidy of RMB 224,144,000.00 of cancel provincial toll station.

5. The Company recovered the receivables RMB 1,750,000.00 from Tongling Transportation Bureau, Laianand Transportation Bureau and Nanling Transportation Bureau, which are original written-off through capital reserve.

6. The Company's subsidiaries Anhui Hezong Expressway Co., Ltd. and Anhui Yuehuang Expressway Co., Ltd. received the fund of RMB 420,000,000.00 from Ministry of Communications this period. The Company recognized RMB 214,200,000.00 based on the shareholding ratio.

7. The Company's subsidiary Anhui Xunjie Logistics Co., Ltd. acquired the minority interest of Anhui Gaoyuan Logistics Co., Ltd. in 2019. The difference between the newly acquired long-term equity and the proportion of net asset of the subsidiary which shall be continuously calculated from the acquisition date according to the newly acquired shareholding which reduced the capital reserve by RMB 223,199.81.

8. The Company's subsidiary Anhui Transportation Group Co., Ltd. acquired the minority interest of Wangjiang Urban and Rural Bus Co., Ltd. in 2019. The difference between the newly acquired long-term equity and the proportion of net asset share of the subsidiary which shall be continuously calculated from the acquisition date according to the newly acquired shareholding which reduced the capital reserves by RMB 641,873.53.

9. The Company's subsidiary Anhui Transportation Group Co., Ltd. received previous period housing reform payment which increased capital reserves by RMB 97,494.04.

8.41. Other Comprehensive Income

Items	31 December 2018	Changes of accounting policy	1 January 2019	Changes during the reporting period					31 December 2019
				Amount before tax	Less: Items previously recognised in other comprehensive income being reclassified to current profit or loss	Less: Income tax expenses	Attributable to owners of the Company	Attributable to non-controlling interest	
I. Other comprehensive	-20,235,201.37	-	-20,235,201.37	-20,768,476.57	-	-5,192,119.15	-4,926,801.85	-10,649,555.57	-25,162,003.22

income will not be reclassified into profit or loss									
Changes in fair value of other comprehensive income	-20,235,201.37	-	-20,235,201.37	-20,768,476.57	-	-5,192,119.15	-4,926,801.85	-10,649,555.57	-25,162,003.22
II. Other comprehensive income will be reclassified into profit or loss	998,909,067.81	-	998,909,067.81	153,343,905.04	-	38,106,684.52	115,237,220.52	-	1,114,146,288.33
Including: Other comprehensive income will be reclassified into profit or loss under equity method	2,232,913.10	-	2,232,913.10	2,168,489.42	-	-	2,168,489.42	-	4,401,402.52
Gains /(losses) arising from changes in fair value of available-for-sale financial assets	996,676,154.71	-	996,676,154.71	151,175,415.62	-	38,106,684.52	113,068,731.10	-	1,109,744,885.81
Total	978,673,866.44	-	978,673,866.44	132,575,428.47	-	32,914,565.37	110,310,418.67	-10,649,555.57	1,088,984,285.11

8.42. Specific Reserves

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019	Note
Safety production fund	41,836,390.37	26,938,855.49	13,137,534.44	55,637,711.42	-
Total	41,836,390.37	26,938,855.49	13,137,534.44	55,637,711.42	-

8.43. Surplus Reserves

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Statutory surplus reserves	785,741,765.99	216,484,854.08	-	1,002,226,620.07
Total	785,741,765.99	216,484,854.08	-	1,002,226,620.07

Note: Reasons for Surplus reserves increase during the reporting period: Pursuant to the Company Law and Articles of Association, the Company appropriates 10% of net profit to the statutory surplus reserves.

8.44. Retained earning

Items	2019	2018
Balance at the beginning of the reporting period (Before the adjustment)	9,179,174,042.83	7,374,380,816.48
Add: adjustment	766,241.24	3,974,364.09
Balance at the beginning of the reporting period (After the adjustment)	9,179,940,284.07	7,378,355,180.57
Increase during the reporting period	2,480,165,338.64	2,526,013,455.80
Including: transfer-in of net profit of the reporting period	2,480,165,338.64	2,526,013,455.80

Items	2019	2018
Decrease during the reporting period	720,013,854.08	725,194,593.54
Including: appropriation to surplus reserves during the reporting period	216,484,854.08	238,733,964.90
Cash dividend distribution during the reporting period	503,529,000.00	486,035,000.00
Other decreases	-	425,628.64
Balance at the ending of the reporting period	10,940,091,768.63	9,179,174,042.83

Note:

1. Adjustments for the opening balance are as follows:

In 2019, Due to the Company's subsidiary Anhui Transport Consulting & Design Institute Co., Ltd. had adopted the new financial instrument standards, the Company adjusted the consolidated financial statements as at January 1, 2019, including 501,780,000.00 yuan in held-for-trading financial assets, -500,000,000.00 yuan in other current assets, -72,000.00 in available-for-sale financial assets, 145,712.27 yuan in other non-current financial assets, 278,056.84 yuan in deferred tax liabilities, 1,853,712.27 yuan in gains from changes in fair value and 278,056.84 yuan in income tax expense. Therefore, the group adjusted retained earnings at the beginning of the reporting period of 766,241.24 yuan, and owner's equity attributable to the non-controlling interests of 809,414.19 yuan.

2. The amount of cash dividends distributed in the reporting period includes RMB 409,929,000.00 of income of state-owned capital paid to the SASAC of Anhui Province in 2019 and RMB 93,600,000.00 of accrued interest on perpetual capital securities..

8.45. Revenue and Cost of Sales

(a) Classification

Items	2019		2018	
	Revenue	Cost of Sales	Revenue	Cost of Sales
Subtotal of principal businesses	34,927,336,243.94	22,894,195,634.87	30,792,953,883.82	19,462,212,590.14
Including: highway bridge operation	18,546,456,454.85	9,236,851,027.86	16,778,467,833.73	7,705,558,862.75
Real estate development	5,040,333,772.33	3,447,902,760.39	3,187,479,365.99	1,987,205,275.66
Selling of gasoline, diesel oil and lubricating oil	6,468,824,704.94	6,021,733,191.20	6,209,768,001.06	5,849,105,566.38
Media advertising business	137,868,910.88	38,084,732.94	153,904,214.42	44,734,614.08
Selling of engineering material	330,093,005.53	356,202,511.96	316,705,152.86	325,663,385.03
Engineering survey design and consultation service	1,070,120,620.40	593,249,847.74	1,126,871,592.15	828,555,368.35
Road logistics	406,752,870.48	383,516,284.44	606,998,799.13	594,396,446.95
Road passenger transport	778,270,811.16	1,073,659,447.80	782,079,065.14	988,732,361.95
Selling of vehicles	445,670,833.89	444,812,259.21	400,688,523.02	386,535,359.12

Items	2019		2018	
	Revenue	Cost of Sales	Revenue	Cost of Sales
Building construction	336,609,088.77	309,230,561.13	331,672,556.42	296,565,473.11
Others	1,366,335,170.71	988,953,010.20	898,318,779.90	455,159,876.76
Subtotal of other business	411,592,883.93	188,613,989.41	359,549,646.09	163,621,827.48
Including: Leasing business	164,423,910.13	46,892,433.62	150,364,887.97	61,348,375.50
Rescue business	5,941,816.06	1,586,630.70	6,284,314.07	1,837,194.14
Driving training	47,123,945.84	39,805,233.47	51,892,742.37	42,592,299.79
Others	194,103,211.90	100,329,691.62	151,007,701.68	57,843,958.05
Total	35,338,929,127.87	23,082,809,624.28	31,152,503,529.91	19,625,834,417.62

(b) Construction contract

Top ten revenue from construction contracts during the reporting period

Project	Total contract revenue	Total contract cost	Percentage of completion (%)	Accumulated contract revenue recognised	Accumulated contract cost recognised
Fixed cost contract:					
1.190303 2019 Xupingnan Expressway Road Surface renovation Project Section 02	87,847,058.51	86,090,117.34	77.24	67,849,186.72	66,492,171.66
2.Changfeng County Gangji Town Collective Land Rental Housing Project	117,704,046.24	104,286,023.01	54.94	59,324,437.03	57,292,112.59
3.JA2019003-Wuhan to Jianli Expressway Honghu to Jianli Expressway Traffic Safety Project Section HJJA-2	88,949,307.05	87,771,684.41	63.83	56,815,603.43	56,022,338.27
4.Quanjiao Jingweiyipin No.15 and No.16 building	120,660,000.00	106,605,412.80	-	123,006,005.98	118,459,187.70
5.Zhongke Joint Venture Guangdong Refining and Chemical Integration EPC Project (zhanjiang)	60,000,000.00	53,053,874.95	97.90	53,889,157.66	51,939,020.14
6.Dongzhi County Dongrui Building Project	80,000,000.00	73,809,708.74	-	81,836,733.85	77,769,448.18
7. 2019027-YH018 2019-2020 Anhui Part Expressway Road Surface Repair and Maintenance Project (Anqing Branch Center)	97,829,891.76	92,938,397.17	26.98	26,391,586.87	25,073,195.38
8.2018 Service Area Cultural and Creative Project Luanbei Center (Changlingguan, Tiantangzhai, Meishan, Xinqiao)	25,142,770.00	21,048,112.49	100.00	23,066,760.72	21,048,112.49
9. 2019093-YH053 Zhejiang Shenjia Huhang Expressway Yongzhou Expressway 2019 Maintenance Project Section 2	22,071,769.00	21,630,333.62	81.98	19,274,526.49	17,732,564.37
10.2018-Jingzang Expressway Shizuishan to Zhongning Section Reconstruction and Expansion, Mahuanggou to Wangyuan Sectiontraffic Safety Facilities Project	29,717,997.00	29,344,472.95	61.69	18,346,633.54	18,102,602.71

(Continued)

Project	Aggregate recognised gross profit	Settlement price	Accumulated collection amount	Contract revenue recognised during the reporting period	Contract cost recognized during the reporting period
Fixed cost contract:					
1.190303 2019 Xupingnan Expressway Road Surface renovation Project Section 02	1,357,015.06	66,492,171.66	70,194,605.40	67,849,186.72	66,492,171.66
2.Changfeng County Gangji Town Collective Land Rental Housing Project	2,032,324.44	64,900,000.00	64,900,000.00	56,960,800.67	55,011,439.86
3.JA2019003-Wuhan to Jianli Expressway Honghu to Jianli Expressway Traffic Safety Project Section HJJA-2	793,265.16	74,555,725.00	70,822,939.31	56,815,603.43	56,022,338.27
4.Quanjiao Jingweiyipin No.15 and No.16 building	4,546,818.28	132,639,800.00	132,639,800.00	38,401,697.22	37,012,479.66
5.Zhongke Joint Venture Guangdong Refining and Chemical Integration EPC Project (zhanjiang)	1,950,137.52	51,723,020.00	51,723,020.00	37,634,612.20	36,224,938.32
6.Dongzhi County Dongrui Building Project	4,067,285.67	68,351,638.77	68,351,638.77	28,090,326.08	27,545,331.26
7. 2019027-YH018 2019-2020 Anhui Part Expressway Road Surface Repair and Maintenance Project (Anqing Branch Center)	1,318,391.49	-	-	26,391,586.87	25,073,195.38
8.2018 Service Area Cultural and Creative Project Luanbei Center (Changlingguan, Tiantangzhai, Meishan, Xinqiao)	2,018,648.23	24,612,233.68	24,612,233.68	19,866,451.42	17,879,806.28
9. 2019093-YH053 Zhejiang Shenjia Huhang Expressway Yongzhou Expressway 2019 Maintenance Project Section 2	1,541,962.12	26,068,585.00	22,172,831.00	19,274,526.49	17,732,564.37
10.2018-Jingzang Expressway Shizuishan to Zhongning Section Reconstruction and Expansion, Mahuanggou to Wangyuan Sectiontraffic Safety Facilities Project	244,030.83	24,957,991.00	16,943,881.00	18,346,633.54	18,102,602.71

8.46. Interest income

Items	2019	2018
Interest income	12,356,582.38	9,415,234.85
—deposit from other banks	-	-
—deposit from Central Bank	-	-
—lendings to banks and other financial institutions	-	-
—loans and advances	12,356,582.38	9,415,234.85
Including: personal loans and advances	7,843,658.50	6,984,621.57
Company loans and advances	4,512,923.88	2,430,613.28
Discounting of notes	-	-
—financial assets held under resale agreements	-	-
—bond investment	-	-
—others	-	-
Including: interest income of impsired financial assets	-	-

Items	2019	2018
Interest expenses	-	-
—deposit to other banks	-	-
—borrowing from Central Bank	-	-
—borrowings from banks and other financial institutionb	-	-
—absorbing deposits	-	-
—financial assets sold under repurchase agreements	-	-
—issuing bonds	-	-
—others	-	-
Net income of interest	12,356,582.38	9,415,234.85

8.47. Selling and Distribution Expenses/ General and administrative Expenses/ Research and Development Expenses /Finance Costs

(a) Selling and Distribution Expenses

Items	2019	2018
Transportation expenses	3,563,046.57	2,463,605.59
Handling charges	14,050.91	8,790.89
Warehouse keeper expenses	62,178.50	76,093.05
Insurance premium	13,457.83	591,031.21
Advertising fee	48,378,146.25	38,562,945.49
Sales service charge	109,111,590.80	72,066,350.83
Employee compensation	425,082,225.39	322,246,855.11
Business expenses	4,221,490.47	651,848.01
Depreciation charge	49,123,758.69	52,089,315.99
Repair cost	20,271,073.84	18,472,988.33
Sample and Product Loss	-	7,359.22
Property management fee	53,282,237.17	50,149,891.04
Water and electricity costs	31,002,518.46	30,031,200.93
Amortization of low value and consumable goods	11,003,797.12	12,031,630.83
Vehicle use fee	3,056,850.68	3,170,948.83
Office expenses	6,851,324.52	1,638,056.02
Communication fee	6,130,112.14	4,303,718.16
Expenses on business trip	1,760,201.42	1,013,496.13

Items	2019	2018
Others	84,625,871.38	108,306,504.73
Total	857,553,932.14	717,882,630.39

(b) General and Administrative Expenses

Items	2019	2018
Employee compensation	667,299,718.77	572,121,225.56
Insurance premium	3,636,434.31	5,081,375.73
Depreciation charge	108,139,555.49	89,748,869.66
Repair cost	2,945,550.78	17,629,668.00
Amortization of intangible assets	17,046,522.83	27,078,490.87
Inventory loss	155,047.54	1,644.41
Business entertainment	9,622,309.94	10,491,825.34
Expenses on business trip	7,929,233.89	9,391,293.97
Office expenses	21,488,037.10	19,652,944.57
Conference fee	1,414,238.37	1,914,440.09
Litigation costs	757,211.44	1,194,229.85
Employ intermediary agencies	33,559,023.83	29,796,210.70
Consulting fee	3,955,389.50	4,445,595.34
Board of directors' expenses	3,455,124.28	3,299,505.61
Taxation	327,495.17	433,045.40
Vehicle use fee	13,043,647.78	10,823,894.46
Water and electricity	9,774,398.28	6,345,518.71
Amortization of long-term deferred expenses	4,957,083.84	3,288,407.56
Rental fee	7,871,907.76	4,000,051.52
Communication fee	2,618,264.47	2,766,468.61
Publicity fee	3,654,720.76	2,932,576.65
Amortization of low value and consumable goods	2,902,070.35	1,883,580.40
Spiritual civilization construction fee	673,507.17	97,243.60
Party construction cost	2,756,143.19	2,407,074.59
Others	76,013,450.05	69,509,907.38
Total	1,005,996,086.89	896,335,088.58

(c) Research and Development Expenses

Items	2019	2018
Employee compensation	55,258,194.08	48,958,226.56
Procurement expenditure	8,444,025.23	4,740,888.57
External experiments fee	6,598,510.77	4,194,685.23
Expenses on business trip & office expenses	2,135,986.25	2,331,213.38
Depreciation and amortization	1,888,224.59	1,767,391.12
Others	1,519,452.44	2,937,311.83
Total	75,844,393.36	64,929,716.69

(d) Finance Costs

Items	2019	2018
Interest expenses	5,327,154,567.34	5,603,099,057.49
Less: Interest income	523,543,045.86	601,658,246.38
Net interest expenses	4,803,611,521.48	5,001,440,811.11
Foreign exchange gains or losses	69,956,902.31	168,754,149.48
Bank charges or others	27,116,513.70	18,107,401.11
Total	4,900,684,937.49	5,188,302,361.70

8.48. Other Income

Items	2019	2018	Related to assets /income
Loss subsidies	166,679,830.06	121,278,408.20	Related to income
Oil subsidies	64,637,393.99	60,453,254.01	Related to income
Public transportation and vehicle subsidies	51,847,506.09	48,126,223.92	Related to income
Yuexi old station purchase and storage subsidies	25,000,000.00	-	Related to income
Amortization of station construction subsidies	21,613,700.71	25,117,645.98	Related to assets
Logistics land transfer income	14,526,703.32	-	Related to income
Transfer of funds for station construction	6,745,332.00	6,638,333.00	Related to income
Demolition and relocation compensation	7,278,324.23	9,056,492.45	Related to income
Policy subsidies	8,502,079.68	7,047,597.98	Related to income
Construction fund subsidies	2,172,787.68	2,172,787.68	Related to assets
Vehicle renovation subsidies	4,411,515.94	2,000,000.00	Related to assets
Tax return	3,975,349.47	3,591,255.89	Related to income
Post subsidies	4,383,428.41	1,037,255.98	Related to income
Three connections and one	691,439.44	649,186.73	Related to assets

Items	2019	2018	Related to assets /income
leveling lump sum charge			
Nursery stock, woodland subsidies	553,200.00	553,200.00	Related to income
Others	2,313,857.17	1,325,507.65	Related to income
Total	385,332,448.19	289,047,149.47	-

8.49. Investment Income

Items	2019	2018
Investment income from long-term equity investments under equity method	335,154,724.39	211,821,959.61
Gains on disposal of long-term equity investments	60,111,101.22	-2,145.12
Investment income from financial assets at fair value through profit or loss during holding period	8,601.20	-
Investment income from held-for-trading financial assets during holding period	15,692,651.66	-
Investment income from available-for-sale financial assets during holding period	67,230,193.05	41,333,517.68
Gains on disposal of available-for-sale financial assets	-	-35,193.31
Investment income from other equity instrument Investment during holding period	12,582,800.00	-
Others	8,856,340.02	52,619,191.03
Total	499,636,411.54	305,737,329.89

8.50. Gains on Changes in Fair Values

Items	2019	2018
Held-for-trading financial assets	13,942,846.00	-
Total	13,942,846.00	-

8.51. Impairment Loss of Credit

Items	2019	2018
Bad debt of receivables	-111,539,688.63	-2,711,811.54
Total	-111,539,688.63	-2,711,811.54

8.52. Impairment Loss of Assets

Items	2019	2018
Bad debt of receivables	-518,004,131.92	-104,838,655.82
Impairment of inventories	-57,120,455.75	-24,895,631.41
Impairment of goodwill	-	-33,278,382.66
Impairment of long-term equity investments	-301,099,516.33	-

Others	-2,799,377.38	-938,185.22
Total	-879,023,481.38	-163,950,855.11

8.53. Gains/ losses from Disposal of Assets

Items	2019	2018	Recognised in extraordinary gains and losses
Gains/(losses) from disposal of fixed assets, construction in progress, biological assets and intangible assets not classified as held for sale	4,551,156.44	49,518,620.33	4,551,156.44
Including: Gains/(losses) from disposal of fixed assets	4,415,478.42	49,518,620.33	4,415,478.42
Gains/(losses) from disposal of intangible assets	135,678.02	-	135,678.02
Total	4,551,156.44	49,518,620.33	4,551,156.44

8.54. Non-operating Income

Items	2019	2018	Recognised in extraordinary gains and losses
Profits from damage or scrapping of non-current assets	7,942,405.05	1,660,947.90	7,942,405.05
Receiving donations	-	626,957.00	-
Liquidated damages	17,801,765.47	35,289,974.65	17,801,765.47
Stocktaking surplus	9,856,079.79	8,051,341.94	9,856,079.79
Others	40,958,535.43	16,492,147.20	40,958,535.43
Total	76,558,785.74	62,121,368.69	76,558,785.74

8.55. Non-operating Expenses

Items	2019	2018	Recognised in extraordinary gains and losses
Losses from damage or scrapping of non-current assets	100,229,360.00	1,598,889.89	100,229,360.00
Donations	3,902,550.00	4,574,500.00	3,902,550.00
Penalty expenditure	2,923,449.28	1,149,657.81	2,923,449.28
Company cars transformation compensation	4,942,176.47	-	4,942,176.47
Losses from inventories stocktaking	32,617.93	288,514.48	32,617.93
Others	46,202,040.84	20,116,763.28	46,202,040.84
Total	158,232,194.52	27,728,325.46	158,232,194.52

8.56. Income tax expenses

Items	2019	2018

Items	2019	2018
Current tax expenses	1,603,337,795.11	1,259,056,988.81
Deferred tax expenses	-95,115,203.54	107,630,487.46
Total	1,508,222,591.57	1,366,687,476.27

8.57. Profit and loss of non-controling shareholders

The Group's subsidiaries	Level	Profit and loss of non-controling shareholders	
		2019	2018
Anhui Anlian Expressway Co., Ltd	Secondary	-2,168,589.40	-1,764,964.59
Shenzhen Anlian First Taiping Daiweisi Porperty Management Co., Ltd.	Tertiary	638,185.08	473,323.39
Anhui Wuyan Expressway Co., Ltd.	Secondary	-29,995,969.22	-25,062,323.49
Anhui Wangqian Expressway Co., Ltd.	Secondary	-5,894,765.26	-8,455,693.33
Anhui Liguang Expressway Co., Ltd.	Secondary	-14,492,433.79	-15,671,955.37
Anhui Yangji Expressway Co., Ltd.	Secondary	-22,263,718.23	-21,345,343.11
Anhui Expressway Real Estate Group Lianxin Investment Co., Ltd.	Tertiary	-3,182.87	-614,155.71
Anhui Expressway Tongning Development Co., Ltd.	Tertiary	-2,000,847.73	-1,134,166.89
Hefei Wantong Microfinance Co., Ltd.	Secondary	104,394.37	164,856.58
Anhui Expressway Petrochemical Co., Ltd.	Secondary	44,878,828.30	26,888,785.76
Anhui Wantong Expressway Co., Ltd.	Secondary	592,737,136.36	680,534,438.94
Anhui Machao Expressway Co., Ltd.	Secondary	30,294,505.53	24,983,599.23
Guoyang Bridge Development Co., Ltd.	Tertiary	-45,771.09	1,548,171.18
Anhui Transportation Holding Group Motor Transportation Co., Ltd.	Secondary	2,538,603.05	-1,686,097.13
Anhui Transport Consulting & Design Institute Co., Ltd.	Secondary	166,813,523.10	224,396,706.72
Anhui Jinggong Construction Group Co., Ltd.	Secondary	2,351,563.76	2,486,633.66
Anhui Gaoyuan Logistics Co., Ltd.	Tertiary	-	-80,441.41
Anhui Traffic Bomeng Highway Development Limited	Secondary	-61,291,971.31	-103,363,812.00
Gansu Tiancheng Daoqiao Survey and Design Co., Ltd.	Tertiary	416,320.18	-192,290.04
Hangzhou Tianda Engineering Survey and Design Co., Ltd.	Tertiary	-166,246.98	-
Anhui Transportation Holding Information Industry Co., Ltd.	Secondary	180,660.33	-
Total	-	702,630,224.18	782,105,272.39

8.58. Other Comprehensive Income Attributable to Owner's of the Parent Company

(a) Other comprehensive income items and their income tax impacts and transfer gains and

losses

Items	2019		
	Amount before tax	Income tax	Net amount after tax
I.Other comprehensive income which will not be reclassified into profit and loss	-6,569,069.14	-1,642,267.29	-4,926,801.85
1. Changes in fair value of other equity instruments investment	-6,569,069.14	-1,642,267.29	-4,926,801.85
Subtotal	-6,569,069.14	-1,642,267.29	-4,926,801.85
II.Other comprehensive income which will be reclassified into profit and loss	153,343,905.04	38,106,684.52	115,237,220.52
1. Portion of other comprehensive income in investee which will be reclassified into profit or loss under equity method	2,168,489.42	-	2,168,489.42
Less: previously recognized in other comprehensive income transferred into current profit or loss	-	-	-
Subtotal	2,168,489.42	-	2,168,489.42
2. Gain or loss from changes in fair value of available-for-sale financial assets	151,175,415.62	38,106,684.52	113,068,731.10
Less: previously recognized in other comprehensive income transferred into current profit or loss	-	-	-
Subtotal	151,175,415.62	38,106,684.52	113,068,731.10
Total of other comprehensive income	146,774,835.90	36,464,417.23	110,310,418.67

(Continued)

Items	2018		
	Amount before tax	Income tax	Net amount after tax
I.Other comprehensive income which will not be reclassified into profit or loss	-21,681,116.37	-5,420,279.09	-16,260,837.28
1. Changes in fair value of other equity instruments investment	-21,681,116.37	-5,420,279.09	-16,260,837.28
Subtotal	-21,681,116.37	-5,420,279.09	-16,260,837.28
II.Other comprehensive income which will be reclassified into profit or loss	-545,165,914.99	-127,755,859.02	-417,410,055.97
1. Portion of other comprehensive income in investee which will be reclassified into profit or loss under equity method	-32,366,655.26	-	-32,366,655.26
Less: previously recognized in other comprehensive income transferred into current profit or loss	-	-	-
Subtotal	-32,366,655.26	-	-32,366,655.26
2. Gain or loss from changes in fair value of available-for-sale financial assets	-511,810,269.23	-127,747,560.45	-384,062,708.78
Less: previously recognized in other comprehensive income transferred into current profit or loss	988,990.50	8,298.57	980,691.93

Items	2018		
	Amount before tax	Income tax	Net amount after tax
Subtotal	-512,799,259.73	-127,755,859.02	-385,043,400.71
Total of other comprehensive income	-566,847,031.36	-133,176,138.11	-433,670,893.25

(b) Adjustment of other comprehensive income

Items	Other comprehensive income which will not be reclassified into profit or loss under equity method	Gsin or loss from changes in fair value of available-for-sale financial assets	Changes in fair value of other equity instruments investment	Subtotal
I. Balance at 1st January 2018	34,599,568.36	1,381,719,555.42	-3,974,364.09	1,412,344,759.69
II.Changes in 2018 (decrease filled in with mark "-")	-32,366,655.26	-385,043,400.71	-16,260,837.28	-433,670,893.25
III.Balance at 1st January 2019 (before adjustment)	2,232,913.10	996,676,154.71	-20,235,201.37	978,673,866.44
Changes in accounting policies	-	-	-	-
IV. Balance at 1st January 2019 (after adjustment)	2,232,913.10	996,676,154.71	-20,235,201.37	978,673,866.44
V.Changes in 2019 (decrease filled in with mark "-")	2,168,489.42	113,068,731.10	-4,926,801.85	110,310,418.67
VI.Balance at 31 December 2019	4,401,402.52	1,109,744,885.81	-25,162,003.22	1,088,984,285.11

8.59. Borrowing costs

Capitalized asset items	Capitalization rate for the reporting period (only refer to the capitalization of general borrowing)	Capitalized amount during the reporting period
Chizhou Changjiang River Highway Bridge	2.8%	22,850,269.38
Chizhou Changjiang River Highway Bridge Line		28,495,851.58
Hewu Expressway Reconstruction and Expansion	5.23%	41,466,346.99
Hean Expressway Reconstruction and Expansion	4.43%	37,049,080.91
Hening Expressway Reconstruction and Expansion	1.20%	7,071,192.80
Wuhuang Expressway	4.42%	28,024,898.62
Chuzhou Westen Expressway	4.64%	3,933,107.50
Chiqi Expressway	4.32%	17,949,537.78
Chutian Expressway	1.48%	195,510.00
Hezong Expressway	5.23%	5,225,850.00

Capitalized asset items	Capitalization rate for the reporting period (only refer to the capitalization of general borrowing)	Capitalized amount during the reporting period
Feixi Expressway Times Royal Palace	5.35%	61,226,024.38
New Station Expressway Central Park	5.28%	53,581,338.54
Tongling Expressway Copper World	5.34%	14,819,942.70
Lu'an Expressway Times Royal Palace	5.22%	25,347,086.90
Times Square	5.04%	14,781,648.82
Baohe Project	5.04%	48,715,812.12
Chuzhou Expressway Park	5.33%	15,668,623.78
Expressway Times Mansion	5.96%	40,071,986.15
Yunshui Bay, Taiping Lake, Huangshan	5.12%	2,200,700.40
Anqing Expressway Bingjiang Capital	5.30%	31,002,592.37
Anqing Expressway Times Mansion	5.33%	44,353,778.79
Huoqiu Times Royal Palace	5.08%	3,521,306.27
Wuhu Expressway Easten Royal Palace	5.11%	39,548,401.62
Hefei Shushan West Lakeside	4.96%	41,900,195.98
Expressway Times Royal Palace	4.75%	60,093,744.44
Dongguan Gaobu Project	4.65%	53,181,635.43
Anhui Transportation Group Chuzhou Automobile Transport Co., Ltd. Dingyuan Branch passenger station	4.35%	1,468,125.00
Wanjiang Comprehensive Logistics Park	4.35%	35,645.84
Highway Port Comprehensive Logistics Park	5.49%	120,621.55
Wanbei Comprehensive Logistics Park	5.37%	20,664.08

8.60. Foreign currency translation

Items	2019	2018
Exchange differences recognised in current profit or loss	69,956,902.31	168,754,149.48

8.61. Lease

(a) Finance lease (lessor)

Remaining lease term	The minimum lease receivables
Within 1 year (Including 1 year)	699,709,260.30
1-2 years (Including 2 years)	518,861,249.65
2-3 years (Including 3 years)	290,221,407.31

Over 3 years	118,204,129.74
Total	1,626,996,047.00

(b) Operating lease (lessor)

Category of operating lease assets	Book value at 31 December 2019	Book value at 31 December 2018
Buildings and construction	3,460,870,109.06	2,554,421,841.03
Parking use right	83,881,472.49	48,229,610.35
Land-use right	1,688,646.19	1,737,830.07
Total	3,546,440,227.74	2,604,389,281.45

(c) Operating lease (lessee)

Remaining lease term	The amount of operating lease
Within 1 year (Including 1 year)	2,116,320.30
1-2 years (Including 2 years)	469,183.62
Total	2,585,503.92

8.62. Segment information

Items	Highway bridge operation business		Real estate development and building business	
	2019	2018	2019	2018
I. Operating income	19,551,158,809.72	17,845,252,965.89	5,598,186,588.45	3,876,143,604.58
Including: Revenue from external transaction	18,749,754,490.68	16,871,260,566.62	5,514,874,126.74	3,861,810,519.18
Revenue from transaction between segments	801,404,319.04	973,992,399.27	83,312,461.71	14,333,085.40
II. Investment income from associates and joint ventures	312,067,684.14	200,921,375.45	-	-4,134,200.72
III. Impairment loss of assets	-749,680,964.77	-39,015,582.42	-69,423,676.56	-17,765,152.69
IV. Impairment loss of credit	193,000.81	-322,769.56	-	-
V. Depreciation and amortization	6,470,409,622.54	5,686,250,715.80	102,738,586.68	73,256,849.13
VI. Total profits	3,553,469,695.67	3,682,992,800.88	768,887,948.17	551,198,937.32
VII. Income tax expenses	1,130,137,059.26	1,058,410,117.70	210,198,926.90	131,584,228.62
VIII.Net profits	2,423,292,871.23	2,624,582,683.18	558,689,021.27	419,614,708.70
IX. Total assets	239,952,526,045.54	237,609,673,314.59	34,523,787,098.49	30,269,531,143.46
X.Total liabilities	157,336,960,030.20	159,788,858,754.30	26,696,554,375.60	22,931,189,784.96
XI.Other significant non-cash item	147,279,322.10	1,110,422.86	-	-4,134,200.72

Items	Highway bridge operation business		Real estate development and building business	
	2019	2018	2019	2018
Including: Other non-cash items excluding depreciation and amortization	-	-	-	-
Increase in long-term equity investment of joint ventures and associates under equity method	147,279,322.10	1,110,422.86	-	-4,134,200.72

(Continued)

Items	Finance industry		Road area economy	
	2019	2018	2019	2018
I. Operating income	178,426,282.97	145,819,997.15	8,833,791,301.28	7,936,049,661.55
Including: Revenue from external transaction	109,449,003.58	76,910,585.82	7,847,946,917.18	7,362,223,663.37
Revenue from transaction between segments	68,977,279.39	68,909,411.33	985,844,384.10	573,825,998.18
II. Investment income from associates and joint ventures	-	-	-834,303.88	-1,113,050.20
III. Impairment loss of assets	-6,941,134.75	-2,761,663.30	-9,131,979.38	-3,302,900.01
IV. Impairment loss of credit	2,645,186.86	-2,389,041.98	-	-
V. Depreciation and amortization	586,052.85	328,641.36	244,627,915.38	224,952,061.80
VII. Total profits	105,283,884.39	91,173,376.81	249,909,864.56	147,770,178.15
VII. Income tax expenses	25,562,469.31	22,991,407.20	61,633,963.87	47,120,793.32
VIII.Net profits	79,761,180.26	68,181,969.61	188,275,900.69	100,649,384.83
IX. Total assets	3,538,799,561.07	3,236,305,756.71	7,544,947,572.27	7,258,244,619.08
X.Total liabilities	1,048,283,182.20	804,311,458.10	1,751,435,062.74	1,546,290,443.32
XI.Other significant non-cash item	-	-	-834,303.88	-1,113,050.20
Including: Other non-cash items excluding depreciation and amortization	-	-	-	-
Increase amount in long-term equity investment of joint ventures and associates under equity method	-	-	-834,303.88	-1,113,050.20

(Continued)

Items	Investigation and design business	Road passenger transportation business

	2019	2018	2019	2018
I. Operating income	1,619,104,797.73	1,648,842,617.39	1,786,083,346.13	1,806,565,852.10
Including: Revenue from external transaction	1,335,772,165.54	1,183,147,577.67	1,786,083,346.13	1,806,565,852.10
Revenue from transaction between segments	283,332,632.19	465,695,039.72	-	-
II. Investment income from associates and joint ventures	1,721,739.46	563,773.52	-78,882.03	1,844,113.67
III. Impairment loss of assets	-	-73,394,373.80	-43,826,100.92	-51,280,551.83
IV. Impairment loss of credit	-130,177,113.37	-	-	-
V. Depreciation and amortization	21,713,564.37	19,082,294.37	201,646,362.14	170,560,849.97
VIII. Total profits	379,683,174.69	516,241,890.63	-41,436,257.21	-44,500,542.34
VII. Income tax expenses	54,703,642.46	79,609,756.46	26,815,604.55	12,148,832.01
VIII.Net profits	324,979,532.23	436,632,134.17	-68,251,861.76	-56,649,374.35
IX. Total assets	3,410,386,418.98	3,106,074,173.54	3,078,819,602.51	2,938,775,415.91
X.Total liabilities	1,059,312,948.57	952,460,135.63	2,354,759,828.44	2,159,481,074.02
XI.Other significant non-cash item	1,721,739.46	563,773.52	-568,882.03	1,550,113.67
Including: Other non-cash items excluding depreciation and amortization	-	-	-	-
Increase amount in long-term equity investment of joint ventures and associates under equity method	1,721,739.46	563,773.52	-568,882.03	1,550,113.67

(Continued)

Items	Investment Management		Information System Integration	
	2019	2018	2019	2018
I. Operating income	-	-	15,018,310.03	-
Including: Revenue from external transaction	-	-	7,405,660.40	-
Revenue from transaction between segments	-	-	7,612,649.63	-
II. Investment income from associates and joint ventures	40,407,003.63	34,484,364.39		-
III. Impairment loss of assets	-	-	-19,625.00	-
IV. Impairment loss of credit	-	-		-
V. Depreciation and	383,511.42	360,644.00	31,764.20	-

Items	Investment Management		Information System Integration	
	2019	2018	2019	2018
amortization				
IX. Total profits	54,571,790.77	42,935,912.24	619,585.05	-
VII. Income tax expenses	42,883.18	4,246,525.38	189,174.96	-
VIII.Net profits	54,528,907.59	38,689,386.86	430,410.09	-
IX. Total assets	4,578,773,539.57	4,023,567,730.58	36,216,698.12	-
X.Total liabilities	245,591,009.34	107,819,328.74	5,786,288.03	-
XI.Other significant non-cash item	40,008,873.05	23,849,549.13	-	-
Including: Other non-cash items excluding depreciation and amortization	-	-	-	-
Increase amount in long-term equity investment of joint ventures and associates under equity method	40,008,873.05	23,849,549.13	-	-

(Continued)

Items	Offset		Total	
	2019	2018	2019	2018
I. Operating income	-2,230,483,726.06	-2,096,755,933.90	35,351,285,710.25	31,161,918,764.76
Including: Revenue from external transaction	-	-	35,351,285,710.25	31,161,918,764.76
Revenue from transaction between segments	-2,230,483,726.06	-2,096,755,933.90	-	-
II. Investment income from associates and joint ventures	-18,128,516.93	-20,744,416.50	335,154,724.39	211,821,959.61
III. Impairment loss of assets	-	23,569,368.94	-879,023,481.38	-163,950,855.11
IV. Impairment loss of credit	15,799,237.07	-	-111,539,688.63	-2,711,811.54
V. Depreciation and amortization	11,110,602.50	208,078,471.94	7,053,247,982.08	6,382,870,528.37
X. Total profits	-379,971,531.70	-313,006,349.23	4,691,018,154.39	4,674,806,204.46
VII. Income tax expenses	-1,061,132.92	10,575,815.58	1,508,222,591.57	1,366,687,476.27
VIII.Net profits	-378,910,398.78	-323,582,164.81	3,182,795,562.82	3,308,118,728.19
IX. Total assets	-44,171,089,036.25	-43,759,427,135.98	252,493,167,500.30	244,682,745,017.89
X.Total liabilities	-28,060,539,087.54	-28,135,423,645.01	162,438,143,637.58	160,154,987,334.06
XI.Other significant non-cash item	3,951,683.07	-43,272,796.50	191,558,431.77	-21,446,188.24

Items	Offset		Total	
	2019	2018	2019	2018
Including: Other non-cash items excluding depreciation and amortization	-	-	-	-
Increase amount in long-term equity investment of joint ventures and associates under equity method	3,951,683.07	-43,272,796.50	191,558,431.77	-21,446,188.24

Revenue from external transaction of products or labor services of the Company

Items	Revenue from external transaction	
	2019	2018
Highway bridge operating	18,546,456,454.85	16,778,467,833.73
Real estate development	5,040,333,772.33	3,187,479,365.99
Purchase and sale of gasoline, diesel oil and lubricating oil	6,468,824,704.94	6,209,768,001.06
Expressway media advertising business	137,868,910.88	153,904,214.42
Sales of engineering material	330,093,005.53	316,705,152.86
Engineering investigation design and consulting service	1,070,120,620.40	1,126,871,592.15
Road logistics	406,752,870.48	606,998,799.13
Road passenger transport	778,270,811.16	782,079,065.14
Vehicle marketing	445,670,833.89	400,688,523.02
Building construction	336,609,088.77	331,672,556.42
Net interest income of microfinance company	12,356,582.38	9,415,234.85
Lease business	164,423,910.13	150,364,887.97
Rescue business	5,941,816.06	6,284,314.07
Income of driving training	47,123,945.84	51,892,742.37
Others	1,560,438,382.61	1,049,326,481.58
Total	35,351,285,710.25	31,161,918,764.76

Note: Operating income in segment information includes the net interest income of the Company's subsidiarie, Wantong Microfinance Company and Wantong Pawnbroking Company.

8.63. Supplementary Information to the Statement of Cash Flows

(a) Supplementary information to the statement of cash flows

Supplementary information	2019	2018
(i) Adjustments of net profit to cash flows from operating activities:		
Net profit	3,182,795,562.82	3,308,118,728.19
Add: Provisions for impairment of assets	879,023,481.38	163,950,855.11
Impairment loss of credit	111,539,688.63	2,711,811.54
Depreciation of fixed assets, Investment Properties, oil and gas asset and productive biological assets	6,969,654,235.37	6,301,189,787.31
Amortisation of intangible assets	46,897,158.98	44,244,381.87
Amortisation of long-term deferred expenses	36,696,587.73	37,436,359.19
Losses/(gains) on disposal of fixed assets, intangible assets and other long-term assets	-4,551,156.44	-49,518,620.33
Losses/(gains) on scrapping of fixed assets	92,286,954.95	-62,058.01
Losses/(gains) on changes in fair value	-13,942,846.00	-
Finance costs /(income)	4,873,568,423.79	5,170,194,960.59
Investment losses /(income)	-499,636,411.54	-305,737,329.89
Decreases /(increases) in deferred tax assets	-305,274,059.45	-208,127,729.08
Increases /(decreases) in deferred tax liabilities	210,158,855.91	315,758,216.54
Decreases /(increases) in inventories	-1,809,517,649.42	-5,497,019,771.40
Decreases /(increases) in operating receivables	-844,601,211.92	1,154,940,611.74
Increases /(decreases) in operating payables	2,930,349,501.77	3,337,164,954.81
Others		-
Net cash flows from operating activities	15,855,447,116.56	13,775,245,158.18
(ii)Significant investing and financing activities not involving cash receipts and payments:	-	-
Conversion of debt into capital	-	-
Convertible corporate bonds maturing within one year	-	-
Fixed assets acquired under finance leases	-	-
(iii)Net increases in cash and cash equivalents:	-	-
Cash at the end of the reporting period	14,451,217,870.69	14,352,363,880.93
Less: Cash at the beginning of the reporting period	14,352,363,880.93	10,764,622,707.04
Add: Cash equivalents at the end of the reporting period	-	-
Less: Cash equivalents at the beginning of the reporting period	-	-
Net increase in cash and cash equivalents	98,853,989.76	3,587,741,173.89

(b) The components of cash and cash equivalents

Items	2019	2018

(i) Cash	14,451,217,870.69	14,352,363,880.93
Including: Cash on hand	3,093,524.57	3,423,385.83
Cash in bank available for immediate use	14,448,124,346.12	13,781,749,404.60
Other monetary funds available for immediate use	-	567,191,090.50
(ii) Cash equivalents		
Including: Bond investments maturing within three months	-	-
(iii) Cash and cash equivalents at the end of the reporting period	14,451,217,870.69	14,352,363,880.93
Including: Restricted cash and cash equivalents of the parent company and the subsidiaries of the group	-	-

8.64. Foreign Currency Monetary Items

Items	Carrying amount of foreign currency at 31 December 2019	Exchange rate	RMB at 31 December 2019
Cash and cash equivalents			140,849,068.07
Including: USD	18,725,259.53	6.9762	130,631,155.53
HKD	11,406,466.33	0.8958	10,217,912.54
Accounts receivable			4,739,931.09
Including: USD	679,443.12	6.9762	4,739,931.09
Long-term borrowings			977,039,490.67
Including: USD	138,616,244.64	6.9762	967,014,645.86
JPY	156,428,000.00	0.0641	10,024,844.81
Non-current liabilities maturing within one year			142,814,533.75
Including: USD	19,398,160.00	6.9762	135,325,443.79
JPY	116,860,000.00	0.0641	7,489,089.96
Bonds payable			2,429,912,897.88
Including: USD	348,314,683.92	6.9762	2,429,912,897.88

8.65. Restricted Assets

Items	Carrying amount at 31 December 2019	Reasons
Cash and cash equivalents	22,229,494.10	Security deposit of bank acceptance bills
	155,393,528.73	Performance bond
	121,699,875.11	Mortgage deposit
	10,946,417.31	Presale supervision funds
	44,271,413.12	Court frozen fund
	3,400,077.22	Quality deposit

Items	Carrying amount at 31 December 2019	Reasons
	201,791,560.00	Structured deposit over three months
	6,696,619.31	Interest accrued for fixed time deposit
	16,432,835.17	For other uses
Long-term receivables	222,954,407.65	Pledge and factoring of finance lease receivable
Inventories	3,033,864,168.39	For Mortgage loan
Fixed assets (Expressway)	120,846,002,986.95	Toll right of expressway as pledge guarantee for long-term borrowings
Fixed assets (Buildings, constructions and others)	412,999,227.42	For mortgage loan
Intangible assets (Land use right)	87,501,143.97	For pledge loan

Note 9. Contingencies

Significant contingencies existing at the balance sheet date:

9.1. Litigations of the Company's subsidiary, Anhui Anlian Expressway Co., Ltd.:

On July 19, 2011, Beijing Anlian Real Estate Development Co., Ltd. (hereinafter referred to as "Beijing Anlian") negotiated with Anhengda Co., Ltd. to sign the *Transaction Framework Arrangement Agreement* (hereinafter referred to as "Framework Agreement"), about the transfer of equity and rights of Beijing Century Pearl Real Estate Co., Ltd. (hereinafter referred to as "the project company") which is held by Beijing Anlian to Anhengda Co., Ltd. At the time of signing the agreement, Beijing Anlian not only holds 49.00% equity interest in the project company, but also has the exclusive right to acquire 31% of the 51.00% of the project company's equity, which is held by Zhongzhu Holdings Co., Ltd., the outsider of the case. The preliminary agreement stipulated in the Framework Agreement with a total transaction price of RMB 741.39 million. The total transaction price includes the amount of RMB 190,167,200 paid to a third party designated by Beijing Anlian, and the amount of RMB 552,122,000 paid to Beijing Anlian by Anhengda Company or Anhengda Company through the project company. After the signing of the Framework Agreement, Anhengda Company transferred 51.00% of the equity of the project company, but not actually transferred the 49.00% of the equity of the project company which is held by Beijing Anlian, and the remaining transaction price was not paid. In order to protect its own rights, Beijing Anlian filed the lawsuit in December 2013, to require Anhengda Company and its related parties (Guoao Company) to transfer the equity and pay the transaction price, liquidated damages, etc. In 2016, the court issued a final judgment on the lawsuit. After the final judgment and negotiation, Beijing Anlian and Anhengda Company transferred the equity of the project company to Guoao Company in October 2016, and Beijing Anlian recovered all the agreed price and fees. In November 2016, Beijing Anlian received relevant materials from the court, and heard that Anhengda Company sued Beijing Anlian as the defendant for civil litigation, demanding decree:

A. Beijing Anlian returned the prepaid equity transfer premium of RMB 150 million and interest to Anhengda Company;

B. Beijing Anlian paid a penalty due to the delay in submitting the industrial and commercial change registration documents and delaying the transfer of equity about RMB 127.44 million to Anhengda Company.

C. Beijing Anlian paid a penalty due to the delay in the transfer of project company and projects to Anhengda Company.

D. Beijing Anlian bears all litigation costs.

In August 2019, Beijing Third Intermediate People's Court made the first instance judgment after hearing:

A. Reject the claim of Beijing Anhengda Investment Co., Ltd.

B. Case acceptance fee and security fee shall be borne by Beijing Anhengda Investment Co., Ltd.

Due to dissatisfaction with the first-instance judgment, Anhengda Company appealed to the Beijing Higher People's Court and was accepted by the court (Case No: (2019) Jingmin Zhong No. 1453). The court of second instance held a court hearing on the case in November 2019. Till the date of the audit report, the court of second instance has not yet issued a judgment on the case.

9.2. Litigations of the Company's subsidiary, Anhui Expressway Real Estate Co., Ltd.:

(i) Huang Congjun asked Nantong Sijian Company to pay for the project of 490 thousand yuan and interest of 15 thousand yuan. Anhui Expressway Investment Co., Ltd. was responsible for the arrears. Through the first trial, second trial, retrial of first trial and retrial of second trial, the judgment required Anhui Expressway Investment Co., Ltd. to undertake liability within the scope of the arrears of the project payment. The judgment is currently being implemented. On November 12, 2019, Nantong Sijian had applied for a retrial. As of December 31, 2019, the case had not been closed.

(ii) Lei Changwu asked Nantong Sijian Company to pay for the project of 1.33 million yuan and interest of 40 thousand yuan. Anhui Expressway Investment Co., Ltd. was responsible for the arrears. Through the first trial, second trial, retrial of first trial and retrial of second trial, the judgment required Anhui Expressway Investment Co., Ltd. to undertake liability within the scope of the arrears of the project payment. The judgment is currently being implemented. On November 12, 2019, Nantong Sijian had applied for a retrial. As of December 31, 2019, the case had not been closed.

(iii) Wang Zhengzhang asked Nantong Sijian Company to pay for the project of 650 thousand yuan and interest of 20 thousand yuan. Anhui Expressway Investment Co., Ltd. was responsible for the arrears. Through the first trial, second trial, retrial of first trial and retrial of second trial, the judgment required Anhui Expressway Investment Co., Ltd. to undertake liability within the scope of the arrears of the project payment. The judgment is currently being implemented. On November 14, 2019, Nantong Sijian had applied for a retrial. As of December 31, 2019, the case had not been closed.

(iv) Zhang Ming asked Nantong Sijian Company to pay for the project of 700 thousand yuan and interest of 40 thousand yuan. Anhui Expressway Investment Co., Ltd. was responsible for the arrears. Through the first trial, second trial, retrial of first trial and retrial of second trial, on April 10, 2019, the second trial’s judgment required Anhui Expressway Investment Co., Ltd. to assume joint and several liability. The judgment is currently being implemented. On November 14, 2019, Nantong Sijian had applied for a retrial. As of December 31, 2019, the case had not been closed.

(v) Xu Tao asked Nantong Sijian Company to pay for the project of 1.43 million yuan and

interest of 90 thousand yuan. Anhui Expressway Investment Co., Ltd. was responsible for the arrears. Through the first trial, second trial, retrial of first trial and retrial of second trial, the judgment required Anhui Expressway Investment Co., Ltd. to undertake liability within the scope of the arrears of the project payment. The judgment is currently being implemented. Anhui Expressway Investment Co., Ltd. was previously listed as an executed person online, and now had been revoked. As of December 31, 2019, the case had not been closed.

(vi) Hefei Sanli Waterproof and Anti-corrosion Engineering Co., Ltd. asked Nantong Sijian Company to pay for the project of 504.4 thousand yuan and loss of interest. Anhui Expressway Investment Co., Ltd. was responsible for the arrears, and has priority right to be compensated for the discounted auction for the project involved. On July 9, 2019, the first instance judgement rejected the lawsuit, and the plaintiff had appealed. As of December 31, 2019, the case had not been closed.

(vii)Hu Qifei asked Nantong Sijian Company to pay for the project of 1.5915 million yuan and loss of interest. Anhui Expressway Investment Co., Ltd. was responsible for the arrears. The first instance was heard on August 23, 2019, awaiting the judgment of the first instance, As of December 31, 2019, the case had not been closed.

(viii) On April 8, 2019, Peng Chuanzhong sued Nantong Sijian Group Co., Ltd. and Expressway Real Estate Lu'an Co., Ltd. for the construction project contract disputes, and required for project payment of 22.4234 million yuan. Expressway Real Estate Lu'an Co., Ltd. is liable within the scope of the arrears of the project payment. On December 4, 2019, the first instance judgement rejected the plaintiff's lawsuit. As of December 31, 2019, the case had not been closed.

(ix) In November 2019, Anhui Sanjian Engineering Co., Ltd. sued Expressway Real Estate Lu'an Co., Ltd. for the construction project contract disputes, and asked Expressway Real Estate Lu'an Co., Ltd. to pay engineering material price difference of 4.9968 million yuan and assume the corresponding litigation fee. On December 26, 2019, the first instance judgement rejected the lawsuit. As of December 31, 2019, the appeal period for the case had not expired and the case had not been closed.

(x) On November 12, 2012, Guangxi First Construction Engineering Co., Ltd. signed a Phase III B-1 Construction Contract with Tongling Branch of Anhui Expressway Real Estate Co., Ltd. On September 18, 2014, the construction was completed and accepted. The construction settlement was RMB 83,555,775.87 and Tongling Branch of Anhui Expressway Real Estate Co., Ltd. withheld 5% retention as agreed. Tongling Branch of Anhui Expressway Real Estate Co., Ltd. shall return 2.5% of the retention after two years since the completion and acceptance of the construction, return 2% after three years and return the remaining 0.5% after five years. Guangxi First Construction Engineering Co., Ltd. believed Tongling Branch of Anhui Expressway Real Estate Co., Ltd. shall return the retention of RMB 3,760,009.92 which refused by Tongling Branch of Anhui Expressway Real Estate Co., Ltd. They required Tongling Branch of Anhui Expressway Real Estate Co., Ltd to return the retention of RMB 3,760,009.92 and overdue interest of RMB 203,408.18. As of December 31, 2019, the case was in adjudication.

(xi) On July 28, 2012, Jiangxi First Construction Engineering Co., Ltd., the plaintiff, signed construction contract for Phase III A-section with Tongling Branch of Anhui Expressway Real Estate Co., Ltd., which was the defendant. They signed Phase III B-2 construction contract on April 29, 2013. The plaintiff believed the construction progress was delayed for

more than a year because the defendant was failure to remove a high-voltage line across the four buildings of D14, D17, D20, and D22 on the construction site of the III A-section. Besides, cost of dust pollution prevention and control increased due to government policy adjustment, and the plaintiff required that the defendant should adjust the settlement when the project was finalized. The target of the case was 9,687,320.56 yuan. On November 20, 2019, the arbitration award the defendant to pay the loss on work stoppage of Jiangxi First Construction Engineering Co., Ltd. of 184,728.00 yuan, and rejected other claims for arbitration. Tongling Branch of Anhui Expressway Real Estate Co., Ltd. shall assume the arbitration acceptance fee, handling fee and appraisal fee of 2,164.00 yuan. As of December 31, 2019, the case was not been closed.

(xii) Xia Baofeng, a natural person, filed a lawsuit against Chaohu Real Estate Development Co., Ltd., Anhui First Construction Engineering Co., Ltd. and Li Changwu as co-defendants in the People's Court of Chaohu City. He sued the three defendants for construction payment, overdue interest, project retention and compensation totaled of RMB 28,557,590.80 and they shall bear the litigation fee. On December 4, 2019, the second trial was opened, and as of December 31, 2019, the case had not been closed.

(xiii) Li Changwu filed a lawsuit against Anhui First Construction Engineering Co., Ltd. for construction payment of RMB 12,877,711.35, and asked overdue interest at four times of the bank loan interest rate of the same period from December 10, 2013. Besides, he required Anhui First Construction Engineering Co., Ltd. to pay the certification fee and staff salary of RMB 700,000.00. Chaohu Real Estate Development Co., Ltd shall bear the joint liability for the construction payment and both shall be subject to litigation fee. The court session was held on August 10, 2018. The proof of materials had been done before December 19, 2018, and authenticate had been completed. The first trial was opened on May 9, 2019, awaiting for the judgement. As of December 31, 2019, the case had not been closed.

(xiv) On September 30, 2017, Cai Jun, a natural person, filed a lawsuit against Chuzhou Huishang City Development Co., Ltd. and Chuangyuan Co., Ltd. for disputes over the dry hanging of stone materials on the outer walls of office buildings and group A. The target of the case was RMB 2.007 million. The first instance was heard on September 27, 2017, the judgment of first instance had been made on June 13, 2019: Chuangyuan Co., Ltd. shall pay RMB 990,683.80 to Cai Jun, and pay overdue interest at an annual rate of 6% from November 20, 2016, until the payment is settled. Chuzhou Huishang City Development Co., Ltd. shall undertake liability within the scope of the arrears of the project payment. Implementation materials had been received on September 25, 2019. As of December 31, 2019, the case had not been closed.

(xv) On July 24, 2019, Wuhu Lingzhi decoration engineering Co., Ltd. filed a lawsuit against Chuzhou Huishang City Development Co., Ltd. for the project payment of RMB 1,368,095.92 , the interest of RMB 576,311.02 (calculate to April 2, 2019, temporally) and undertake the litigation fees. The court had been held on November 21, 2019. As of December 31, 2019, awaiting the judgment of first instance.

(xvi) On August 4, 2019, Jiangsu Dezhong Industrial Development Co., Ltd. filed a lawsuit against Chuzhou Huishang City Development Co., Ltd. for arrears of RMB 26.9 million and interest of RMB 3,400,455.00 (calculate to June 1, 2019, temporally), and the judgement had been made on November 28, 2019: Chuzhou Huishang City Development Co., Ltd. shall pay the arrears of RMB 26.9 million within 15 days, and pay overdue interest at six times of the bank loan interest rate of the same period from April 23, 2017, until the payment is settled,

undertake litigation fees and preservation fees of RMB 198,302.00. Chuzhou Huishang City Development Co., Ltd. had appealed, awaiting for the second trial.

(xvii) On October 25, 2019, Zu Yongkang, a natural person, filed a lawsuit against Anhui Dongwan Construction Group Co., Ltd. for project payment of RMB 6.2211 million and interest of RMB 204.8 thousand (calculate to August 30, 2019, temporally). Chuzhou Huishang City Development Co., Ltd. as the third party undertakes liability within the scope of the arrears of the project payment. The court had been held on November 15, 2019, As of December 31, 2019, the court proceedings had not been completed, awaiting for the second trial.

(xviii) On November 20, 2019, Postal Savings Bank of China Fuyang Branch sued the defendant Cui Qingqing, Chen Dahua and Zhangxue to repay the loan principal of RMB 626,704.27 and the interest of RMB 10,096.60 to the plaintiff within the scope of inheritance. Expressway Real Estate Group Fuyang Co., Ltd. should assume joint and several liability. Postal Savings Bank of China Fuyang Branch has the priority right in compensation of Expressway Times City 12# 2004 room housing. On December 20, 2019, the written judgement was received that Expressway Real Estate Group Fuyang Co., Ltd. should undertake joint liability within the scope of the arrears exceeding the disposal amount of above housings. As of December 31, 2019, the case had not been closed.

(xix) On October 10, 2019, the plaintiff Yang Liu had presented request: 1. Request a decree to rescind the *Angao easten mansion subscription agreement* between the plaintiff and Shanghai Xin'angao Investment Co., Ltd. 2. Request a decree that Shanghai Xin'angao Investment Co., Ltd. should return house payment of RMB 9 million and double deposit of RMB 2 million, also compensate for the transportation and accommodation losses to the plaintiff. 3. Request a decree that Shanghai Xin'angao Investment Co., Ltd. to pay the interest losses on house payment from June 21, 2019, to the date of the defendant's actual refund (calculate at the central bank loan annual interest rate of the same period as 4.35%). 4. Request a decree that Shanghai Xin'angao Investment Co., Ltd. should undertake all the litigation fees. The court had been held on December 5, 2019. As of December 31, 2019, the case is awaiting for the first trial judgment.

9.3. Litigations of the Company's subsidiary, Anhui Xunjie Logistics Co., Ltd.:

Suzhou Jin'an Motor Vehicle Inspection Co., Ltd. sued the subsidiary of the Company Anhui Xunjie Logistics Suzhou Co., Ltd. for lease contract disputes. In June 2016, Jin'an Motor Vehicle Inspection Co., Ltd. and Anhui Xunjie Logistics Suzhou Co., Ltd. signed a house leasing agreement to rent out some houses and sites of Anhui Xunjie Logistics Suzhou Co., Ltd. for motor vehicle inspection and operation. Due to the land nature of the leased property could not be used for commercial operation and without the approval of the relevant departments, Suzhou Jin'an Motor Vehicle Inspection Co., Ltd. proposed to terminate the lease contract with Suzhou Company for this reason, and requested Anhui Xunjie Logistics Suzhou Co., Ltd. to compensate its economic loss of 3,000,000.00 yuan and refund the deposit of 500,000.00 yuan.

According to the Suzhou Yongqiao People's Court, October 26, 2018, *Written judgment of first instance [2017] Anhui No.1302 Court Civil first trial No.7637*, the judgment in this case is as follows: The lease agreement signed by Suzhou Jinan Motor Vehicle Inspection Co., Ltd. and Anhui Xunjie Logistics Suzhou Co., Ltd. is invalid. Anhui Xunjie Logistics Suzhou Co., Ltd. compensated Suzhou Jin'an Motor Vehicle Inspection Co., Ltd. for economic loss of 2,493,469.50 yuan. Anhui Xunjie Logistics Suzhou Co., Ltd. refunded the deposit of Suzhou

Jin'an Motor Vehicle Testing Co., Ltd. of 500,000.00 yuan.

Anhui Xunjie Logistics Suzhou Co., Ltd. refuses to accept the judgment and has filed a civil appeal against the Suzhou Intermediate People's Court on December 13, 2018. According to the Suzhou Intermediate People's Court, July 13, 2019, *Written judgment of final instance [2019] Anhui No.13 Court Civil final trial No.1265*, the judgment in this case is as follows: Abrogate *Written judgment of first instance [2017] Anhui No.1302 Court Civil first trial No.7637.* Remand this case to Suzhou Yongqiao People's Court for retrial. Suzhou Yongqiao People's Court held a retrial in December 2019. As of the date of the audit report, no judgment has been made of this case.

9.4. The main litigation matters of the Company's subsidiary, Anhui Yida Expressway Service Area Management Co., Ltd.:

(i) On May 20, 2019, Lin Fang, a natural person, fell down in the women's toilet of GongLing service area, and Lin Fang thinked that water on the ground in the women's toilet of GongLing service area caused her slippery hurt. She sued and claimed damages and expenses of RMB 32,626.10.

(ii) In August 2011, Anhui Transportation Group Yi'an Express Development Co., Ltd. (hereinafter referred to as "Yi'an Company"), Anhui Longtianyang Machinery Equipment Co., Ltd. (hereinafter referred to as "Longtianyang Company") and Anhui Jinjiaoyang Investment Management Co., Ltd. (hereinafter referred to as "Jinjiaoyang Company") signed a cooperation agreement for the 20-year lease operation right of Wuhu Automobile Service Center. After that, Longtianyang Company and Jinjiaoyang Company leased Wuhu Automobile Service Center to Anhui Huatong Automobile Service Co., Ltd., Anhui Yihe Automobile Service Co., Ltd., Anhui Yihe Fulai Sales Service Co., Ltd., and Yi'an Company terminated the cooperation agreement with Longtianyang Company and Jinjiaoyang Company, and the lease right of Anhui Huatong Automobile Service Co., Ltd., Anhui Yihe Automobile Service Co., Ltd., and Anhui Yihe Fulai Sales Service Co., Ltd. also terminated accordingly. Yi'an Company filed a lawsuit with Wuhu Jiujiang District People's Court in January 2018, which required that Anhui Huatong Automobile Service Co., Ltd., Anhui Yihe Automobile Service Co., Ltd., and Anhui Yihe Fulai Sales Service Co., Ltd., should jointly liable for the return of the house and compensate for the losses of 1.78 million yuan, 3.824 million yuan and 4.238 million yuan respectively. The first-instance judgment dismissed the request of Yi'an Company. The second instance sent back to retrial.

(iii) According to the *Written judgment of first instance [2019] Anhui No.0207 Court Civil first trial No.3860* of Wuhu Jiujiang District People's Court, the judgment is as follows: Request Anhui Yida Expressway Service Area Management Co., Ltd., Anhui Longtianyang Machinery Equipment Co., Ltd. and Anhui Jinjiaoyang Investment Management Co., Ltd. to pay the project payment of RMB 588,653.85 to the plaintiff Hubei Tianyu Construction Co., Ltd. and the interest from January 5, 2018, to the actual date of payment,calculate at the People's bank loan annual interest rate of the same period. Now Anhui Yida Expressway Service Area Management Co., Ltd. is appealing.

9.5. The outstanding lawsuits of Company's subsidiary, Anhui Jinggong Construction Group Co., Ltd. are as follows:

No.	Case number	Case reason	The counterparty	The amount involved (ten thousand yuan)	Progress of the case	Note

No.	Case number	Case reason	The counterparty	The amount involved (ten thousand yuan)	Progress of the case	Note
1	[2019] Anhui No.0103 Court Civil first trial No.760	Sale and Purchase contract dispute	Hefei Jiqun trading Co., Ltd.	215.40	Jinggong take no responsibility	As the defendant
2	[2019] Anhui No.0111 Court Civil first trial No.1052	Sale and Purchase contract dispute	Lujiang Shuangjia special building materials company	36.80	Mediate, Jinggong take no responsibility	As the defendant
3	[2019] Anhui No.0603 Court Civil first trial No.553	Private lending dispute	Kuang Wenbo	184.00	Judgement take effect, Jinggong take no responsibility	As the defendant
4	[2019] Dulao People Arbitration No.27	Labor dispute	Wang Depeng	11.00	Jinggong had paid 110 thousand yuan	As the defendant
5	[2019] Anhui No.0603 Court Civil first trial No.618	Construction contract dispute	Guo Dengfeng	300.00	First trial, Awaiting judgement	As the defendant
6	[2019] Anhui No.1126 Court Civil first trial No.852	Contract dispute	Qingyang County Wood Town Operating Green Center	95.00	Second trial the plaintiff withdraw appeal, Jinggong take no responsibility	As the defendant
7	[2019] Anhui No.1126 Court Civil first trial No.1517	Sale and Purchase contract dispute	Chen Xingrui	50.00	Mediate, Jinggong take no responsibility	As the defendant
8	[2019] Anhui Arbitration No.128-131	Labor dispute	Li Zhiwen and 4 others	30.00	Mediate and settle the case, Jinggong had paid 28 thousand yuan	As the defendant
9	[2019] Anhui No.1126 Court Civil first trial No.1910	Construction contract dispute	Anhui Anyuan	105.00	Second trial	As the defendant
10	[2019] (Dind) Lao People Arbitration No.102	Labor dispute	Li Enqun	95.00	Mediate, the actual contractor had paid	As the defendant
11	[2019] Anhui No.0604 Court Civil first trial No.231	Labor dispute	Wang Shijie and 11 others	11.00	Jinggong take no responsibility	As the plaintiff
12	[2019] Jiangxi No.0982 Court Civil first trial No.1644	Contract dispute	Zhangshu Hengli Concrete Company	820.00	Jinggong had paid about 8.9 million yuan	As the defendant
13	[2019] Jiangxi No.0982 Court Civil first trial No.1370	Contract dispute	Yan Yuanqing	107.00	Jinggong take no responsibility for payment	As the defendant
14	[2019] Anhui No.1126 Court Civil first trial No.2355	Contract dispute	Hu Donggen	80.20	Mediate and settle the case, project department had paid	As the defendant
15	[2019] Anhui No.0302 Court Civil first trial No.920	Contract dispute	Jin'ao Concrete Company	94.00	Mediate and settle the case, the actual contractor had paid	As the defendant
16	[2019] Chuzhou Arbitration No.26	Construction contract dispute	Shanghai Kaile Construction Co., Ltd.	128.00	Mediate and settle the case, the actual contractor had paid	As the defendant
17	[2019] Anhui No.1502 Court Civil first trial No.3990	Construction contract dispute	Pan Junfa	696.30	Awaiting trial	As the plaintiff
18	[2019] Jiangxi No.0102 Court Civil first trial No.5903	Sale and Purchase contract dispute	Nanchang Lianbo Co., Ltd.	695.30	First trial, Awaiting judgement	As the defendant
19	[2019] Anhui No.1126 Court Civil first trial No.2872	Construction contract dispute	Xiejin Commerce and Trade Co., Ltd.	101.90	Second trial	As the defendant
20	[2019] Anhui No.0121 Court Civil first trial No.2840	Construction contract dispute	Xinhua Printing Co., Ltd.	2,928.70	Jinggong take no responsibility	As the third party
21	[2019] Jiangxi No.0982 Court Civil first trial No.1914	Sale and Purchase contract dispute	Shunda Cement Co., Ltd.	40.50	Jinggong had paid	As the defendant
22	[2019] Anhui No.0602 Court Civil first trial No.1881	Construction contract dispute	Zhang Yanxi	19.70	Second trial	As the defendant
23	[2019] Anhui No.0602 Court Civil first trial No.1573, No.1574 , No.1575	Sale and Purchase contract dispute	Gewei, Ge Xixi	50.00	Second trial	As the defendant
24	[2019] Jiangxi No.0982 Court Civil first trial No.2346	Sale and Purchase contract dispute	Jiangxi Nanlan Enterprise Group	18.99	Jinggong had paid	As the defendant

No.	Case number	Case reason	The counterparty	The amount involved (ten thousand yuan)	Progress of the case	Note
25	[2019] Anhui No.0111 Court Civil first trial No.9593	Sale and Purchase contract dispute	Anhui Hongtu Concrete Co., Ltd.	60.00	Mediate and settle the case, the actual contractor had paid	As the defendant
26	[2019] Anhui No.1126 Court Civil first trial No.3541	Construction contract dispute	Xia Zhilun	142.20	Mediate and settle the case, the actual contractor had paid	As the defendant
27	[2019] Jiangxi No.09 Court Civil first trial No.183	Construction contract dispute	Jiangxi Leze Group	10,390.00	First trial	As the plaintiff
28	[2019] Anhui No.1522 Court Civil first trial No.5249	Execute dispute	Jiao Yongguo and others	1,070.00	Second trial	As the plaintiff
29	/	Construction contract dispute	Fengyang County Economic Development Investment Co., Ltd.	3,000.00	Awaiting trial	As the plaintiff
30	[2019] Huai Arbitration No. 338	Construction contract dispute	Chexplor Resource Exploration Technology Co., Ltd.	306.20	Awaiting trial	As the defendant
31	[2019] Anhui No.1126 Court Civil first trial No.5483	Sale and Purchase contract dispute	Song Zuman	3.90	Mediate and settle the case, the actual contractor had paid	As the defendant
32	[2019] Anhui No.0104 Court Civil first trial No.10651	Labor dispute	Rao Wenwei	30.00	First trial, Awaiting judgement	As the defendant
33	[2018] Anhui No.0208 Court Civil first trial No.2171	Construction contract dispute	Wuhu Xinghui	2,700.00	First trial	As the plaintiff
34	[2017] Anhui No.15 Court Civil first trial No.21	Construction contract dispute	Bensheng Company	3,000.00	Second trial	As the plaintiff
35	[2017] Anhui No.0111 Court Civil first trial No.4999	Private lending dispute	Zhu Yongjian, Xiao Rong, Liu Hu	700.00	Send back to retrial	As the plaintiff
36	[2017] Hefei Arbitration No. 0117	Construction contract dispute	Anhui Vocational And Technical College	-	Suspend	As the plaintiff
37	[2018] Anhui No.1503 Court Civil first trial No.5349	Construction contract dispute	Sun Jiyin	310.00	Second trial	As the defendant
Total				28,626.09	-	-

9.6. The Company's subsidiary, Hefei Wantong Microfinance Co., Ltd., has taken property preservation measures for litigation because the loans has not yet been recovered after matured. Those 4 loans involving a total amount of 11,483,132.88 yuan. The main details are as follows:

No.	Name	Contract repayment time	Amount	Bad debt provision	Classification	Form of guarantee	Note
1	Li Defeng	March 25, 2015	1,950,000.00	1,950,000.00	Loss	Joint responsibility guarantee	Litigated, the court terminated this execution in prior period, had applied resumption of execution
2	Wu Xudong	May 8, 2015	6,880,936.00	6,880,936.00	Loss	Joint responsibility guarantee	Litigated, the guarantor is in bankruptcy reorganization, so this case was suspended by the court
3	Hefei Muyun Flooring Co., Ltd.	December 31, 2014	650,516.88	650,516.88	Loss	Mortgage, Joint responsibility guarantee	Litigated and applied for arbitration
4	Anhui Dongwan Construction Group Co., Ltd.	October 22, 2018	2,001,680.00	40,033.60	Interest	Joint responsibility guarantee	Litigated, (the first trial judgment has not been delivered and has not taken effect)
Total			11,483,132.88	9,521,486.48	-	-	-

Except for the matters above, the Company has no other significant contingencies that need to be disclosed as of December 31, 2019.

Note 10. Events after the reporting period

Impact of COVID-19 infection on epidemic pneumonia

The epidemic situation of COVID-19 (hereinafter referred to as "epidemic of COVID-19") outbreak since January 2020, the prevention and control of the epidemic is continuing nationwide. The government has extended the Spring Festival holiday, and some areas delayed the work resumption time after the Spring Festival holiday to control the outbreak. The government controls over the movement of people and traffic in some degree, isolates certain groups of people, improves hygiene and epidemic prevention requirements in the workplace, and a series of measures to increase social distance.

According to the *Notice of the ministry of transport on extending the free passage period of small passenger cars during the Spring Festival holiday in 2020* and the subsequent announcement, which was issued by Ministry of Transport of China. The Group has extended the deadline for the exemption of small bus toll during the Spring Festival holiday from January 30, 2020 to February 8, 2020. According to the *Notice on exemption of tolls for toll roads during COVID-19 epidemic prevention and control* issued by Ministry of Transport of China, the company's all expressway will be toll-free from February 17, 2020 to the end of the epidemic prevention and control work. In February 2019 and March 2019, the toll revenue of the Company's all expressway was about 1346.2807 million yuan and 1603.1622 million yuan respectively.

The Company will continue to pay close attention to the status of the epidemic of COVID-19, and actively evaluate its impact on the Group's financial situation, operating results and other aspects.

As of March 27, 2020, the Company have no other significant events after the reporting period except for those disclosed above.

Note 11. Related parties and related party transactions

11.1. General Information of the Parent Company

The Company is actually controlled by Anhui State-owned Assets Supervision and Administration Commission.

11.2. General Information of Subsidiaries

Details of the subsidiaries please refer to *Notes 7Business combination and consolidated financial statements.*

11.3. Joint Ventures and Associates of the Company

Details of significant joint ventures and associates please refer to *Notes 8 Long-term equity investment*.

11.4. Other Related Parties of the Company

Other related parties' name	Relationship with the Company
Langxi Traffic Construction Development Co., Ltd.	Minority shareholders of Liguang Expressway Corporation
Cccc Third Highway Engineering Co., Ltd.	Minority shareholders of Wangqian Expressway Corporation

Xuancheng Traffic Investment Co., Ltd.	Minority shareholders of Yangji Corporation and Ningxuanhang Corporation
Wuhu Traffic Investment Co., Ltd.	Minority shareholders of Wuyan Expressway Corporation
Anhui Bengming Expressway Development Co., Ltd.	Minority shareholders of Bengbu Expressway Corporation
Sinopec Sales Co., Ltd.	Minority shareholders of Expressway Petrochemical Corporation
Road King (China) Infrastructure Limited	Minority shareholders of Machao Expressway Corporation
Anhui Traffic Merchants Fund Management Co., Ltd.	Cooperative enterprise of the Company
Anhui Traffic Goldstone Fund Management Co., Ltd.	Cooperative enterprise of the Company
Taixing Anlian Real estate Co., Ltd.	Joint venture of Anlian Expressway Corporation
Anhui Expressway Jing'an Industrial Co., Ltd.	Joint venture of Expressway Real Estate Corporation
Anhui Comprehensive Transport Institute Co., Ltd.	Joint venture of Transport Consulting & Design Institute
Xi'an Tongzhou Highway Engineering Consulting Co., Ltd.	Participating stock companies of Transport Consulting & Design Institute
Anhui Guolu Expressway Co., Ltd.	Joint venture of the Company

11.5. Related Party Transactions

(a) Purchases or sales of goods, rendering or receiving of services

(i) Purchases of goods, receiving of services:

Related parties	Nature of the transactions	2019	2018
Sinopec Sales Co., Ltd.	Oil	5,950,262,270.56	5,927,194,549.53
Anhui Comprehensive Transport Institute Co., Ltd.	Exploration, measurement	33,377,707.54	20,361,698.12

(ii) Sales of goods, rendering of services:

Related parties	Nature of the transactions	2019	2018
Anhui Traffic Merchants Fund Management Co., Ltd.	Property service	35,565.33	35,565.33
Anhui Traffic Goldstone Fund Management Co., Ltd.	Property service	34,433.16	28,694.37
Anhui Bengming Expressway Development Co., Ltd.	Road network operation service	525,086.05	518,272.14
Anhui Guolu Expressway Co., Ltd.	Road network operation service	2,138,799.96	1,209,035.32
Anhui Guolu Expressway Co., Ltd.	Engineering construction	9,746,708.16	-

(b) Guarantees

Guarantor	Guarantee	Amount	Guarantee effective date	Guarantee expiry date	Whether the guarantee has been fulfilled
Xuancheng Traffic Investment Co.,	Anhui Ningxuanhang Expressway Investment	11,000,000.00	2012/3/14	2025/11/1	No

Guarantor	Guarantee	Amount	Guarantee effective date	Guarantee expiry date	Whether the guarantee has been fulfilled
Ltd.	Co., Ltd.				
Xuancheng Traffic Investment Co., Ltd.	Anhui Ningxuanhang Expressway Investment Co., Ltd.	30,000,000.00	2012/4/28	2025/11/1	No
Xuancheng Traffic Investment Co., Ltd.	Anhui Ningxuanhang Expressway Investment Co., Ltd.	50,000,000.00	2012/10/19	2025/11/1	No
Xuancheng Traffic Investment Co., Ltd.	Anhui Ningxuanhang Expressway Investment Co., Ltd.	15,000,000.00	2014/7/1	2025/11/1	No
Xuancheng Traffic Investment Co., Ltd.	Anhui Ningxuanhang Expressway Investment Co., Ltd.	19,110,000.00	2015/11/20	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	Anhui Ningxuanhang Expressway Investment Co., Ltd.	9,690,000.00	2015/11/30	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	Anhui Ningxuanhang Expressway Investment Co., Ltd.	10,450,000.00	2015/12/21	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	Anhui Ningxuanhang Expressway Investment Co., Ltd.	5,550,000.00	2016/2/3	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	Anhui Ningxuanhang Expressway Investment Co., Ltd.	8,280,000.00	2016/3/28	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	Anhui Ningxuanhang Expressway Investment Co., Ltd.	7,060,000.00	2016/7/28	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	Anhui Ningxuanhang Expressway Investment Co., Ltd.	39,530,000.00	2018/2/1	2035/9/29	No

(c) Lease

Lessor	Lessee	Rental of 2019	Rental of 2018
Anhui Wantong Expressway Co., Ltd.	Anhui Traffic Merchants Fund Management Co., Ltd.	99,942.84	99,942.84
Anhui Wantong Expressway Co., Ltd.	Anhui Traffic Goldstone Fund Management Co., Ltd.	99,942.84	83,285.70
Xuancheng Traffic Investment Co., Ltd.	Anhui Wantong Expressway Co., Ltd.	500,000.00	500,000.00
Total	-	699,885.68	683,228.54

11.6. Receivables and Payables with Related Parties

(a) Receivables

Items	31 December 2019		31 December 2018		Terms and conditions	Whether acquire or provide guarantees
	Amount	Proportion (%)	Amount	Proportion (%)		
Accounts receivable						

Anhui Guolu Expressway Co., Ltd.	1,178,344.98	0.04	598,005.80	0.02	No	No
Anhui Bengming Expressway Development Co., Ltd.	684,797.30	0.02	677,574.56	0.03	No	No
Total	1,863,142.28	0.06	1,275,580.36	0.05	-	-
Advances to suppliers						
Sinopec Sales Co., Ltd.	15,770,239.02	1.57	-	-	No	No
Anhui Guolu Expressway Co., Ltd.	-	-	39,760.35	-	No	No
Total	15,770,239.02	1.57	39,760.35	-	-	-
Other receivables						
Anhui Expressway Jing'an Industrial Co., Ltd.	-	-	2,037,700.91	0.14	No	No
Anhui Bengming Expressway Development Co., Ltd.	-	-	13,200,000.00	0.89	No	No
Anhui Guolu Expressway Co., Ltd.	100,000.00	0.01	216,692.17	0.01	No	No
Total	100,000.00	0.01	15,454,393.08	1.04	-	-

(b) Payables

Items	31 December 2019		31 December 2018		Terms and conditions	Whether acquire or provide guarantees
	Amount	Proportion (%)	Amount	Proportion (%)		
Accounts payable						
Cccc Third Highway Engineering Co., Ltd.	30,798,003.00	0.27	30,798,003.00	0.29	No	No
Anhui Comprehensive Transport Institute Co., Ltd.	46,260,000.00	0.40	30,460,829.50	0.29	No	No
Total	77,058,003.00	0.67	61,258,832.50	0.58	-	-
Advances from customers						
Anhui Traffic Goldstone Fund Management Co., Ltd.	27,729.00	-	17,490.00	-	No	No
Anhui Traffic Merchants Fund Management Co., Ltd.	3,083.00	-	-	-	No	No
Total	30,812.00	-	17,490.00	-	-	-
Other payables						
Cccc Third Highway Engineering Co., Ltd.	8,680,528.07	0.30	3,092,317.07	0.08	No	No
Anhui Comprehensive Transport Institute Co., Ltd.	3,000,000.00	0.11	3,000,000.00	0.08	No	No
Anhui Guolu Expressway Co., Ltd.	11,677,781.64	0.41	4,135,086.89	0.11	No	No
Anhui Bengming Expressway Development Co., Ltd.	9,837,687.58	0.34	6,237,737.15	0.16	No	No

Items	31 December 2019		31 December 2018		Terms and conditions	Whether acquire or provide guarantees
	Amount	Proportion (%)	Amount	Proportion (%)		
Sinopec Sales Co., Ltd.	20,926,598.34	0.73	20,926,598.34	0.55	No	No
Xuancheng Traffic Investment Co., Ltd.	489,712.95	0.02	-	-	No	No
Total	54,612,308.58	1.91	37,391,739.45	0.98	-	-
Long-term payables (Including maturing within one year)						
Cccc Third Highway Engineering Co., Ltd.	193,200,000.00	24.62	193,200,000.00	14.85	No	No
Wuhu Traffic Investment Co., Ltd.	76,030,000.00	9.69	76,030,000.00	5.84	No	No
Langxi Traffic Construction Development Co., Ltd.	60,000,000.00	7.65	60,000,000.00	4.61	No	No
Xuancheng Traffic Investment Co., Ltd.	202,955,787.46	25.87	283,265,993.45	21.77	No	No
Total	532,185,787.46	67.83	612,495,993.45	47.07	-	-

Note 12. Notes to the main items of the financial statements of the parent company

12.1. Accounts Receivable

(a) Accounts receivable by category

Items	31 December 2019				
	Accounts receivable		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with individually significant balance and provision for bad debt recognised individually	-	-	-	-	-
Accounts receivable with bad debt provision recognised collectively by similar credit risk characteristics	452,776,460.43	100.00	-	-	452,776,460.43
Accounts receivable with individually insignificant balance but provision for bad debt recognised individually	-	-	-	-	-
Total	452,776,460.43	100.00	-	-	452,776,460.43

(Continued)

Items	31 December 2018				
	Accounts receivable		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	

Accounts receivable with individually significant balance and provision for bad debt recognised individually	-	-	-	-	-
Accounts receivable with bad debt provision recognised collectively by similar credit risk characteristics	280,879,040.01	100.00	1,799,332.26	0.64	279,079,707.75
Accounts receivable with individually insignificant balance but provision for bad debt recognised individually	-	-	-	-	-
Total	280,879,040.01	100.00	1,799,332.26	0.64	279,079,707.75

(b) Accounts receivable with bad debt provision recognised collectively by similar credit risk characteristics

(i) Accounts receivable with provision for bad debts using aging analysis method

Aging	31 December 2019			31 December 2018		
	Accounts receivable		Provision for bad debt	Accounts receivable		Provision for bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year(including 1 year)	-	-	-	25,941,725.00	97.24	1,297,086.25
1-2 years (including 2 years)	-	-	-	182,000.00	0.68	18,200.00
2-3 years (including 3 years)	-	-	-	-	-	-
Over 3 years	-	-	-	555,013.54	2.08	484,046.01
Total	-	-	-	26,678,738.54	100.00	1,799,332.26

(ii) Accounts receivable with bad debt provision recognised collectively by other methods

Name	31 December 2019			31 December 2018		
	Amount	Provision ratio (%)	Provision for bad debt	Amount	Provision ratio (%)	Provision for bad debt
Related party and internal employees	452,776,460.43	-	-	254,200,301.47	-	-
Total	452,776,460.43	-	-	254,200,301.47	-	-

(c) Top five account receivable

Name	Balance at 31 December 2019	Proportion of the balance to the total accounts receivable (%)	Provision for bad debt
Anhui Expressway Network Operation Co., Ltd.	452,776,460.43	100.00	-
Total	452,776,460.43	100.00	-

12.2. Other Receivables

(a) Other receivables by category

Items	31 December 2019	31 December 2018
Interest Receivable	-	-
Dividends Receivable	-	13,200,000.00
Other Receivables	9,022,395,685.28	8,212,830,763.62
Total	9,022,395,685.28	8,226,030,763.62

(b) Dividends receivable

Items	31 December 2019	31 December 2018	Reason for delay	Impairment or not (if have, the indications for that)
Dividends receivable maturing within one year	-	13,200,000.00	-	-
Including: Anhui Bengming Expressway Development Co., Ltd.	-	13,200,000.00	-	-
Total	-	13,200,000.00	-	-

(c) Other receivables by category

Items	31 December 2019				
	Other receivables		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	
Other receivables with individually significant balance and provision for bad debt recognised individually	13,496,312.00	0.15	13,496,312.00	100.00	-
Other receivables with bad debt provision recognised collectively by similar credit risk characteristics	9,164,209,298.18	99.85	141,813,612.90	1.55	9,022,395,685.28
Other receivable with individually insignificant balance but recognised provision for bad debt individually					
Total	9,177,705,610.18	100.00	155,309,924.90	1.69	9,022,395,685.28

(Continued)

Items	31 December 2018				
	Other receivables		Provision for bad debt		Carrying amount
	Amount	Proportion (%)	Amount	Proportion (%)	

Other receivables with individually significant balance and provision for bad debt recognised individually	41,719,271.31	0.50	41,719,271.31	100.00	-
Other receivables with bad debt provision recognised collectively by similar credit risk characteristics	8,354,747,724.56	99.50	141,916,960.94	1.70	8,212,830,763.62
Other receivable with individually insignificant balance but recognised provision for bad debt individually	-	-	-	-	-
Total	8,396,466,995.87	100.00	183,636,232.25	2.19	8,212,830,763.62

(d) Other receivables with individually significant balance and recognised provision for bad debt individually

Name	Balance at 31 December 2019	Provision for bad debt	Aging	Provision ratio (%)	Reason
Expressway Detachment Directly Under Traffic Police Force of Anhui Provincial Public Security Department	9,300,000.00	9,300,000.00	Over 5 years	100.00	Unable to recover
Anhui Expressway Logistics Co., Ltd. Manager	4,196,312.00	4,196,312.00	Within 1 year	100.00	Unexpected to be recovered
Total	13,496,312.00	13,496,312.00	-	-	-

(e) Other receivable with bad debt provision recognised collectively by credit risk characteristics

(i) Other receivable with provision for bad debts using aging analysis method

Aging	31 December 2019			31 December 2018		
	Other receivables		Provision for bad debt	Other receivables		Provision for bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	11,234,020.63	6.86	561,701.03	11,963,669.48	7.41	598,183.47
1-2years (including 2 years)	7,405,662.27	4.52	740,566.23	2,600,175.83	1.61	260,017.58
2-3years(including 3 years)	1,031,999.23	0.63	206,399.85	4,359,053.74	2.70	871,810.75
Over 3 years	144,170,030.16	87.99	140,304,945.79	142,535,153.15	88.28	140,186,949.14
Total	163,841,712.29	100.00	141,813,612.90	161,458,052.20	100.00	141,916,960.94

(ii) Other receivables with bad debt provision recognised collectively by other methods

Name	31 December 2019	31 December 2018

	Other receivables	Provision ratio (%)	Provision for bad debt	Other receivables	Provision ratio (%)	Provision for bad debt
Related party and internal employees	9,000,367,585.89	-	-	8,193,289,672.36	-	-
Total	9,000,367,585.89	-	-	8,193,289,672.36	-	-

(f) Top five closing balances by entity

Name	Nature	Balance at 31 December 2019	Aging	Proportion of the balance to the total other receivables (%)	Provision for bad debt
Anhui Anlian Expressway Co., Ltd	Current account	2,793,761,855.72	1-2 years	30.44	-
Anhui Yangji Expressway Co., Ltd.	Current account	1,603,742,282.03	1-5 years	17.47	-
Anhui Anqing Changjiang River Highway Bridge Co., Ltd.	Current account	1,307,778,215.84	1-5 years	14.25	-
Anhui Highway Engineering Construction Command (Chuma Expressway)	Current account	735,096,497.85	1-5 years	8.01	-
Anhui Wuyan Expressway Co., Ltd.	Current account	673,361,935.75	1-5 years	7.34	-
Total	-	7,113,740,787.19	-	77.51	-

12.3. Long-term Equity Investments

(a) Long-term equity investment by category

Items	31 December 2018	Increase during the reporting period	Decrease during the reporting period	31 December 2019
Investments in subsidiaries	15,067,576,996.20	791,635,400.00	145,564,429.95	15,713,647,966.25
Investments in joint ventures	-	-	-	-
Investments in associated	352,458,592.02	3,272,094,160.76	142,708,162.04	3,481,844,590.74
Subtotal	15,420,035,588.22	4,063,729,560.76	288,272,591.99	19,195,492,556.99
Less: Impairment provision for long-term equity investment	100,088,000.00	301,099,516.33	100,088,000.00	301,099,516.33
Total	15,319,947,588.22	3,762,630,044.43	188,184,591.99	18,894,393,040.66

(b) Details of long-term equity investment

Investee	Investment cost	31 December 2018	Investment cost	Changes during the reporting period			
				Increase during the reporting period	Decrease during the reporting period	Gains /(losses) on investments under the equity method	Other comprehensive income adjustments
Total	18,965,905,966.25	15,420,035,588.22	100,088,000.00	3,773,505,400.00	145,564,429.95	290,224,160.76	-

Investee	Investment cost	31 December 2018	Investment cost	Changes during the reporting period			
				Increase during the reporting period	Decrease during the reporting period	Gains /(losses) on investments under the equity method	Other comprehensive income adjustments
I.Subsidiaries	15,814,235,966.25	15,067,576,996.20	100,088,000.00	791,635,400.00	145,564,429.95	-	-
Anhui Wantong Expressway Co., Ltd.	959,876,379.62	959,876,379.62	-	-	-	-	-
Anhui Anlian Expressway Co., Ltd.	892,441,500.00	892,441,500.00	-	-	-	-	-
Anhui Wuyan Expressway Co., Ltd.	70,000,000.00	70,000,000.00	-	-	-	-	-
Anhui Anqing Changjiang River Highway Bridge Co., Ltd.	483,000,000.00	483,000,000.00	-	-	-	-	
Anhui Expressway Media Co., Ltd.	25,500,000.00	25,500,000.00	-	-	-	-	-
Anhui Highway Construction Co., Ltd.	533,676,089.55	533,676,089.55	-	-	-	-	-
Anhui Yida Expressway Service Area Management Co., Ltd.	79,243,778.64	79,243,778.64	-	-	-	-	-
Anhui Yangji Expressway Co., Ltd.	270,000,000.00	270,000,000.00	-	-	-	-	-
Anhui Expressway Real Estate Group Co., Ltd.	3,498,520,364.30	3,498,520,364.30	-	-	-	-	-
Anhui Expressway Logistics Co., Ltd. Note1	100,088,000.00	100,088,000.00	100,088,000.00	-	100,088,000.00	-	-
Anhui Expressway Petrochemical Co., Ltd. Note2	2,128,669,745.27	2,113,961,345.27	-	14,708,400.00	-	-	-
Hefei Wantong Microfinance Co., Ltd.	45,000,000.00	45,000,000.00	-	-	-	-	-
Anhui Liguang Expressway Co., Ltd.	80,000,000.00	80,000,000.00	-	-	-	-	-
Anhui Wangqian Expressway	60,000,000.00	60,000,000.00	-	-	-	-	-

Investee	Investment cost	31 December 2018	Investment cost	Changes during the reporting period			
				Increase during the reporting period	Decrease during the reporting period	Gains /(losses) on investments under the equity method	Other comprehensive income adjustments
Co., Ltd.							
Anhui Expressway Financial Leasing Co., Ltd.	212,446,136.00	212,446,136.00	-	-	-	-	-
Anhui Transportation Holding Group (Hongkong) Co., Ltd.	161,068,220.00	161,068,220.00	-	-	-	-	-
Anhui Jiefubeng Expressway Management Co., Ltd.	8,700,000.00	8,700,000.00	-	-	-	-	-
Anhui Transportation Holding Group Lujiang Expressway Management Co., Ltd.	500,000.00	500,000.00	-	-	-	-	-
Anhui Machao Expressway Co., Ltd. Note3	248,528,570.05	293,505,000.00	-	-	44,976,429.95	-	-
Anhui Transportation Holding Group Suzhou Expressway Management Co., Ltd.Note4	500,000.00	500,000.00	-	-	500,000.00	-	-
Anhui Xuming Expressway Management Co., Ltd.	500,000.00	500,000.00	-	-	-	-	-
Anhui Transportation Group Co., Ltd.	93,025,085.37	93,025,085.37	-	-	-	-	-
Anhui Transport Consulting & Design Institute Co., Ltd.	191,102,700.00	191,102,700.00	-	-	-	-	-
Anhui Qixing Property Management Co., Ltd.	50,573,693.05	50,573,693.05	-	-	-	-	-
Anhui Xunjie Logistics Co., Ltd.	180,346,925.18	180,346,925.18	-	-	-	-	-
Anhui Jinggong	131,590,408.48	131,590,408.48	-	-	-	-	-

Investee	Investment cost	31 December 2018	Investment cost	Changes during the reporting period			
				Increase during the reporting period	Decrease during the reporting period	Gains /(losses) on investments under the equity method	Other comprehensive income adjustments
Construction Group Co., Ltd.							
Anhui Ningxuanhang Expressway Investment Co., Ltd. Note5	862,280,041.00	182,353,041.00	-	679,927,000.00	-	-	-
Beijing Anlian Real Estate Development Co., Ltd.	70,000,000.00	70,000,000.00	-	-	-	-	-
Anhui Expressway Network Operation Co., Ltd.	26,058,024.57	26,058,024.57	-	-	-	-	-
Anhui Transportation Capital Investment Management Co., Ltd. Note6	3,633,000,305.17	3,548,000,305.17	-	85,000,000.00	-	-	-
Anhui Transportation Bomeng Highway Development Limited	51,000,000.00	51,000,000.00	-	-	-	-	-
Anhui Hezong Expressway Co., Ltd.	188,000,000.00	188,000,000.00	-	-	-	-	-
Anhui Yuehuang Expressway Co., Ltd.	467,000,000.00	467,000,000.00	-	-	-	-	-
Anhui Transportation Holding Information Industry Co., Ltd. Note7	12,000,000.00	-	-	12,000,000.00	-	-	-
II.Joint ventures							
III.Associated enterprises	3,151,670,000.00	352,458,592.02	-	2,981,870,000.00	-	290,224,160.76	-
Anhui Guolu Expressway Co., Ltd.	114,000,000.00	251,323,581.04	-	-	-	44,776,874.49	-
Wanjiang Financial Leasing Co., Ltd. Note8	2,981,870,000.00	-	-	2,981,870,000.00	-	121,075,711.53	-
Anhui Bengming Expressway Development	55,800,000.00	101,135,010.98	-	-	-	124,371,574.74	-

Investee	Investment cost	31 December 2018	Investment cost	Changes during the reporting period			
				Increase during the reporting period	Decrease during the reporting period	Gains /(losses) on investments under the equity method	Other comprehensive income adjustments
Co., Ltd.							

(Continued)

Investee	Changes during the reporting period				31 December 2019	Provision for impairment at 31 December 2019
	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment	Others		
Total	-	142,708,162.04	301,099,516.33	100,088,000.00	19,195,492,556.99	301,099,516.33
I.Subsidiaries	-	-	-	100,088,000.00	15,713,647,966.25	-
Anhui Wantong Expressway Co., Ltd.	-	-	-	-	959,876,379.62	-
Anhui Anlian Expressway Co., Ltd.	-	-	-	-	892,441,500.00	-
Anhui Wuyan Expressway Co., Ltd.	-	-	-	-	70,000,000.00	-
Anhui Anqing Changjiang River Highway Bridge Co., Ltd.	-	-	-	-	483,000,000.00	-
Anhui Expressway Media Co., Ltd.	-	-	-	-	25,500,000.00	-
Anhui Highway Construction Co., Ltd.	-	-	-	-	533,676,089.55	-
Anhui Yida Expressway Service Area Management Co., Ltd.	-	-	-	-	79,243,778.64	-
Anhui Yangji Expressway Co., Ltd.	-	-	-	-	270,000,000.00	-
Anhui Expressway Real Estate Group Co., Ltd.	-	-	-	-	3,498,520,364.30	-
Anhui Expressway Logistics Co., Ltd. Note1	-	-	-	100,088,000.00	-	-
Anhui Expressway Petrochemical Co., Ltd. Note2	-	-	-	-	2,128,669,745.27	-
Hefei Wantong Microfinance Co., Ltd.	-	-	-	-	45,000,000.00	-
Anhui Liguang Expressway Co., Ltd.	-	-	-	-	80,000,000.00	-
Anhui Wangqian Expressway Co., Ltd.	-	-	-	-	60,000,000.00	-
Anhui Expressway Financial Leasing Co., Ltd.	-	-	-	-	212,446,136.00	-
Anhui Transportation Holding Group (Hongkong) Co., Ltd.	-	-	-	-	161,068,220.00	-
Anhui Jiefubeng Expressway Management Co., Ltd.	-	-	-	-	8,700,000.00	-
Anhui Transportation Holding Group Lujiang Expressway Management Co., Ltd.	-	-	-	-	500,000.00	-
Anhui Machao Expressway Co., Ltd. Note3	-	-	-	-	248,528,570.05	-
Anhui Transportation Holding Group Suzhou Expressway Management Co., Ltd. Note4	-	-	-	-	-	-

Investee	Changes during the reporting period				31 December 2019	Provision for impairment at 31 December 2019
	Changes in other equity	Declaration of cash dividends or distribution of profit	Provision for impairment	Others		
Anhui Xuming Expressway Management Co., Ltd.	-	-	-	-	500,000.00	-
Anhui Transportation Group Co., Ltd.	-	-	-	-	93,025,085.37	-
Anhui Transport Consulting & Design Institute Co., Ltd.	-	-	-	-	191,102,700.00	-
Anhui Qixing Property Management Co., Ltd.	-	-	-	-	50,573,693.05	-
Anhui Xunjie Logistics Co., Ltd.	-	-	-	-	180,346,925.18	-
Anhui Jinggong Construction Group Co., Ltd.	-	-	-	-	131,590,408.48	-
Anhui Ningxuanhang Expressway Investment Co., Ltd. Note5	-	-	-	-	862,280,041.00	-
Beijing Anlian Real Estate Development Co., Ltd.	-	-	-	-	70,000,000.00	-
Anhui Expressway Network Operation Co., Ltd.	-	-	-	-	26,058,024.57	-
Anhui Transportation Capital Investment Management Co., Ltd. Note6	-	-	-	-	3,633,000,305.17	-
Anhui Transportation Bomeng Highway Development Limited	-	-	-	-	51,000,000.00	-
Anhui Hezong Expressway Co., Ltd.	-	-	-	-	188,000,000.00	-
Anhui Yuehuang Expressway Co., Ltd.	-	-	-	-	467,000,000.00	-
Anhui Transportation Holding Information Industry Co., Ltd.Note7	-	-	-	-	12,000,000.00	-
II.Joint ventures						
III.Associated enterprises	-	142,708,162.04	301,099,516.33	-	3,481,844,590.74	301,099,516.33
Anhui Guolu Expressway Co., Ltd.	-	51,788,162.04	-	-	244,312,293.49	-
Wanjiang Financial Leasing Co., Ltd. Note8	-	-	301,099,516.33	-	3,102,945,711.53	301,099,516.33
Anhui Bengming Expressway Development Co., Ltd.	-	90,920,000.00	-	-	134,586,585.72	-

Note1: According to the reply of write-off asset losses to Anhui Transportation Holding Group Co., Ltd. by The SASAC of Anhui Province (WANGUOZIPINGJIAHAN [2019] No.529), the Company shall write-off the investment of Anhui Expressway Logistics Co., Ltd. due to bankruptcy liquidation, and the write-off amount is 100,088,000.00 yuan.

Note2: The Company has increased capital to its subsidiary Anhui Expressway Petrochemical Co., Ltd. in cash by 14,708,400.00 yuan in the reporting period.

Note3: The decrease during the reporting period was to recover the investment in advance by 44,976,429.95 yuan.

Note4: The decrease during the reporting period was the cancellation of some relevant companies and redemption the investment.

Note5: According to the “Debt Transfer to Capital Reserves” agreement which was signed by the Company with Anhui Wantong Expressway Co., Ltd., Xuancheng Traffic Investment Co., Ltd.

(three shareholders) and Anhui Ningxuanhang Expressway Investment Co., Ltd. on December 28, 2018, all of the interest-free loan of Anhui Ningxuanhang Expressway Investment Co., Ltd. to the three shareholders has been transferred into the capital reserve of as the benchmark date of December 31, 2017. At the same time, all project-related investments made by the three shareholders since January 1, 2018 are included in the capital reserve of Anhui Ningxuanhang Expressway Investment Co., Ltd. This agreement was effected on April 3, 2019, after the resolution approved by the first extraordinary general meeting of shareholders in 2019. The increase during the reporting period is the completion of debt-for-equity swap pursuant to the above agreement.

Note6: The Company has increased capital to its subsidiary Anhui Transportation Capital Investment Management Co., Ltd. in cash by 85,000,000.00 yuan in the reporting period.

Note7: The Company has invested to Anhui Transportation Holding Information Industry Co., Ltd. in the reporting period with a total investment of 24,000,000.00 yuan, and the first contribution of 12,000,000.00 yuan.

Note8: According to the equity transfer agreement of Wanjiang Finance Lease Co., Ltd. which was signed by the Company with Tianjin Bohai Leasing Co., Ltd., Bohai Capital Group Co., Ltd., and Wanjiang Finance Lease Co., Ltd. on September 28, 2018, the Company acquired the 35.8696% equity interest of Wanjiang Finance Lease Co., Ltd. held by Tianjin Bohai Leasing Co., Ltd. by RMB 2,981,870,000.00. After the completion of the above transaction, the Company became the largest shareholder of Wanjiang Finance Lease Co., Ltd. The equity transfer has been completed on January 9, 2019, and the Company confirmed its investment.

12.4. Revenue and Cost of Sales

Items	2019		2018	
	Revenue	Costs of sales	Revenue	Costs of sales
Subtotal of principal activities	14,321,257,072.07	7,394,404,942.40	12,767,996,227.97	6,032,229,617.40
Including: highway bridge operation	14,321,257,072.07	7,388,404,942.40	12,767,996,227.97	6,032,229,617.40
Others	-	-	-	-
Subtotal of other activities	310,911,567.57	107,388,996.56	254,616,329.59	120,595,160.72
Including: Lease business	163,941,431.20	29,999,591.98	155,121,409.92	40,083,120.80
Rescue business	2,924,708.55	-	2,848,121.84	-
Others	144,045,427.82	77,389,404.58	96,646,797.83	80,512,039.92
Total	14,632,168,639.64	7,501,793,938.96	13,022,612,557.56	6,152,824,778.12

12.5. Investment income

Items	2019	2018
Investment income from long-term equity investments under equity method	290,224,160.76	191,643,307.04
Investment income from long-term equity investments under cost method	343,053,974.55	301,711,432.14
Gains on disposal of long-term equity investments	-228,024.30	-443,633.21

Investment income from available-for-sale financial assets during the holding period	28,892,408.94	11,725,815.33
Gains on disposal of available-for-sale financial assets	-	-295,193.31
Others	-	1,935,930.51
Total	661,942,519.95	506,277,658.50

12.6. Statement of Cash Flows

(a) Supplementary information to the statement of cash flows

Supplementary information	2019	2018
(i) Adjustments of net profit to cash flows from operating activities:		
Net profit	2,164,848,540.80	2,387,339,649.00
Add: Provisions for impairment of assets	747,116,288.03	30,178,412.02
Depreciation of fixed assets, Investment Properties, oil and gas asset and productive biological assets	4,738,690,766.96	4,196,865,376.14
Amortisation of intangible assets	2,718,929.84	10,159,801.62
Amortisation of long-term deferred expenses	2,278,288.00	2,029,501.60
Losses/(gains) on disposal of fixed assets, intangible assets and other long-term assets	-1,873,845.20	-43,098,956.04
Losses/(gains) on scrapping of fixed assets	78,714,124.18	-
Losses/(gains) on changes in fair value	-	-
Finance costs /(income)	4,500,553,068.86	4,257,228,997.44
Investment losses /(income)	-661,942,519.95	-506,277,658.50
Decreases /(increases) in deferred tax assets	-101,611,090.10	-92,202,641.13
Increases /(decreases) in deferred tax liabilities	137,887,284.67	234,150,994.83
Decreases /(increases) in inventories	2,571,607.38	-828,094.32
Decreases /(increases) in operating receivables	-953,136,034.73	-2,279,985,789.85
Increases /(decreases) in operating payables	1,253,209,325.90	2,068,189,229.50
Others	-	-
Net cash flows from operating activities	11,910,024,734.64	10,263,748,822.31
(ii)Significant investing and financing activities not involving cash receipts and payments:		
Conversion of debt into capital	-	-
Convertible corporate bonds maturing within one year	-	-
Fixed assets acquired under finance leases	-	-
(iii)Net increases in cash and cash equivalents:		
Cash at the end of the reporting period	3,881,174,931.79	3,533,197,822.21

Supplementary information	2019	2018
Less: Cash at the beginning of the reporting period	3,533,197,822.21	2,762,818,307.74
Add: Cash equivalents at the end of the reporting period	-	-
Less: Cash equivalents at the beginning of the reporting period	-	-
Net increase in cash and cash equivalents	347,977,109.58	770,379,514.47

(b) The components of cash and cash equivalents

Items	2019	2018
(i) Cash	3,881,174,931.79	3,533,197,822.21
Including: Cash on hand	5,456.97	17,198.48
Cash in bank available for immediate use	3,881,161,678.72	3,533,123,923.63
Other monetary funds available for immediate use	7,796.10	56,700.10
(ii) Cash equivalents	-	-
Including: Bond investments maturing within three months	-	-
(iii) Cash and cash equivalents at the end of the reporting period	3,881,174,931.79	3,533,197,822.21

Note 13. Other contents to be disclosed in accordance with the related financial accounting system

The Company has no other matters need to be disclosed during the reporting period.

Note 14. Approval of financial statements

The financial statement was approved by the general manager's office meeting on March 27, 2020.

Name of the Company: Anhui Transportation Holding Group Co., Ltd.

Legal Representative: Chief Financial Officer: Finance Manager:

Date: March 27, 2020

Anhui Transportation Holding Group Co., Ltd.

Auditor's Report

Baker Tilly China [2021] No. 31146

English translation is for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

This report is for informational use only and is not legally binding.

Contents

Auditors' Report——1

2020 Financial Statements——4

Notes to the Financial Statements of 2020 ——16

AUDITOR'S REPORT



0551202105004796475

Baker Tilly China [2021] No.31146

Anhui Transportation Holding Group Co.,Ltd.

1. Opinion

We have audited the accompanying financial statements of Anhui Transportation Holding Group Co.,Ltd. (the "Company"), which comprise the consolidated and the Company's balance sheet as at 31 December 2020, the consolidated and the Company's income statement and cash flow statement for the year then ended, and notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the consolidated and the Company's financial position as at 31 December 2020, and the consolidated and the Company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises (the "ASBE").

2. Basis of opinion

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

3. Responsibilities of management for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the ASBE and for design, implement and maintain such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

4. 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 errors, 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.

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

(1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) 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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw user's attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) 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.

(6) Obtain sufficient and appropriate audit evidence on financial information of the entities or operating activities of the Company so as to express an audit opinion on the financial statements. We are responsible for guidance, supervision and execution of the group audit, and we assume full responsibility to the audit opinion thereon.

We communicate to those charged with governance, among other matters, on the planned audit scope, timing and significant audit findings, including significant deficiencies in internal controls that we identified during our audit.

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Baker Tilly China [2021] No.31146

Chinese Certified Public Accountant:

Baker Tilly China, Beijing, China

2 April 2021

Chinese Certified Public Accountant:

Chinese Certified Public Accountant:

This auditor's report and the accompanying financial statements are English translation of the Chinese auditor's report. In case any inconsistencies between the two reports, the Chinese version shall prevail.

Consolidated Balance Sheet

Company: Anhui Transportation Holding Group Co.,Ltd. 31 December, 2020 Monetary Unit: CNY

Items	NO.	Closing balance	Opening balance	Note No.
Current assets:	1			
Cash and cash equivalents	2	16,734,362,419.38	15,034,079,690.76	VIII.note1
Refundable deposits	3			
△ Settlement reserve	4			
△ Loans to banks and other financial institutions	5			
☆ Trading financial assets	6	1,264,558,547.95	974,373,486.30	VIII.note2
Financial assets at fair value through profits and losses	7	29,999,000.00		VIII.note3
Derivative financial assets	8			
Notes receivable	9	99,915,737.00	48,949,274.73	VIII.note4
Accounts receivable	10	1,222,554,827.21	1,141,067,689.03	VIII.note5
Compensation receivable	11			
☆ Accounts receivable financing	12			
Prepayments	13	341,424,826.36	1,008,807,857.84	VIII.note6
△ Premiums receivable	14			
△ Reinsurance accounts receivable	15			
△ Reinsurance reserve receivable	16			
Other receivables	17	1,443,374,751.38	1,374,991,417.03	VIII.note7
Of which: Dividend receivable	18	82,752,723.14	21,608,230.85	VIII.note7
△ Financial assets acquired for re-sale	19			
Inventories	20	22,770,803,962.16	22,622,896,929.30	VIII.note8
including: materials	21	24,713,361.94	30,184,218.40	VIII.note8
finished goods	22	4,754,500,685.53	4,873,176,702.46	VIII.note8
☆ Contract assets	23	1,235,302,665.94	1,137,648,069.94	VIII.note9
Assets classified as held for sale	24			
Non-current assets due within one year	25	700,885,304.00	713,669,196.69	VIII.note10
Other current assets	26	2,990,852,226.24	2,313,616,682.37	VIII.note11
Total current assets	27	48,834,034,267.62	46,370,100,293.99	
Non-current assets:	28			
△ Loans and advances	29			
☆ Investments in debt securities	30			
Available-for-sale financial assets	31	5,674,079,662.24	4,004,042,837.57	VIII.note12
☆ Other Investments in debt securities	32			
Held-to-maturity investments	33			
Long-term receivables	34	577,440,335.27	850,940,648.30	VIII.note13
Long-term equity investments	35	5,807,471,398.38	5,802,434,202.78	VIII.note14
☆ Investment in other equity instruments	36	100,530,888.10	100,530,888.10	VIII.note15
☆ Other non-current financial assets	37	390,029.23	141,052.77	VIII.note16
Investment properties	38	3,622,152,654.22	3,546,440,227.74	VIII.note17
Fixed assets	39	176,232,097,762.21	180,590,779,568.25	VIII.note18
Of which: Original cost of fixed assets	40	234,774,980,710.86	231,624,176,286.58	VIII.note18
Accumulated depreciation	41	58,543,132,102.50	51,035,730,510.79	VIII.note18
Provision for impairment of fixed assets	42			VIII.note18
Construction in process	43	21,778,711,880.23	8,660,654,180.17	VIII.note19
Productive biological assets	44			
Oil and gas assets	45			
☆ Usufruct assets	46			
Intangible assets	47	667,720,627.90	744,139,929.05	VIII.note20
Development expenditures	48	1,611,737.35		VIII.note21
Goodwill	49	30,352,760.12	33,873,932.45	VIII.note22
Long-term deferred expenses	50	253,259,666.76	212,746,798.51	VIII.note23
Deferred income tax assets	51	1,213,072,913.03	1,228,735,180.94	VIII.note24
Other non-current assets	52	4,599,270,728.66	347,607,759.68	VIII.note25
including: charactered material reserve	53			
Total non-current assets	54	220,558,163,043.70	206,123,067,206.31	
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	76			
Total assets	77	269,392,197,311.32	252,493,167,500.30	

Legal Representative: Chief Accountant: Person in charge of accounting department:

Consolidated Balance Sheet (Continued)

Company: Anhui Transportation Holding Group Co.,Ltd. 31 December, 2020 Monetary Unit: CNY

Items	NO.	Closing balance	Opening balance	Note No.
Current liabilities:	74			
Short-term borrowing	75	4,421,163,701.39	3,517,880,000.00	VIII.note26
△ Loans from the Central Bank	76			
△ Loans from other banks and other financial institutions	77			
☆ Trading financial liabilities	78			
Financial liabilities at fair value through profits and losses	79			
Derivative financial liabilities	80			
Notes payable	81	146,269,814.98	21,739,894.10	VIII.note27
Accounts payable	82	13,768,600,171.05	11,587,776,345.33	VIII.note28
Advances received	83	11,461,171,704.02	10,074,809,234.54	VIII.note29
☆ Contract liabilities	84	212,459,237.88	186,787,807.04	VIII.note30
△ Financial assets sold for repurchase	85			
△ Deposit taking and interbank deposit	86			
△ Funds for agency securities trading	87			
△ Funds for underwriting securities trading	88			
Employee benefits payable	89	221,801,561.63	235,584,529.59	VIII.note31
including: accrued payrolls	90	105,530,403.00	120,273,756.38	VIII.note31
welfare payable	91	6,172,893.12	7,294,983.61	VIII.note31
#including: staff bonus and welfare fund	92			
Taxes and surcharges payable	93	841,444,366.51	1,026,979,920.94	VIII.note32
including: tax payable	94	812,164,114.02	993,654,787.03	VIII.note32
Other payables	95	4,382,454,874.86	3,627,582,981.31	VIII.note33
Of which: Dividends payable	96	22,045,928.35	31,493,397.11	VIII.note33
△ Service charge and commission payable	97			
△ Provision for guarantee contract	98			
Liabilities classified as held for sale	99			
Non-current liabilities due within one year	100	16,188,256,509.94	19,052,245,638.91	VIII.note34
Other current liabilities	101	4,346,762,872.83	7,136,481,738.91	VIII.note35
Total current liabilities	102	55,990,384,815.09	56,467,868,090.67	
Non-current liabilities:	103			
△ Provision for insurance contracts	104			
Long-term borrowing	105	99,659,690,810.63	84,883,785,606.19	VIII.note36
Bonds payable	106	14,700,000,000.00	17,529,912,897.88	VIII.note37
Including: preferred stock	107			
perpetual bond	108			
☆ Lease liabilities	109			
Long-term payables	110	788,244,213.75	1,121,096,199.79	VIII.note38
Long-term employee benefits payable	111			
Accrued liabilities	112	15,738,682.30	15,738,682.30	VIII.note39
Deferred revenues	113	389,110,496.98	322,880,078.70	VIII.note40
Deferred income tax liabilities	114	2,405,921,808.38	2,026,862,082.05	VIII.note24
Other non-current liabilities:	115	70,000,000.00	70,000,000.00	VIII.note41
including: authorized reserve fund	116			
Total non-current liabilities	117	118,028,706,012.04	105,970,275,546.91	
Total liabilities	118	174,019,090,827.13	162,438,143,637.58	
Equity:	119			
Share capital	120			
National capital	121	16,000,000,000.00	16,000,000,000.00	VIII.note42
State owned legal person capital	122	16,000,000,000.00	16,000,000,000.00	VIII.note42
Collective capital	123			
Private capital	124			
Foreign capital	125			
#Less: returned investment	126			
Net share capital	127	16,000,000,000.00	16,000,000,000.00	VIII.note42
Other equity instruments	128	2,000,000,000.00	2,000,000,000.00	VIII.note43
Including: Preference share	129			
Perpetual bond	130	2,000,000,000.00	2,000,000,000.00	VIII.note43
Capital Reserve	131	49,325,494,169.67	46,319,580,594.67	VIII.note44
Less: treasury stock	132			
Other comprehensive incomes	133	2,140,449,993.56	1,088,984,285.11	VIII.note63
Including: the foreign currency statement translation difference	134			
Special reserve	135	53,043,297.90	55,637,711.42	VIII.note45
Surplus reserve	136	1,023,325,168.42	1,002,226,620.07	VIII.note46
Including: statutory surplus reserve	137	1,023,325,168.42	1,002,226,620.07	VIII.note46
discretionary surplus reserve	138			
# Reserve fund	139			
# Enterprise expension fund	140			
# Profits capitalised on return of investments	141			
△ General risk reserve	142			
Undistributed profit	143	11,700,052,175.30	10,940,091,768.63	VIII.note47
Total owners' equity belongs to parent company	144	82,242,364,804.85	77,406,520,979.90	
Minority equity	145	13,130,741,679.34	12,648,502,882.82	
Total equity	146	95,373,106,484.19	90,055,023,862.72	
Total liabilities & equity	147	269,392,197,311.32	252,493,167,500.30	

Legal Representative: Chief Accountant: Person in charge of accounting department:

Consolidated Income Statement

Company: Anhui Transportation Holding Group Co.,Ltd. Year 2020 Monetary Unit: CNY

Items	NO.	Amount for the current period	Amount for the prior period	Notes NO.
I. Total operating revenue	1	36,142,768,622.76	35,351,285,710.25	
Including: operating revenue	2	36,129,729,318.81	35,338,929,127.87	VIII.note48
△ Net interest income	3	13,039,303.95	12,356,582.38	VIII.note49
△ Earned premium	4			
△ Handling charges and commission income	5			
II. Total operating cost	6	34,179,439,973.73	30,491,493,839.24	
Including: operating cost	7	27,011,231,625.19	23,082,809,624.28	VIII.note48
△ Interest expenditures	8			
△ Handling charges and commission expenses	9			
△ Surrender value	10			
△ Net amount of compensation expenses	11			
△ Net amount of reserves for insurance contract	12			VIII.note45
△ Policy dividend expenditures	13			
△ Reinsurance expenses	14			
Tax and surcharges	15	415,438,443.15	568,604,865.08	
Selling expenses	16	866,225,598.92	857,553,932.14	VIII.note50
Administrative expenses	17	1,046,898,657.50	1,005,996,086.89	VIII.note51
Research and development expenses	18	132,420,888.89	75,844,393.36	VIII.note52
Financial expenses	19	4,707,224,760.08	4,900,684,937.49	VIII.note53
Including: interest expense	20	5,462,721,313.71	5,327,154,567.34	VIII.note53
intererst income	21	556,280,652.65	523,543,045.86	VIII.note53
net loss on foreign exchange (or less: gains)	22	-221,320,737.19	69,956,902.31	VIII.note53
Oters	23			
Plus: Other income	24	456,985,172.94	385,332,448.19	VIII.note54
Investment income (loss to be listed with "-")	25	986,207,172.70	499,636,411.54	VIII.note55
Including: Income from investment into associated enterprises and joint ventures	26	751,794,264.35	335,154,724.39	VIII.note55
Income from derecognition of financial assets measured at amortized cost (loss to be listed with "-")	27			
△ Exchange income (loss to be listed with "-")	28			
☆ Net exposure hedge income (loss to be listed with "-")	29			
Income from changes in fair value of assets (loss to be listed with "-")	30	43,611,786.55	13,942,846.00	VIII.note56
☆ Credit impairment loss (loss to be listed with "-")	31	-16,473,757.11	-111,539,688.63	VIII.note57
Asset impairment loss (loss to be listed with "-")	32	-692,096,462.76	-879,023,481.38	VIII.note58
Gains from asset disposal (loss to be listed with "-")	33	117,276,134.20	4,551,156.44	VIII.note59
III. Operating profits (losses to be listed with "-")	34	2,858,838,695.55	4,772,691,563.17	
Plus: Non-operating income	35	72,044,612.69	76,558,785.74	VIII.note60
including: government grants	36	19,671,525.35		VIII.note60
Less: Non-operating expenses	37	95,375,641.94	158,232,194.52	VIII.note61
IV. Profit before tax (or less: total loss)	38	2,835,507,666.30	4,691,018,154.39	
Less: income tax expense	39	948,062,825.47	1,508,222,591.57	VIII.note62
V. Net profit (or less: net loss)	40	1,887,444,840.83	3,182,795,562.82	
Classified by ownership:	41			
Net profit attributable to owners of parent company	42	1,276,448,091.55	2,480,165,338.64	
Minority interest income	43	610,996,749.28	702,630,224.18	
Classified by going concern method:	44			
Income of continuing operating	45	1,887,444,840.83	3,182,795,562.82	
Income of terminate operating	46			
VI. Other comprehensive income after tax	47	1,051,465,708.45	99,660,863.10	
Other comprehensive income after tax attributable to parent company	48	1,051,465,708.45	110,310,418.67	VIII.note63
(I) Not reclassified subsequently to profit or loss	49		-4,926,801.85	VIII.note63
1. Changes arising from re-measurement of net liabilities or net assets of defined benefit plan	50			
2. Other comprehensive income that cannot be transferred to profit or loss under equity method	51			
☆3. Changes in fair value of other equity instrument investments	52		-4,926,801.85	VIII.note63
☆4. Changes in fair value of enterprise's own credit risk	53			
5. Others	54			
(II) To be reclassified subsequently to profit or loss	55	1,051,465,708.45	115,237,220.52	VIII.note63
1. Other comprehensive income that can be transferred to profit and loss under equity method	56	169,284.60	2,168,489.42	VIII.note63
☆ 2. Changes in fair value of other debt investment	57			
3. Profit and loss from changes in fair value of available for sale financial assets	58	1,051,296,423.85	113,068,731.10	VIII.note63
☆ 4. Amount of financial assets reclassified into other comprehensive income	59			
5. Profit and loss of held to maturity investment reclassified as available for sale financial assets	60			
☆ 6. Provision for credit impairment of other debt investment	61			
7.Cash flow hedging reserve (effective part of cash flow hedging profit and loss)	62			
8. Translation difference of foreign currency financial statements	63			
9. Others	64			
Other comprehensive income after tax attributable to non-controlling interest	65		-10,649,555.57	
VII. Total comprehensive income	66	2,938,910,549.28	3,282,456,425.92	
Including: Items attributable to owners of parent company	67	2,327,913,800.00	2,590,475,757.31	
Items attributable to minority interest	68	610,996,749.28	691,980,668.61	
VIII. Earnings per share:	69			
(I) Basic EPS	70			
(II) Diluted EPS	71			

Legal Representative: Chief Accountant: Person in charge of accounting department:

Consolidated Cash Flow Statement

Company: Anhui Transportation Holding Group Co.,Ltd. Year 2020 Monetary Unit: CNY

Items	NO.	Amount for the current period	Amount for the prior period	Notes NO.
1.Cash flows from operating activities:	1			
Cash receipts from sale of goods or rendering of services	2	36,499,393,448.98	36,404,473,211.83	
Net increase of client deposit and interbank deposit	3			
Net increase of central bank loans	4			
Net increase of loans from other financial institutions	5			
Cash receipts of original insurance contract premium	6			
Net cash receipts from reinsurance	7			
Net increase of policy-holder deposit and investment	8			
Net increase of trading financial assets disposal	9			
Cash receipts from interest, handling charges and commission	10	7,474,197.03	6,893,734.78	
Net increase of loans from others	11			
Net increase of repurchase	12			
Net increase of acting trading securities	13			
Receipts of tax refund	14	77,473,703.88	1,247,396.26	
Other cash receipts related to operating activities	15	3,921,168,377.55	3,305,875,630.01	
Subtotal of cash inflows from operating activities	16	40,505,509,727.44	39,718,489,972.88	
Cash payments for goods purchased and services received	17	14,501,746,663.11	13,986,286,548.15	
Net increase of loans and advances to clients	18	-13,930,516.88	15,194,694.00	
Net increase of central bank deposit and interbank deposit	19			
Cash payment of insurance indemnities of original insurance contracts	20			
Net increase of loans from other banks	21			
Cash payment of interest, handling charges and commission	22			
Cash payment of policy bonus	23			
Cash paid to and on behalf of employees	24	3,425,678,709.47	3,592,230,844.72	
Cash payments of taxes and rates	25	2,778,784,707.36	2,954,640,610.50	
Other cash payments related to operating activities	26	3,785,920,162.77	3,314,690,158.95	
Subtotal cash outflows from operating activities	27	24,478,199,725.83	23,863,042,856.32	
Net cash flows from operating activities	28	16,027,310,001.61	15,855,447,116.56	VIII.note67
2.Cash flows from investing activities:	29			
Cash received from return of investments	30	2,968,408,000.00	2,306,152,627.20	
Cash received from return on investments	31	365,801,156.81	246,237,741.84	
Net cash received from the disposal of fixed assets,intangible assets and other long-term assets	32	112,987,442.08	97,557,275.26	
Net cash received from the disposal of subsidiaries & other business units	33	10,274,234.70		
Other cash receipts related to investing activities	34	5,249,974,466.51	1,268,136,605.75	
Subtotal of cash inflows from investing activities	35	8,707,445,300.10	3,918,084,250.05	
Cash paid for acquiring fixed assets,intangible assets and other long-term assets	36	17,294,923,035.89	11,572,475,641.51	
Cash paid for acquiring investments	37	3,704,977,803.67	2,662,673,268.00	
Net increase of pledged loans	38			
Net cash paid for acquiring subsidiaries & other business units	39			
Other cash payments related to investing activities	40	5,866,016,763.95	1,748,155,634.66	
Subtotal of cash outflows from investing activities	41	26,865,917,603.51	15,983,304,544.17	
Net cash flows from investing activities	42	-18,158,472,303.41	-12,065,220,294.12	
3.Cash flows from financing activities:	43			
Cash received from investment by others	44	3,454,237,000.00	3,209,457,300.00	
Including: cash received by subsidiaries from non-controlling owners	45	9,000,000.00	22,713,300.00	
Cash received from borrowings	46	38,154,222,156.06	27,221,173,204.16	
Cash received from issuing of bonds	47			
Other cash receipts related to financing activities	48	9,545,312.01	5,000,000.00	
Subtotal of cash inflows from financing activities	49	41,618,004,468.07	30,435,630,504.16	
Cash repayments of borrowings	50	30,520,124,136.26	27,471,177,256.14	
Cash paid for distribution of dividends or profits and for interest expenses	51	7,280,161,270.45	6,500,517,765.38	
Including: cash paid for distribution of dividends or profits by subsidiaries to minority owners	52	498,571,523.35	539,585,595.33	
Other cash payments related to financing activities	53	57,701,604.39	157,924,966.37	
Subtotal of cash outflows from financing activities	54	37,857,987,011.10	34,129,619,987.89	
Net cash flows from financing activities	55	3,760,017,456.97	-3,693,989,483.73	
4.Effect of foreign exchange rate changes on cash & cash equivalents	56	-1,940,166.02	2,616,651.05	
5. Net increase in cash and cash equivalents	57	1,626,914,989.15	98,853,989.76	VIII.note67
Add: Opening balance of cash and cash equivalents	58	14,451,217,870.69	14,352,363,880.93	VIII.note67
6. Closing balance of cash and cash equivalents	59	16,078,132,859.84	14,451,217,870.69	VIII.note67

Legal Representative: Chief Accountant: Person in charge of accounting department:

Consolidated Statement of Changes in Owners' Equity

Company: Anhui Transportation Holding Group Co.,Ltd. | Year 2020 | Monetary Unit: CNY

Items	NO.	Amount for the current year												
		Equity attributable to parent company											Non-controlling interest	Total equity
		Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total	
			Preference share	Perpetual bond	Others									
NO.	—	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.Balance at the end of prior year	1	16,000,000,000.00		2,000,000,000.00		46,319,580,594.67		1,088,984,285.11	55,637,711.42	1,002,226,620.07		10,940,091,768.63	77,406,520,979.90	12,648,502,882.82	90,055,023,862.72
Add: cumulative changes of accounting policies	2														
Error correction of prior period	3														
Others	4														
2.Balance at the beginning of current year	5	16,000,000,000.00		2,000,000,000.00		46,319,580,594.67		1,088,984,285.11	55,637,711.42	1,002,226,620.07		10,940,091,768.63	77,406,520,979.90	12,648,502,882.82	90,055,023,862.72
3.Current period increase (or less: decrease)	6					3,005,913,575.00		1,051,465,708.45	-2,594,413.52	21,098,548.35		759,960,406.67	4,835,843,824.95	482,238,796.52	5,318,082,621.47
(1)Total comprehensive income	7							1,051,465,708.45				1,276,448,091.55	2,327,913,800.00	610,996,749.28	2,938,910,549.28
(2)Capital contributed or withdrew by owners	8					3,005,913,575.00							3,005,913,575.00	450,379,455.90	3,456,293,030.90
1) Capital contributed by owners	9													8,325,981.00	8,325,981.00
2) Capital contributed by other equity instruments' holders	10														
3) Amount of share-based payment included in equity	11														
4) Others	12					3,005,913,575.00							3,005,913,575.00	442,053,474.90	3,447,967,049.90
(3)Special reserve extraction and use	13								-2,594,413.52				-2,594,413.52	369,547.58	-2,224,865.94
1).Special reserve extraction	14								33,603,946.65				33,603,946.65	714,471.82	34,318,418.47
2).Use of special reserve	15								-36,198,360.17				-36,198,360.17	-344,924.24	-36,543,284.41
(4) Profit distribution	16									21,098,548.35		-516,487,684.88	-495,389,136.53	-579,506,956.24	-1,074,896,092.77
1).Surplus reserve drawn	17									21,098,548.35		-21,098,548.35			
Including:statutory surplus reserves	18									21,098,548.35		-21,098,548.35			
discretionary surplus reserves	19														
#Reserve fund	20														
#Enterprise expansion fund	21														
#Profits capitalized on return of investment	22														
2).General risk reserve drawn	23														
3).Appropriation of profit to owners	24											-495,389,136.53	-495,389,136.53	-509,805,486.34	-1,005,194,622.87
4).Others	25													-69,701,469.90	-69,701,469.90
(5)Enternal carry-over within equity	26														
1) Transfer of capital reserve to capital	27														
2) Transfer of surplus reserve to capital	28														
3) Surplus reserve to cover losses	29														
4) Changes in remeasurement on the net defined benefit liability/asset	30														
5) Other comprehensive income carried forward retained earnings	31														
6) Others	32														
4.Balance at the end of current period	33	16,000,000,000.00		2,000,000,000.00		49,325,494,169.67		2,140,449,993.56	53,043,297.90	1,023,325,168.42		11,700,052,175.30	82,242,364,804.85	13,130,741,679.34	95,373,106,484.19

Legal Representative: | Chief Accountant: | Person in charge of accounting department:

Consolidated Statement of Changes in Owners' Equity (Continued)

Company: Anhui Transportation Holding Group Co.,Ltd. | Company: Anhui Transportation Holding Group Co.,Ltd. | Year 2020 | Monetary Unit: CNY

Items	NO.	Amount for the prior year												
		Equity attributable to parent company											Non-controlling interest	Total equity
		Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total	
			Preference share	Perpetual bond	Others									
NO.	—	15	16	17	18	19	20	21	22	23	24	25	26	27	28
1.Balance at the end of prior year	1	16,000,000,000.00		2,000,000,000.00		43,337,654,173.97		978,673,866.44	41,836,390.37	785,741,765.99		9,179,174,042.83	72,323,080,239.60	12,204,677,444.23	84,527,757,683.83
Add: cumulative changes of accounting policies	2											766,241.24	766,241.24		766,241.24
Error correction of prior period	3														
Others	4														
2.Balance at the beginning of current year	5	16,000,000,000.00		2,000,000,000.00		43,337,654,173.97		978,673,866.44	41,836,390.37	785,741,765.99		9,179,940,284.07	72,323,846,480.84	12,204,677,444.23	84,528,523,925.07
3.Current period increase (or less: decrease)	6					2,981,926,420.70		110,310,418.67	13,801,321.05	216,484,854.08		1,760,151,484.56	5,082,674,499.06	443,825,438.59	5,526,499,937.65
(1)Total comprehensive income	7							110,310,418.67				2,480,165,338.64	2,590,475,757.31	691,980,668.61	3,282,456,425.92
(2)Capital contributed or withdrew by owners	8					2,981,926,420.70							2,981,926,420.70	289,733,928.20	3,271,660,348.90
1) Capital contributed by owners	9					2,442,600,000.00							2,442,600,000.00	-15,586,748.56	2,427,013,251.44
2) Capital contributed by other equity instruments' holders	10														
3) Amount of share-based payment included in equity	11														
4) Others	12					539,326,420.70							539,326,420.70	305,320,676.76	844,647,097.46
(3)Special reserve extraction and use	13								13,801,321.05				13,801,321.05	518,892.00	14,320,213.05
1).Special reserve extraction	14								26,938,855.49				26,938,855.49	1,252,702.00	28,191,557.49
2).Use of special reserve	15								-13,137,534.44				-13,137,534.44	-733,810.00	-13,871,344.44
(4) Profit distribution	16									216,484,854.08		-720,013,854.08	-503,529,000.00	-538,408,050.22	-1,041,937,050.22
1).Surplus reserve drawn	17									216,484,854.08		-216,484,854.08			
Including:statutory surplus reserves	18									216,484,854.08		-216,484,854.08			
discretionary surplus reserves	19														
#Reserve fund	20														
#Enterprise expansion fund	21														
#Profits capitalizad on return of investment	22														
2).General risk reserve drawn	23														
3).Appropriation of profit to owners	24											-503,529,000.00	-503,529,000.00	-539,585,595.33	-1,043,114,595.33
4).Others	25													1,177,545.11	1,177,545.11
(5)Internal carry-over within equity	26														
1) Transfer of capital reserve to capital	27														
2) Transfer of surplus reserve to capital	28														
3) Surplus reserve to cover losses	29														
4) Changes in remeasurement on the net defined benefit liability/asset	30														
5) Other comprehensive income carried forward retained earnings	31														
6) Others	32														
4.Balance at the end of current period	33	16,000,000,000.00		2,000,000,000.00		46,319,580,594.67		1,088,984,285.11	55,637,711.42	1,002,226,620.07		10,940,091,768.63	77,406,520,979.90	12,648,502,882.82	90,055,023,862.72

Legal Representative: | Chief Accountant: | Person in charge of accounting department:

Balance Sheet

Company: Anhui Transportation Holding Group Co.,Ltd. 31 December, 2020 Monetary Unit: CNY

Items	NO.	Closing balance	Opening balance	Note No.
Current assets:	1			
Cash and cash equivalents	2	5,051,418,162.23	3,881,174,931.79	
△ Settlement reserve	3			
△ Loans to banks and other financial institutions	4			
Trading financial assets	5			
Financial assets at fair value through profits and losses	6			
Derivative financial assets	7			
Notes receivable	8			
Accounts receivable	9	284,244,413.39	452,776,460.43	XIII.1.1
Accounts receivable financing	10			
Prepayments	11	132,178,028.66	793,821,685.14	
△ Premium receivable	12			
△ Reinsurance accounts receivable	13			
△ Reinsurance reserve receivable	14			
Other receivables	15	10,260,513,757.87	9,022,395,685.28	XIII.1.2
Of which: Dividend receivable	16	81,001,932.22		XIII.1.2
△ Buying back the sale of financial assets	17			
Inventories	18	10,135,500.83	10,977,909.81	
including: materials	19	9,426,731.21	10,248,889.91	
finished goods	20	348,232.05	659,442.19	
Contract assets	21			
Assets classified as held for sale	22			
Non-current assets due within one year	23	165,800,000.00	336,550,000.00	
Other current assets	24	1,417,043,911.62	632,284,404.38	
Total current assets	25	17,321,333,774.60	15,129,981,076.83	
Non-current assets:	26			
△ Loans released and money advanced	27			
Investments in debt securities	28			
Available-for-sale financial assets	29	2,636,549,056.14	1,321,908,745.42	
Other Investments in debt securities	30			
Held-to-maturity investment	31			
Long-term receivables	32	3,721,898,287.59	3,517,282,387.59	
Long-term equity investment	33	19,528,030,379.48	18,894,393,040.66	XIII.1.3
Investment in other equity instruments	34			
Other non-current financial assets	35			
Investment properties	36	293,098,975.39	307,284,872.68	
Fixed assets	37	139,394,908,458.82	142,735,959,452.24	
Of which: Original cost of fixed assets	38	179,613,082,553.08	177,208,160,093.81	
Accumulated depreciation	39	40,218,174,094.26	34,472,200,641.57	
Provision for impairment of fixed assets	40			
Construction in process	41	12,659,011,593.59	4,842,596,571.25	
Productive biological assets	42			
Oil and gas assets	43			
Usufruct assets	44			
Intangible assets	45	27,499,633.56	7,654,505.00	
Development expenditures	46			
Goodwill	47			
Long-term deferred expenses	48	2,040,007.62	4,466,340.30	
Deferred income tax assets	49	192,965,572.76	193,813,731.23	
Other non-current assets	50	8,201,636,677.81	6,406,353,690.15	
including: characterd material reserve	51			
Total non-current assets	52	406,488,895,290.10	389,912,074,071.90	
including: characterd material reserve	53			
Total non-current assets	54	186,657,638,642.76	178,231,713,336.52	
	55			
	56			
	57			
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	62			
	63			
	64			
	65			
	66			
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	70			
	71			
	72			
	73			
Total assets	74	203,978,972,417.36	193,361,694,413.35	

Legal Representative: Chief Accountant: Person in charge of accounting department:

Balance Sheet (Continued)

Company: Anhui Transportation Holding Group Co.,Ltd. 31 December, 2020 Monetary Unit: CNY

Items	NO.	Closing balance	Opening balance	Note No.
Current liabilities:	74			
Short-term borrowing	75	2,348,000,000.00	1,360,000,000.00	
△ Loans from the Central Bank	76			
△ Loans from other banks and other financial institutions	77			
Trading financial liabilities	78			
Financial liabilities at fair value through profits and losses	79			
Derivative financial liabilities	80			
Notes payable	81			
Accounts payable	82	7,149,730,612.93	5,895,739,857.65	
Advances received	83	2,603,253,231.38	2,725,674,284.89	
Contract liabilities	84			
△ Financial assets sold for repurchase	85			
△ Deposit taking and interbank deposit	86			
△ Funds for agency securities trading	87			
△ Funds for underwriting securities trading	88			
Employee benefits payable	89	36,726,881.40	48,061,491.45	
including: accrued payrolls	90	28,221,636.83	34,217,347.27	
welfare payable	91			
#including: staff bonus and welfare fund	92			
Taxes and surcharges payable	93	127,430,106.02	412,055,137.19	
including: tax payable	94	124,476,422.48	407,898,575.50	
Other payables	95	2,396,166,099.47	1,345,728,144.86	
Of which: Dividends payable	96			
△ Service charge and commission payable	97			
△ Provision for guarantee contract	98			
Liabilities classified as held for sale	99			
Non-current liabilities due within one year	100	9,536,668,867.13	16,936,243,109.17	
Other current liabilities	101	1,871,781,810.63	4,630,426,127.34	
Total current liabilities	102	26,069,757,608.96	33,353,928,152.55	
Non-current liabilities:	103			
△ Reserve for insurance contracts	104			
Long-term borrowing	105	81,581,291,563.50	67,185,064,557.01	
Bonds payable	106	13,700,000,000.00	13,600,000,000.00	
Including: preferred stock	107			
perpetual bond	108			
Lease liabilities	109			
Long-term payables	110	1,933,295,659.90	1,903,434,466.81	
Long-term employee benefits payable	111			
Accrued liabilities	112			
Deferred revenues	113			
Deferred income tax liabilities	114	1,507,942,624.92	1,174,626,431.93	
Other non-current liabilities:	115	5,686,000,000.00	5,641,000,000.00	
including: authorized reserve fund	116			
Total non-current liabilities	117	104,408,529,848.32	89,504,125,455.75	
Total liabilities	118	130,478,287,457.28	122,858,053,608.30	
Equity:	119			
Share capital	120	16,000,000,000.00	16,000,000,000.00	
National capital	121			
State owned legal person capital	122	16,000,000,000.00	16,000,000,000.00	
Collective capital	123			
Private capital	124			
Foreign capital	125			
#Less: returned investment	126			
Net share capital	127	16,000,000,000.00	16,000,000,000.00	
Other equity instruments	128	2,000,000,000.00	2,000,000,000.00	
Including: Preference share	129			
Perpetual bond	130	2,000,000,000.00	2,000,000,000.00	
Capital Reserve	131	46,966,501,952.31	44,671,034,377.31	
Less: treasury stock	132			
Other comprehensive incomes	133	1,502,428,716.43	516,448,483.40	
Including: the foreign currency statement translation difference	134			
Special reserve	135			
Surplus reserve	136	1,022,240,761.24	1,001,142,212.89	
Including: statutory surplus reserve	137	1,022,240,761.24	1,001,142,212.89	
discretionary surplus reserve	138			
# Reserve fund	139			
# Enterprise expension fund	140			
# Profits capitalised on return of investments	141			
△ General risk reserve	142			
Undistributed profit	143	6,009,513,530.10	6,315,015,731.45	
Total owners' equity belongs to parent company	144			
Minority equity	145			
Total equity	146	73,500,684,960.08	70,503,640,805.05	
Total liabilities & equity	147	203,978,972,417.36	193,361,694,413.35	

Legal Representative: Chief Accountant: Person in charge of accounting department:

Income Statement

Company: Anhui Transportation Holding Group Co.,Ltd. Year 2020 Monetary Unit: CNY

Items	NO.	Amount for the current period	Amount for the prior period	Notes NO.
I. Total operating revenue	1	12,466,360,417.73	14,632,168,639.64	
Including: operating revenue	2	12,466,360,417.73	14,632,168,639.64	XIII.1.4
△ Net interest income	3			
△ Earned premium	4			
△ Handling charges and commission income	5			
II. Total operating cost	6	12,236,835,572.64	11,784,778,613.59	
Including: operating cost	7	8,062,093,114.46	7,501,793,938.96	XIII.1.4
△ Interest expenditures	8			
△ Handling charges and commission expenses	9			
△ Surrender value	10			
△ Net amount of compensation expenses	11			
△ Net amount of reserves for insurance contract	12			
△ Policy dividend expenditures	13			
△ Reinsurance expenses	14			
Tax and surcharges	15	74,188,337.43	92,321,799.77	
Selling expenses	16			
Administrative expenses	17	159,118,310.43	190,312,988.63	
Research and development expense	18	7,544,973.02	7,009,831.53	
Financial expenses	19	3,933,890,837.30	3,993,340,054.70	
Including: interest expense	20	4,463,116,175.12	4,500,553,068.86	
intererst income	21	474,073,033.30	547,436,251.77	
net loss on foreign exchange (or less: gains)	22	-64,045,959.14	32,476,121.85	
Oters	23			
Plus: Other income	24	2,204,386.78	985,486.04	
Investment income (loss to be listed with "-")	25	608,717,465.25	661,942,519.95	XIII.1.5
Including: Income from investment into associated enterprises and joint ventures	26	169,995,842.13	290,224,160.76	XIII.1.5
Income from derecognition of financial assets measured at amortized cost (loss to be listed with "-")	27			
△ Exchange income (loss to be listed with "-")	28			
Net exposure hedge income (loss to be listed with "-")	29			
Income from changes in fair value of assets (loss to be listed with "-")	30			
Credit impairment loss (loss to be listed with "-")	31			
Asset impairment loss (loss to be listed with "-")	32	-531,355,123.42	-747,116,288.03	
Gains from asset disposal (loss to be listed with "-")	33	67,807,576.00	1,873,845.20	
III. Operating profits (losses to be listed with "-")	34	376,899,149.70	2,765,075,589.21	
Plus: non-operating income	35	6,796,600.56	15,668,250.00	
including: government grants	36			
Less: Non-operating expenses	37	5,553,478.62	83,068,170.88	
IV. Profit before tax (or less: total loss)	38	378,142,271.64	2,697,675,668.33	
Less: income tax expense	39	167,156,788.11	532,827,127.53	
V. Net profit (or less: net loss)	40	210,985,483.53	2,164,848,540.80	
Classified by ownership:	41			
Net profit attributable to owners of parent company	42			
Minority interest income	43			
Classified by going concern method:	44			
Income of continuing operating	45	210,985,483.53	2,164,848,540.80	
Income of terminate operating	46			
VI. Other comprehensive income after tax	47	985,980,233.03	-161,416,677.82	
Other comprehensive income after tax attributable to parent company	48			
(I) Not reclassified subsequently to profit or loss	49			
1. Changes arising from re-measurement of net liabilities or net assets of defined benefit plan	50			
2. Other comprehensive income that cannot be transferred to profit or loss under equity method	51			
3. Changes in fair value of other equity instrument investments	52			
4. Changes in fair value of enterprise's own credit risk	53			
5. Others	54			
(II) To be reclassified subsequently to profit or loss	55	985,980,233.03	-161,416,677.82	
1. Other comprehensive income that can be transferred to profit and loss under equity method	56			
2. Changes in fair value of other debt investment	57			
3. Profit and loss from changes in fair value of available for sale financial assets	58	985,980,233.03	-161,416,677.82	
4. Amount of financial assets reclassified into other comprehensive income	59			
5. Profit and loss of held to maturity investment reclassified as available for sale financial assets	60			
6. Provision for credit impairment of other debt investment	61			
7.Cash flow hedging reserve (effective part of cash flow hedging profit and loss)	62			
8. Translation difference of foreign currency financial statements	63			
9. Others	64			
Other comprehensive income after tax attributable to non-controlling interest	65			
VII. Total comprehensive income	66	1,196,965,716.56	2,003,431,862.98	
Items attributable to owners of parent company	67			
Items attributable to minority interest	68			
VIII. Earnings per share:	69			
(I) Basic EPS	70			
(II) Diluted EPS	71			

Legal Representative: Chief Accountant: Person in charge of accounting department:

Cash Flow Statement

Company: Anhui Transportation Holding Group Co.,Ltd. Year 2020 Monetary Unit: CNY

Items	NO.	Amount for the current period	Amount for the prior period	Notes NO.
1.Cash flows from operating activities:	1			
Cash receipts from sale of goods or rendering of services	2	13,270,576,154.91	14,812,153,815.29	
Net increase of client deposit and interbank deposit	3			
Net increase of central bank loans	4			
Net increase of loans from other financial institutions	5			
Cash receipts of original insurance contract premium	6			
Net cash receipts from reinsurance	7			
Net increase of policy-holder deposit and investment	8			
Net increase of trading financial assets disposal	9			
Cash receipts from interest, handling charges and commission	10			
Net increase of loans from others	11			
Net increase of repurchase	12			
Net increase of acting trading securities	13			
Receipts of tax refund	14			
Other cash receipts related to operating activities	15	2,799,048,937.97	2,563,392,464.30	
Subtotal of cash inflows from operating activities	16	16,069,625,092.88	17,375,546,279.59	
Cash payments for goods purchased and services received	17	907,133,060.13	1,420,722,732.99	
Net increase of loans and advances to clients	18			
Net increase of central bank deposit and interbank deposit	19			
Cash payment of insurance indemnities of original insurance contracts	20			
Net increase of loans from other banks	21			
Cash payment of interest, handling charges and commission	22			
Cash payment of policy bonus	23			
Cash paid to and on behalf of employees	24	921,945,020.55	959,353,961.08	
Cash payments of taxes and rates	25	892,783,714.09	957,281,778.31	
Other cash payments related to operating activities	26	3,138,085,189.56	2,128,163,072.57	
Subtotal cash outflows from operating activities	27	5,859,946,984.33	5,465,521,544.95	
Net cash flows from operating activities	28	10,209,678,108.55	11,910,024,734.64	XIII.1.6
2.Cash flows from investing activities:	29			
Cash received from return of investments	30		11,561,712.44	
Cash received from return on investments	31	475,781,220.88	527,854,545.53	
Net cash received from the disposal of fixed assets,intangible assets and other long-term assets	32	101,556,661.22	2,881,698.52	
Net cash received from the disposal of subsidiaries & other business units	33			
Other cash receipts related to investing activities	34	14,816,434.39	360,110,000.00	
Subtotal of cash inflows from investing activities	35	592,154,316.49	902,407,956.49	
Cash paid for acquiring fixed assets,intangible assets and other long-term assets	36	9,985,122,635.77	7,159,422,625.58	
Cash paid for acquiring investments	37	2,112,228,000.00	111,708,400.00	
Net increase of pledged loans	38			
Ne t cash paid for acquiring subsidiaries & other business units	39			
Other cash payments related to investing activities	40	160,251,463.77		
Subtotal of cash outflows from investing activities	41	12,257,602,099.54	7,271,131,025.58	
Net cash flows from investing activities	42	-11,665,447,783.05	-6,368,723,069.09	
3.Cash flows from financing activities:	43			
Cash received from investment by others	44	2,345,237,000.00	2,766,744,000.00	
Including: cash received by subsidiaries from non-controlling owners	45			
Cash received from borrowings	46	28,897,600,000.00	14,517,260,000.00	
Cash received from issuing of bonds	47			
Other cash receipts related to financing activities	48	6,156,659.19	1,768,900,000.00	
Subtotal of cash inflows from financing activities	49	31,248,993,659.19	19,052,904,000.00	
Cash repayments of borrowings	50	23,066,288,341.07	17,143,021,395.10	
Cash paid for distribution of dividends or profits and for interest expenses	51	5,473,355,131.16	5,286,281,519.87	
Including: cash paid for distribution of dividends or profits by subsidiaries to minority owners	52			
Other cash payments related to financing activities	53	83,337,282.02	1,816,925,641.00	
Subtotal of cash outflows from financing activities	54	28,622,980,754.25	24,246,228,555.97	
Net cash flows from financing activities	55	2,626,012,904.94	-5,193,324,555.97	
4.Effect of foreign exchange rate changes on cash & cash equivalents	56			
5. Net increase in cash and cash equivalents	57	1,170,243,230.44	347,977,109.58	XIII.1.6
Add: Opening balance of cash and cash equivalents	58	3,881,174,931.79	3,533,197,822.21	XIII.1.6
6. Closing balance of cash and cash equivalents	59	5,051,418,162.23	3,881,174,931.79	XIII.1.6

Legal Representative: Chief Accountant: Person in charge of accounting department:

Statement of Changes in Owners' Equity

Company: Anhui Transportation Holding Group Co.,Ltd. | Year 2020 | Monetary Unit: CNY

Items	NO.	Amount for the current year											
		Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total equity
			Preference share	Perpetual bond	Others								
NO.	—	1	2	3	4	5	6	7	8	9	10	11	12
1.Balance at the end of prior year	1	16,000,000,000.00		2,000,000,000.00		44,671,034,377.31		516,448,483.40		1,001,142,212.89		6,315,015,731.45	70,503,640,805.05
Add: cumulative changes of accounting policies	2												
Error correction of prior period	3												
Others	4												
2.Balance at the beginning of current year	5	16,000,000,000.00		2,000,000,000.00		44,671,034,377.31		516,448,483.40		1,001,142,212.89		6,315,015,731.45	70,503,640,805.05
3.Current period increase (or less: decrease)	6					2,295,467,575.00		985,980,233.03		21,098,548.35		-305,502,201.35	2,997,044,155.03
(1)Total comprehensive income	7							985,980,233.03				210,985,483.53	1,196,965,716.56
(2)Capital contributed or withdrew by owners	8					2,295,467,575.00							2,295,467,575.00
1) Capital contributed by owners	9												
2) Capital contributed by other equity instruments' holders	10												
3) Amount of share-based payment included in equity	11												
4) Others	12					2,295,467,575.00							2,295,467,575.00
(3)Special reserve extraction and use	13												
1).Special reserve extraction	14												
2).Use of special reserve	15												
(4) Profit distribution	16									21,098,548.35		-516,487,684.88	-495,389,136.53
1).Surplus reserve drawn	17									21,098,548.35		-21,098,548.35	
Including:statutory surplus reserves	18									21,098,548.35		-21,098,548.35	
discretionary surplus reserves	19												
#Reserve fund	20												
#Enterprise expansion fund	21												
#Profits capitalizad on return of investment	22												
2).General risk reserve drawn	23												
3).Appropriation of profit to owners	24											-495,389,136.53	-495,389,136.53
4).Others	25												
(5)Internal carry-over within equity	26												
1) Transfer of capital reserve to capital	27												
2) Transfer of surplus reserve to capital	28												
3) Surplus reserve to cover losses	29												
4) Changes in remeasurement on the net defined benefit liability/asset	30												
5) Other comprehensive income carried forward retained earnings	31												
6) Others	32												
4.Balance at the end of current period	33	16,000,000,000.00		2,000,000,000.00		46,966,501,952.31		1,502,428,716.43		1,022,240,761.24		6,009,513,530.10	73,500,684,960.08

Legal Representative: | Chief Accountant: | Person in charge of accounting department:

Statement of Changes in Owners' Equity (Continued)

Company: Anhui Transportation Holding Group Co.,Ltd. Year 2020 Monetary Unit: CNY

Items	NO.	Amount for the prior year										
		Share capital	Other equity instruments			Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	General risk reserve	Undistributed profit	Total equity
			Preference share	Perpetual bond	Others								
NO.	—	13	14	15	16	17	18	19	20	21	22	23	24
1.Balance at the end of prior year	1	16,000,000,000.00		2,000,000,000.00		41,902,540,377.31		677,865,161.22		784,657,358.81		4,870,181,044.73	66,235,243,942.07
Add: cumulative changes of accounting policies	2												
Error correction of prior period	3												
Others	4												
2.Balance at the beginning of current year	5	16,000,000,000.00		2,000,000,000.00		41,902,540,377.31		677,865,161.22		784,657,358.81		4,870,181,044.73	66,235,243,942.07
3.Current period increase (or less: decrease)	6					2,768,494,000.00		-161,416,677.82		216,484,854.08		1,444,834,686.72	4,268,396,862.98
(1)Total comprehensive income	7							-161,416,677.82				2,164,848,540.80	2,003,431,862.98
(2)Capital contributed or withdrew by owners	8					2,768,494,000.00							2,768,494,000.00
1) Capital contributed by owners	9					2,442,600,000.00							2,442,600,000.00
2) Capital contributed by other equity instruments' holders	10												
3) Amount of share-based payment included in equity	11												
4) Others	12					325,894,000.00							325,894,000.00
(3)Special reserve extraction and use	13												
1).Special reserve extraction	14												
2).Use of special reserve	15												
(4) Profit distribution	16									216,484,854.08		-720,013,854.08	-503,529,000.00
1).Surplus reserve drawn	17									216,484,854.08		-216,484,854.08	
Including:statutory surplus reserves	18									216,484,854.08		-216,484,854.08	
discretionary surplus reserves	19												
#Reserve fund	20												
#Enterprise expansion fund	21												
#Profits capitalizad on return of investment	22												
2).General risk reserve drawn	23												
3).Appropriation of profit to owners	24											-503,529,000.00	-503,529,000.00
4).Others	25												
(5)Internal carry-over within equity	26												
1) Transfer of capital reserve to capital	27												
2) Transfer of surplus reserve to capital	28												
3) Surplus reserve to cover losses	29												
4) Changes in remeasurement on the net defined benefit liability/asset	30												
5) Other comprehensive income carried forward retained earnings	31												
6) Others	32												
4.Balance at the end of current period	33	16,000,000,000.00		2,000,000,000.00		44,671,034,377.31		516,448,483.40		1,001,142,212.89		6,315,015,731.45	70,503,640,805.05

Legal Representative: Chief Accountant: Person in charge of accounting department:

Anhui Transportation Holding Group Co.,Ltd.

Notes to Financial Statements of 2020

(Unless otherwise stated, all amounts are denominated in CNY)

I. General Introduction

1.Enterprise registration, organization form and headquarters address

(1) Historical development

Anhui Transportation Holding Group Co., Ltd. (hereinafter referred to as "Company ”,"the Company" or "the Group") established on April 27, 1993,formerly known as Anhui Highway Corporation, Anhui Highway Holding Group Co., Ltd. was established by Anhui High Level Highway Administration Bureau according to the approval of WANJIAOLAO [92] No.149 document issued by Anhui Transport Department. It was registered in Anhui Administration for Industry and Commerce with initial registered capital was CNY 100,000,000.00. Its registered capital was increased to CNY 1,890,000,000.00 on July 23, 1996 according to the approval of Anhui Transportation High-Speed Road [96] No.22.

In June 1998, Anhui Provincial People's Government approved Anhui Highway Coiporation to be a first-class large wholly state-owned enterprise by the Anhui Government Secretary [1998] No.119 document.

From 2001, Anhui Provincial Enterprise Working Committee (provincial enterprise state-owned assets management office) is responsible for management of the Company's state-owned assets, according to Anhui Government Office [2001] No.56 document issued by Anhui Provincial People's Government.

In 2004, the Anhui Provincial People's Government determined that Aiihui Highway Corporation was affiliated with SASAC of Anhui Province by the Anhui Development [2004] No.12 document.

In 2006, Anhui Highway Corporation applied to the sub-bureau directly under Anhui Administration for Industry and Commerce for changing the registered capital and address of the Company according to the Approval on the Results of Capital Verification for Anhui Highway Corporation and the Implementation of <Accounting System for Business Enterprises> (Anhui State-owned Assets Evaluation Letter [2005] No.650) of the SASAC of Anhui Province as well as the Property Right Registration Certificate of State-owned Assets of Enterprises issued on February 28, 2006, and changed its registered capital to CNY 4,525,819,000.00 on June 2, 2006.

According to the spirit of the Approval of the Implementation Plan of the Company's System Reform in Anhui Provincial Highway Corporation (Anhui state-owned Assets Reform Letter [2008]

No.252) of Anhui SASAC, Anhui Highway Corporation renamed as Anhui Highway Holding Group Co., Ltd., however, the Company was still a wholly state-owned company, and its industrial and commercial registration was completed at Anhui Administration for Industry and Commerce on January 4,2010.The capital that was originally recorded under share capital was transferred to capital reserves, the share capital was changed to CNY 5,003,448,714.96. On April 22, 2011, the registration of changes in registered capital has been completed.

In December 2014, according to uAnhui Provincial State-owned Assets Supervision and Administration Commission forwards the Anhui Provincial People's Government's Circular on the Approval of the Restructuring Plan of Anhui Expressway Holding Group Co., Ltd. and Anhui Provincial Transportation Investment Group Co., Ltd, (Anhui State-owned Assets Reform Letter [2014] No. 172), issued by the State-owned Assets Supervision and Administration Commission of Anhui Provincial People's Government, Anhui Provincial Expressway Holding Group Co., Ltd. absorbed and merged with Anhui Provincial Transportation Investment Group Co., Ltd. to restructure and establish a wholly state-owned enterprise. The name of the restructured company is Anhui Transport Holding Group Co., Ltd. with a registered capital of CNY 16,000,000,000.00.

The Company transferred the capital reserve in amount of CNY 10,996,551,285.04 to registered capital, in according to the Approval on Registered Capital of Anhui Transportation Holding Group Co., Ltd. (Anhui State-owned Asset Property Letter [2015] No.37) issued by Anhui Provincial State-owned Assets Supervision and Administration Commission. The registered capital increased to CNY 16,000,000,000.00, the paid-in capital is CNY 16,000,000,000.00, and registration of changes in registered capital has been completed on May 7, 2015.

The Group is a wholly state-owned enterprise, the unified social credit code is 91340000MA2MT9QA0T, and legal representative is Xiang Xiaolong.

(2) Registered office

Hefei, Anhui Province.

(3) Form of organization

Corporate enterprise.

(4) Headquarters address

The registered address of the Group is No.520, Wangjiang West Road, High-tech development Zone, Hefei City, Anhui Province.

2.Nature of business and Main business activities of the enterprise

The Company's business scope includes: investment, construction, supervision, testing, design and construction of highways and other transportation infrastructure, toll collection, maintenance, protection of road property and rights of way and other operational management, technical services and consulting; real estate development and operation, property management, real estate leasing operations;

road transport, multimodal transport and transport agency; logistics, warehousing and material trade; investment and asset management; service area operation along highways The company's business includes refuelling (excluding dangerous chemicals), catering and accommodation, rescue and auto repair, auto parts and merchandise sales, property management, logistics and distribution, warehousing, tourism, cultural and entertainment services; media advertising production, publication and operation; construction, installation, decoration and general contracting. (Projects subject to approval in accordance with the law may only commence business activities after approval by the relevant authorities.)

3. Name of parent company and company headquarters

The funder of the Company is the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province and the ultimate controlling party of the Company is the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province.

4. Authorised issuer of financial reports and date of approval of financial reports

The financial statements were approved for presentation by the Board of Directors of the Company on 2 April 2021.

5. Business Period

27 April 1993 to open-ended.

II. Preparation basis of financial statement

The Company prepares the financial statements based on continuing operating, according to the transactions and events actually occurred and in accordance with the ASBE issued by the Ministry of Finance of PRC and supplementary regulations. The financial statements are prepared on the basis of the significant accounting policies and accounting estimates stated below.

III. Statement of conformity of Accounting Standards for Business Enterprises

The Company prepares its financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises, truly and completely reflecting the Company5s financial position as at 31 December 2020, and its operating results, changes in shareholders* equity, cash flows and other related information for the year then ended.

From January 1, 2018, Anhui Wantong Expressway Co., Ltd. , within the scope of consolidation, implemented the Accounting Standard for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments (2017 Revision) (CK [2017] No. 7), Accounting Standard for Business Enterprises No. 23 - Transfer of Financial Assets (2017 Revision) (CK [2017] No. 8) , Accounting Standard for Business Enterprises No. 2 4 - Hedging (2017 Revision) (CK [2017] No. 9), issued by the Ministry of Finance on March 31, 2017, and Accounting Standard for Business Enterprises No.37 -

Presentation of Financial Instruments (2017 Revision) (CK [2017] No. 14) issued on May 2, 2017, (the above standards are hereinafter referred to as "new financial instrument standards"). And Anhui Transport Consulting & Design Institute Co., Ltd. implemented the above mentioned "new financial instrument standards*1 from January 1, 2019. Other subsidiaries have not yet implemented.

According to the requirement of CK [2017] No. 22, the Company did not adjust the financial statements of Anhui Wantong Expressway Co., Ltd. and Anhui Transport Consulting & Design Institute Co., Ltd. that have implemented the new financial instrument standards within the scope of consolidation according to the accounting policies of the parent company when preparing the consolidated financial statements. In the description of accounting policies and accounting estimates, the Company describes the relevant contents separately for "companies that have implemented the new financial instrument standards"and "companies that have not implemented the new financial instrument standards".

IV. Significant accounting policies and accounting estimates

The Company adopts the following significant accounting policies and estimates in accordance with ASBE. Businesses not described below are recognized and recorded based on relevant accounting policies as specified in the ASBE.

Note 1 Accounting period

The Group’s accounting period starts on 1 January and ends on 31 December.

Note 2 Recording currency

The Company adopts CNY as the recording currency.

Note 3 Bookkeeping basis and valuation principles

The accrual basis of the Company is the bookkeeping basis. Financial statement items are measured at historical costs except for certain financial instruments. Impariments are accounted for based on relevant policies if incurred.

Note 4 Business combination

1. The accounting treatment of business combinations involving enterprises under common control

For a business combination that involves one single exchange transaction or achieved in stages that involves multiple exchange transactions, assets and liabilities that are obtained in a business combination shall be measured at their carrying amounts at the combination date as recorded by the party being absorbed in the consolidated financial statement of ultimate controlling party. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) shall be adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any

excess shall be adjusted against retained earnings.

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

Identifiable assets and liabilities that are obtained in a business combination shall be measured at their fair value at the combination date. When the acquired entity adopts different accounting policies that the Company adopts, the Company unifies accounting policies based on the principal of significance, ie, adjust the carrying amount of the assets and liabilities of the acquired entity based on the Company's accounting policies. Where the cost of combination exceeds the investor's interest in the fair value of the investee's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the investor's interest in the fair value of the investee's identifiable net assets, the investor firstly reassesses the measurement of the fair values of the investee's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the investor's interest in the fair value of the investee's identifiable net assets, the investor recognizes the remaining difference immediately in profit or loss for the current period.

Note 5 The preparation of consolidated financial statements

The consolidation scope of the consolidated financial statements of the Company is determined on the basis of control and all subsidiaries (including the individual entities controlled by the Company) are included in the consolidated financial statements. The consolidated financial statements are prepared in accordance with *ASBE #33 Consolidated Financial Statements*.

1.Scope of consolidation

The scope of consolidation is determined based on control, and includes not only voting rights (or its equivalent) or subsidiaries through other arrangement, but also structural entities based on one or more contract arrangements.

Control is the power the Company can exercise over the invested entity to obtain variable returns in participating relevant activies of the invested entity, and also the power over the invested entity to change the amount of return. Subsidiaries are entities controlled by the Company (including business enterprises, separable parts in the invested entities, and structural entities controlled by the business enterprises). Structural entities are those entities designed without consider voting rights or similar rights as desisive factor when determining its controlling party (also referred to as special purpose entities in some circumstances)

2.Preparation of consolidated financial statements

The Company prepares the consolidated financial statements based on the financial statements of the Company and its subsidiaries in accordance with other relevant information.

The Company has prepared the consolidated financial statements and regarded the entire enterprise group as an accounting entity. According to the unified accounting policies, the Company's overall financial status, operating results and cash flow are reflected in accordance with the recognition, measurement and presentation requirements of the relevant accounting standards.

(1)Consolidate assets, liabilities, entuities, revenue, expenditures and cashflow, etc, of the Company and subsidiaries.

(2)Eliminate long-term equity investments in the Company's financial statements and its share in the equity of the subsidiaries.

(3)Eliminate internal transactions between the Company and subsidiaries and between subsidiaries. When internal transactions indicate impairment of assets, the impairment loss shall be recognized in full.

(4)Adjust on special events from the perspective of the group.

3.Acquisition and disposal of subsidiaries or businesses

(1) Increase in subsidiaries or operations

1) Increase in subsidiaries or operations in a business combination under the same control

(i) When preparing the consolidated balance sheet, the opening number of the consolidated balance sheet is adjusted and the relevant items in the comparative statements are also adjusted as if the consolidated reporting entity had been in existence since the point at which the ultimate controlling party began to exercise control.

(ii) When preparing the consolidated income statement, the income, expenses and profit of the subsidiary and the business combination for the period from the beginning of the period to the end of the reporting period are included in the consolidated income statement, together with adjustments to the relevant items in the comparative statements, as if the consolidated reporting entity had existed from the point at which control by the ultimate controlling party commenced.

(iii) When preparing the consolidated cash flow statement, the cash flows of the subsidiary and the business combination for the period from the beginning of the period to the end of the reporting period are included in the consolidated cash flow statement, together with adjustments to the relevant items in the comparative statements, as if the consolidated reporting entity had always existed from the point at which control by the ultimate controlling party commenced.

2) Increase in subsidiaries or operations from business combinations not under common control

(i) When preparing the consolidated balance sheet, no adjustment is made to the opening balance sheet figures of the consolidated balance sheet.

(ii) When preparing the consolidated income statement, the revenue, expenses and profit of the subsidiary and the business from the date of purchase to the end of the reporting period are included in

the consolidated income statement.

(iii) When preparing the consolidated cash flow statement, the cash flows from the subsidiary's purchase date to the end of the reporting period are included in the consolidated cash flow statement.

(2) Disposal of subsidiaries or businesses

1) When preparing the consolidated balance sheet, the opening balance of the consolidated balance sheet is not adjusted.

2) When preparing the consolidated income statement, the income, expenses and profit of the subsidiary and the business from the beginning of the period to the date of disposal are included in the consolidated income statement.

3) When preparing the consolidated cash flow statement, the subsidiary and the cash flows of the business from the beginning of the period to the date of disposal are included in the consolidated cash flow statement.

4.Accounting treatment of special transactions

(1) Acquisition of minority interests in subsidiaries

In the individual financial statements, the investment cost of the long-term equity investment newly acquired by the acquisition of minority equity shall be measured according to the fair value of the consideration paid. In the consolidated financial statements, The difference between the long-term equity investment acquired by the Company for the acquisition of minority interests and the share of the net assets beginning to be calculated from the date of purchase (or the merger date) in accordance with the new shareholding ratio, shall be adjusted in the capital premium of the capital reserve in the consolidated balance sheet, the capital premium of the capital reserve is insufficient to offset, adjust the retained earnings.

(2) Acquiring the control right of a subsidiary step by step through multiple transactions

1)Realize business combination under common control step by step through multiple transactions

If it is a "package transaction", the company will treat all transactions as a transaction to obtain the control of subsidiaries. In individual financial statements, in each transaction before the merger date, equity investment is recognized as long-term equity investment, and its initial investment cost is determined according to the share of book value of net assets of the combined party in the final control party's consolidated financial statements calculated according to the corresponding shareholding ratio. The difference between the initial cost of long-term equity investment and the book value of consideration paid is adjusted for capital If the reserve (capital premium or capital premium) is insufficient to be offset, the surplus reserve and undistributed profit shall be offset in turn. In subsequent measurement, long-term equity investment is accounted according to cost method, but it does not involve the preparation of consolidated financial statements. On the merger date, the initial cost of long-term equity investment of the company to subsidiaries is determined according to the book value

share of the net assets of the merged party in the consolidated financial statements of the final control party calculated according to the cumulative shareholding ratio of the subsidiary. The sum of the initial investment cost and the book value of the long-term equity investment before the merger plus the book value of the consideration for further new payment of shares obtained on the merger date If the capital reserve (capital premium or capital premium) is insufficient to be offset, the surplus reserve and undistributed profit shall be offset in turn. Meanwhile, the consolidated financial statements on the merger date are prepared. In the consolidated financial statements, the company is deemed to be the parties involved in the merger to adjust in the current state when the final control party begins to control.

If the terms, conditions and economic impact of each transaction meet one or more of the following conditions, multiple transactions are generally accounted for as "package transactions": 1) these transactions are made at the same time or with mutual influence considered; 2) the whole of these transactions can achieve a complete business result; 3) the occurrence of one transaction depends on at least one other The occurrence of a transaction; 4) it is uneconomic when a transaction is considered separately, but it is economic when considered together with other transactions.

If it is not a "package transaction", in each transaction before the merger date, each transaction of the company shall be recognized as financial assets (financial assets measured at fair value and whose changes are included in current profits and losses or available for sale financial assets) or long-term equity investment accounted by equity method according to the fair value of the consideration paid. On the merger date, the initial investment cost of long-term equity investment is determined in individual financial statements according to the share of the net assets of subsidiaries in the consolidated financial statements of the final control party. The difference between the initial investment cost of long-term equity investment on the merger date and the sum of the book value of the long-term equity investment before the merger plus the book value of the consideration for new payment of shares obtained further on the merger date shall be adjusted to adjust the capital reserve (capital premium or equity premium). If the capital reserve is not sufficient to be offset, the surplus reserve and undistributed profit shall be offset in turn.

In the consolidated financial statements, the company is deemed to be the parties involved in the merger to adjust the current status when the final control party begins to control. When preparing the consolidated financial statements, the time limit is not earlier than the time point when the combined party and the combined party are under the control of the final control party, and the related assets and liabilities of the combined party are incorporated into the comparative statements of the consolidated financial statements of the combined party In addition, the consolidated net assets shall be adjusted in the comparative statement to adjust the relevant items under the owner's equity. If the balance of capital reserve (capital premium or share capital premium) of the combining party is insufficient, and the retained income of the merged party attributable to the consolidated party has not been fully recovered in the consolidated financial statements, the company shall explain this situation in the notes to the statement, including the amount of retained earnings realized by the combined party before the merger,

the amount attributable to the company and The amount of retained earnings not transferred into the consolidated balance sheet due to the insufficient balance of capital reserve.

If the equity investment held by the combining party before acquiring the control right of the merged party and calculated by the equity method, the relevant profit and loss, other comprehensive income and other changes in owner's equity have been recognized between the date when the original equity is acquired and the merger party and the merged party are in the final control of the same party, and the changes in the equity of other owners shall be offset respectively.

2) Realize business combination not involving enterprises under common control step by step through multiple transactions

If it is a "package deal", the company will treat each transaction as a transaction to obtain the control right of the subsidiary. In individual financial statements, in each transaction before the merger date, equity investment is recognized as long-term equity investment, and its initial investment cost is determined according to the fair value of the consideration paid. In the subsequent measurement, the long-term equity investment is calculated according to the cost method, but it does not involve the preparation of consolidated financial statements. On the merger date, in individual financial statements, the sum of the book value of the original long-term equity investment plus the newly added investment cost (the fair value of the consideration paid for further obtaining the shares) is taken as the initial investment cost of the long-term equity investment on the merger date. In the consolidated financial statements, the initial investment cost is offset against the fair value of the subsidiary's identifiable net assets, and the difference is recognized as goodwill or included in the current profit and loss of the merger.

If it does not belong to a "package deal", in each transaction before the merger date, each transaction of the investor shall be recognized as financial assets (financial assets measured at fair value and the changes are included in the current profit and loss or available for sale financial assets) or long-term equity investment calculated according to the equity method. On the merger date, in individual financial statements, the sum of the book value of the original equity investment (financial assets or long-term equity investment accounted by the equity method) plus the new investment cost is taken as the initial cost of the long-term equity investment calculated by the cost method. In the consolidated financial statements, the equity of the acquiree held before the acquisition date shall be re measured according to the fair value of the equity on the acquisition date, and the difference between the fair value and the book value shall be included in the current investment income; if the equity of the acquiree held before the acquisition date involves other comprehensive income accounted by the equity method, the relevant other comprehensive income shall be transferred It is the current income on the purchase date, except for other comprehensive income arising from the changes in net assets or net liabilities of the defined benefit plan re measured by the merged party. In the notes, the company discloses the fair value of the acquired Party's equity held before the acquisition date on the acquisition date, and the amount of relevant gains or losses arising from the re measurement according to the fair

value.

(3) Partial disposal of equity investments in subsidiaries without loss of control

The disposal price of the long-term equity investment in the part of the disposal of the long-term equity investment in the case of no loss of control and the difference between the disposal of the long-term equity investment and the share of the net assets of the subsidiary from the date of purchase or the date of consolidation , Adjust the capital premium in the capital reserve in the consolidated balance sheet, and if the capital premium in the capital reserve is insufficient to offset, adjust the retained earnings.

(4) Partial disposal of equity investments in subsidiaries with loss of control

1) Disposal in single transaction

If the company loses the control over the investee due to the disposal of part of the equity investment, when preparing the consolidated financial statements, the remaining equity shall be re measured according to its fair value on the date of loss of control. The difference between the sum of the consideration obtained from the disposal of equity and the fair value of the remaining equity, minus the share of the net assets of the original subsidiary continuously calculated from the date of purchase or merger calculated according to the original shareholding ratio, shall be included in the investment income of the current period when the control right is lost, and the goodwill shall be offset (Note: if the original enterprise is not under the same control and there is goodwill). Other comprehensive income related to the equity investment of the original subsidiary is converted into the current investment income when the control right is lost.

In addition, changes in other comprehensive income and other owner's equity related to the equity investment of the subsidiary company are transferred to the current profit and loss when the control right is lost, except other comprehensive income generated by the investee's remeasurement of the net liabilities or net assets of the defined benefit plan.

2) Step by step disposal of multiple transactions

In the consolidated financial statements, it is first to judge whether the step-by-step transaction is a "package deal".

If the step-by-step transaction is not a "package deal", all transactions before the loss of control over the subsidiary shall be dealt with in accordance with the relevant provisions of "the parent company disposes of the long-term equity investment in the subsidiary but does not lose the control right".

If the step-by-step transaction belongs to "package deal", each transaction shall be treated as a transaction of disposing the subsidiary and losing the right of control; for each transaction before the loss of control, the difference between the disposal price and the share of net assets of the subsidiary corresponding to the disposal investment shall be recognized as other comprehensive income in the consolidated financial statements When the control right is out of control, it is transferred to the current profit and loss of the loss of control right.

(5) Minority shareholders of subsidiaries increase capital and dilute the proportion of equity owned by the parent company

Other shareholders (minority shareholders) of the subsidiary increase the capital of the subsidiary, thus diluting the equity ratio of the parent company to the subsidiary. In the consolidated financial statements, the share of the book net assets of the subsidiary before the capital increase is calculated according to the equity proportion of the parent company before the capital increase. The capital reserve (capital premium or equity premium) is adjusted according to the difference between the share and the share of the net assets of the subsidiary after the capital increase calculated according to the shareholding proportion of the parent company after the capital increase, and the capital reserve (capital premium or equity premium) is insufficient If less, the retained earnings shall be adjusted.

Note 6 Classification of joint venture arrangements and accounting for joint operations

1. Identification and classification of joint venture arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics: (a) The parties are bound by a contractual arrangement; (b) The contractual arrangement gives two or more of those parties joint control of the arrangement. Neither of the party can control the arrangement individually, and any party in the joint arrangement can prevent other parties or groups from controlling the arrangement separately.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

There are two types of joint arrangement:

Joint operations: A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement

Joint ventures: A joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

2. Accounting for joint arrangements

The joint operator shall recognize the following items related to the share of interest in the joint operation and perform accounting treatment in accordance with the relevant accounting standards of the enterprise:

(1) its own assets and its share of assets held jointly;

(2) its own liabilities and its share of liabilities incurred jointly;

(3) its revenue from the sale of its share of the output arising from the joint operation;

(4) its share of revenue from the sale of output by the joint operation itself;

(5) its own expenses and its share of expenses incurred jointly.

The participants of the joint venture shall conduct accounting treatment of the investment of the joint venture in accordance with the provisions of the *Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investment*.

Note 7 Recognition standard of cash and cash equivalent

In preparation statement of cash flow, cash on hand and deposits that are available for payment at any time of the Company shall be recognized as cash. Short term (generally due within three months from acquisition date) and highly liquid investments that are readily convertible to known amounts of cash shall be recognized as the cash equivalent.

Note 8 Foreign currency transaction and translation of foreign currency statement

1. Translation of foreign currency transactions

On initial recognition, foreign currency transactions are translated into CNY using the spot exchange rate at the date of the transaction. At the balance sheet date, monetary items denominated in foreign currencies are translated using the spot exchange rate at the balance sheet date, and exchange differences arising from differences in exchange rates are recognized in profit or loss for the period, except for exchange differences on the principal and interest on special borrowings in foreign currencies relating to the acquisition of assets eligible for capitalization; non-monetary items denominated in foreign currencies measured at historical cost are still translated using the spot exchange rate at the date of the transaction without changing their CNY amounts; non-monetary items measured at fair Non-monetary items measured at fair value in foreign currencies are translated using the spot exchange rate at the date when the fair value was determined, with the difference charged to current profit or loss or other comprehensive income.

2. Translation of foreign currency financial statements

Assets and liabilities in the balance sheet are translated using the spot exchange rate at the balance sheet date; items in owners' equity, except for "undistributed profits", are translated using the spot exchange rate at the date of the transaction; items in the income statement, including income and expenses, are translated using the spot exchange rate at the date of the transaction. Translation differences arising from the above translation of foreign currency financial statements are presented in the balance sheet under other comprehensive income under the heading of owners' equity.

Note 9 Financial instruments

Companies that have not yet implemented the new standard on financial instruments.

1. Classification of financial instruments

Financial assets are classified at initial recognition into the following four categories: financial assets at fair value through profit or loss (including trading financial assets and financial assets designated as at fair value through profit or loss), held-to-maturity investments, loans and receivables and available-for-sale financial assets.

Financial liabilities are classified at initial recognition into the following two categories: financial liabilities at fair value through profit or loss (including trading financial liabilities and financial liabilities designated as at fair value through profit or loss), and other financial liabilities.

2. Recognition base and measurement methods for financial instruments

A financial asset or financial liability is recognized when the Group becomes a party to a financial instrument contract. On initial recognition of a financial asset or financial liability, it is measured at fair value; for financial assets and financial liabilities at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss; for other categories of financial assets or financial liabilities, the related transaction costs are included in the initial recognition amount.

The Group subsequently measures financial assets at fair value without deducting transaction costs that may be incurred upon future disposal of the financial assets, except for (1) held-to-maturity investments and loans and receivables that are measured at amortised cost using the effective interest method; (2) investments in equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured, and investments in equity instruments that are derivative financial assets that are linked to and must be settled by delivery of that equity instrument are measured at cost.

The Group uses the effective interest method to subsequently measure financial liabilities at amortised cost, except for (1) financial liabilities at fair value through profit or loss, which are measured at fair value without deducting transaction costs that may be incurred upon future settlement of the financial liabilities; (2) derivative financial assets linked to an equity instrument that is not quoted in an active market and whose fair value cannot be reliably measured and is required to be settled by Derivative financial liabilities that are not quoted in an active market and cannot be reliably measured at fair value and are required to be settled by delivery of the equity instrument are measured at cost; (3) financial guarantee contracts that are not financial liabilities designated as at fair value through profit or loss or loan commitments that are not designated as at fair value through profit or loss and will be lent at below-market interest rates are subsequently measured, after initial recognition, at the higher of. 1) the amount determined in accordance with AS 13 - Contingencies; and 2) the amount initially recognised less accumulated amortisation determined in accordance with the principles of AS 14 - Revenue.

Gains or losses arising from changes in the fair value of financial assets or financial liabilities, other than those related to hedging, are treated as follows: (1) Gains or losses arising from changes in the fair value of financial assets or financial liabilities at fair value through profit or loss are included in profit or loss from changes in fair value; interest or cash dividends received during the period in which the assets are held are recognized as investment income; on disposal, the the difference between the actual amount received and the initial amount recorded is recognized as investment income, with an adjustment to the gain or loss on changes in fair value. (2) Changes in the fair value of available-for-sale financial assets are recognized in other comprehensive income; interest calculated using the effective interest method over the holding period is recognized in investment income; cash dividends from available-for-sale equity instruments are recognized in investment income when the investee

declares dividends; upon disposal, the difference between the actual amount received and the carrying amount, less the cumulative amount of changes in fair value previously recognized directly in other comprehensive income, is recognized as investment income. The difference between the actual amount received and the carrying amount less the accumulated changes in fair value that would otherwise be recognized directly in other comprehensive income is recognized as investment income.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset have terminated or substantially all the risks and rewards of ownership of the financial asset have been transferred; when the present obligation for the financial liability is discharged in whole or in part, the financial liability or part thereof is derecognised accordingly.

3. Recognition basis and measurement method for transfer of financial assets

If the Group has transferred substantially all the risks and rewards of ownership of a financial asset to the transferor, the financial asset is derecognised; if substantially all the risks and rewards of ownership of the financial asset are retained, the transferred financial asset continues to be recognised and the consideration received is recognised as a financial liability. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it is treated as follows: (1) if control over the financial asset is relinquished, the financial asset is derecognized; (2) if control over the financial asset is not relinquished, the financial asset is recognized to the extent of continuing involvement in the transferred financial asset, and the related liability is recognized accordingly.

If the conditions for derecognition are met for a transfer of a financial asset as a whole, the difference between the following two amounts is recognized in profit or loss: (1) the carrying amount of the financial asset transferred; and (2) the sum of the consideration received for the transfer and the cumulative amount of changes in fair value that would otherwise be recognized directly in other comprehensive income. If a partial transfer of a financial asset satisfies the conditions for derecognition, the carrying amount of the financial asset transferred as a whole is apportioned between the derecognized portion and the unrecognized portion in accordance with their respective relative fair values, and the difference between (1) the carrying amount of the derecognized portion; (2) the consideration received for the derecognized portion and the amount of the cumulative amount of changes in fair value that would have been recognized directly in other comprehensive income corresponding to the derecognized portion is recognized in profit or loss. (2) the sum of the consideration for the derecognition component and the amount corresponding to the derecognition component of the cumulative amount of changes in fair value previously recognized directly in other comprehensive income.

4. Methodology for determining the fair value of major financial assets and financial liabilities

The fair value of financial assets or financial liabilities for which there is an active market is determined using quoted prices in an active market; for financial assets or financial liabilities for which there is no active market, the fair value is determined using valuation techniques (including reference to prices used in recent market transactions between knowledgeable and willing parties, reference to

current fair values of other financial instruments that are substantially the same, discounted cash flow techniques and option pricing models). The fair value of a financial asset or financial liability acquired or incurred is determined on the basis of its fair value using market transaction prices.

5. Impairment testing of financial assets and provision for impairment

The carrying amount of financial assets other than financial assets at fair value through profit or loss is examined at the balance sheet date and provision for impairment is made if there is objective evidence that the financial assets are impaired.

Financial assets that are individually significant are tested individually for impairment; financial assets that are individually insignificant may be tested individually for impairment or included in a portfolio of financial assets with similar credit risk characteristics; financial assets that are not individually tested for impairment (including financial assets that are individually significant and insignificant) are included in a portfolio of financial assets with similar credit risk characteristics Further impairment testing is performed.

An impairment loss is recognised for financial assets measured at amortised cost, based on the difference between their carrying amount and the present value of estimated future cash flows, if there is objective evidence of impairment at the end of the period. When an investment in an equity instrument that is not quoted in an active market and whose fair value cannot be reliably measured, or a derivative financial asset that is linked to and must be settled by delivery of that equity instrument, is impaired, an impairment loss is recognized for the difference between the carrying amount of the equity instrument investment or derivative financial asset and the present value of future cash flows discounted at the current market rate of return for a similar financial asset. If there is a significant decline in the fair value of an available-for-sale financial asset, or if, after taking into account all relevant factors, such a decline is expected to be other than temporary, an impairment loss is recognized and the cumulative loss on fair value that would otherwise be recognized directly in other comprehensive income is transferred out to an impairment loss.

For companies that have implemented the new standard on financial instruments.

1. Recognition and derecognition of financial instruments

The Group recognises a financial asset or a financial liability when it becomes a party to a contract for a financial instrument.

Purchases and sales of financial assets on a regular basis are recognised and derecognised on a transaction-date accounting basis. A regular way purchase or sale of financial assets is defined as the receipt or delivery of financial assets within the time frame specified by regulation or common practice, as agreed in the contractual terms. The transaction date is the date on which the Group commits to buy or sell a financial asset.

A financial asset (or a part of a financial asset, or a part of a group of similar financial assets) is derecognised, i.e. reversed from its accounts and balance sheet, when the following conditions are met.

(1) The right to receive cash flows from the financial asset expires.

(2) the right to receive cash flows from the financial asset is transferred or the obligation to pay promptly and in full the cash flows received to a third party is assumed under a "pass-through agreement"; and either 1) substantially all the risks and rewards of ownership of the financial asset are transferred, or 2) although substantially all the risks and rewards of ownership of the financial asset are neither transferred nor retained substantially all the risks and rewards of ownership are transferred, but control over the financial asset is relinquished.

2. Classification and measurement of financial assets

The Group's financial assets are classified at initial recognition according to the Group's business model for managing financial assets and the contractual cash flow characteristics of the financial assets as follows: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss. The subsequent measurement of financial assets depends on their classification.

The Group classifies financial assets based on the Group's business model for managing financial assets and the cash flow characteristics of the financial assets.

(1) Financial assets measured at amortised cost

A financial asset is classified as a financial asset measured at amortised cost if both of the following conditions are met: the Group's business model for managing the financial asset is to collect the contractual cash flows; and the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding. For such financial assets, the effective interest rate method is used for subsequent measurement at amortised cost, with any gain or loss arising from amortisation or impairment charged to current profit or loss.

(2) Investments in debt instruments measured at fair value through other comprehensive income

A financial asset is classified as a financial asset at fair value through other comprehensive income if both the following conditions are met: the Group's business model for managing the financial asset is to both collect the contractual cash flows and sell the financial asset; the contractual terms of the financial asset provide that the cash flows arising on a specific date are solely payments of principal and interest based on the principal amount outstanding payments. For such financial assets, fair value is used for subsequent measurement. The discount or premium is amortised using the effective interest method and recognised as interest income or expense. Changes in the fair value of such financial assets are recognised as other comprehensive income until the financial assets are derecognised, at which time the cumulative gain or loss is transferred to profit or loss, except for impairment losses and exchange differences on foreign currency monetary financial assets, which are recognised as profit or loss for the period. Interest income relating to such financial assets is recognized in profit or loss for the current period.

(3) Investments in equity instruments at fair value through other comprehensive income

The Group irrevocably elects to designate certain of its investments in non-trading equity instruments as financial assets at fair value through other comprehensive income, with only the related dividend income recognized in profit or loss for the current period and changes in fair value recognized as other comprehensive income until the financial assets are derecognized, with the cumulative gain or loss transferred to retained earnings.

(4) Financial assets at fair value through profit or loss

Financial assets other than financial assets at amortised cost and financial assets at fair value through other comprehensive income as described above are classified as financial assets at fair value through profit or loss. On initial recognition, financial assets may be designated as financial assets at fair value through profit or loss in order to be able to eliminate or significantly reduce accounting mismatches. For such financial assets, fair value is used for subsequent measurement and all changes in fair value are included in profit or loss for the period.

All relevant financial assets affected are reclassified when, and only when, the Group changes its business model for managing financial assets.

For financial assets at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss, while for other categories of financial assets, the related transaction costs are recognized in their initial recognition amounts.

3. Classification and measurement of financial liabilities

The Group's financial liabilities are classified at initial recognition as follows: financial liabilities at amortised cost and financial liabilities at fair value through profit or loss.

A financial liability may be designated as at fair value through profit or loss at initial measurement if either: (1) the designation eliminates or significantly reduces an accounting mismatch; or (2) the management and performance of a portfolio of financial liabilities or a portfolio of financial assets and financial liabilities is evaluated on a fair value basis in accordance with the Group's risk management or investment strategy as set out in a formal written document, and is reported to the Group on this basis. and reported to key management personnel on this basis within the Group; and (3) the financial liability contains embedded derivatives that are subject to a separate spin-off.

The Group determines the classification of a financial liability at initial recognition. For financial liabilities at fair value through profit or loss, the related transaction costs are recognized directly in profit or loss, while for other financial liabilities, the related transaction costs are recognized in their initial recognition amount.

The subsequent measurement of a financial liability depends on its classification as.

(1) Financial liabilities measured at amortised cost

For such financial liabilities, subsequent measurement is made at amortised cost using the effective interest method.

(2) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading (including derivatives that are financial liabilities) and financial liabilities designated as at fair value through profit or loss on initial recognition.

4. Offsetting of financial instruments

Financial assets and financial liabilities are presented in the balance sheet at their net amount after offsetting each other if the following conditions are met: there is a legal right to offset the recognised amount and such legal right is currently enforceable; the financial asset is scheduled to be settled on a net basis or the financial liability is realised and settled at the same time.

5. Impairment of financial assets

The Group recognises a provision for losses on financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income and financial guarantee contracts on the basis of expected credit losses. Credit losses are the difference between all contractual cash flows receivable by the Group under the contract and all cash flows expected to be collected, discounted at the original effective interest rate, being the present value of the entire cash shortfall.

The Group estimates expected credit losses on financial assets measured at amortised cost and financial assets at fair value through other comprehensive income (debt instruments), either individually or in combination, taking into account all reasonable and substantiated information, including forward-looking information.

(1) General model of expected credit losses

If the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures its loss allowance at an amount equal to the expected credit loss over the entire life of the financial instrument; if the credit risk of the financial instrument has not increased significantly since initial recognition, the Group measures its loss allowance at an amount equal to the expected credit loss over the next 12 months of the financial instrument. The resulting increase or reversal of the loss allowance is recorded as an impairment loss or gain in profit or loss for the period.

The Group considers that the credit risk of a financial instrument has increased significantly when it is generally more than 30 days past due, unless there is conclusive evidence that the credit risk of the financial instrument has not increased significantly since initial recognition.

Specifically, the Group divides the process of credit impairment of financial instruments that are

not credit impaired at the time of purchase or origin into three stages, with different accounting treatment for impairment of financial instruments at different stages.

Stage 1: Credit risk has not increased significantly since initial recognition

For financial instruments at this stage, an enterprise should measure the allowance for losses based on expected credit losses over the next 12 months and calculate interest income based on its carrying amount (i.e. before impairment allowances) and the effective interest rate (if the instrument is a financial asset, the same below).

Stage 2: Credit risk has increased significantly since initial recognition but no credit impairment has occurred

For financial instruments at this stage, the enterprise should measure the allowance for losses based on the expected credit losses over the life of the instrument and calculate interest income based on the carrying amount and effective interest rate of the instrument.

Stage 3: Credit impairment after initial recognition

For financial instruments at this stage, an enterprise should measure the allowance for losses on the basis of the expected credit losses over the entire life of the instrument, but calculate interest income differently from financial assets at the first two stages. For financial assets that are credit impaired, the enterprise should calculate interest income based on their amortised cost (carrying amount less provision for impairment, i.e. book value) and effective interest rate.

For financial assets that are credit impaired at the time of purchase or origin, an enterprise should recognise a loss allowance only for changes in expected credit losses throughout their life after initial recognition and calculate interest income based on their amortised cost and the effective interest rate adjusted for credit.

(2) The Group chooses not to compare financial instruments with low credit risk at the balance sheet date with their credit risk at initial recognition and instead makes a direct assumption that the credit risk of the instrument has not increased significantly since initial recognition.

A financial instrument may be considered to have low credit risk if the enterprise determines that the risk of default on the instrument is low, the borrower's ability to meet its obligations to pay contractual cash flows is strong in the short term and the borrower's ability to meet its obligations to pay contractual cash flows will not necessarily be reduced even if there are adverse changes in economic conditions and operating environment in the longer term.

(3) Receivables and lease receivables

For notes receivable, accounts receivable and financing receivables, the Group measures the allowance for losses based on the expected credit losses throughout their lives, regardless of whether there is a significant financing component.

1) Receivables

For notes and accounts receivable, other receivables, other receivables, receivables financing and long-term receivables for which there is objective evidence of impairment and other applicable individual assessments, separate impairment tests are performed, expected credit losses are recognised and individual impairment allowances are made. For notes receivable, accounts receivable, other receivables, receivables financing and long-term receivables for which no objective evidence of impairment exists or when information on expected credit losses cannot be assessed at a reasonable cost for individual financial assets, the Company classifies notes receivable, accounts receivable, other receivables, receivables financing and long-term receivables into certain combinations based on credit risk characteristics, and calculates expected credit losses on a combination basis The basis for determining the portfolio is as follows.

The basis for determining the portfolio of notes receivable is as follows.

Combination	Item	Basis for determining the portfolio
Combination 1	Banker's Acceptance	Acceptor is a bank with low credit risk
Combination 2	Commercial acceptances	Divided by the credit risk of the acceptor

For notes receivable classified as a portfolio, the Company calculates expected credit losses by referring to historical credit loss experience, combining current conditions and forecasts of future economic conditions, through default risk exposure and expected credit loss rates throughout the life of the notes. The Company assesses that there is no risk of collection on bankers' acceptances and does not accrue expected credit losses; the accrual of expected credit losses on commercial acceptances is performed with reference to accounts receivable and other receivables, and the starting point of aging of commercial acceptances receivable is traced back to the starting point of aging of the corresponding accounts receivable amount.

The basis for determining the portfolio of accounts receivable is as follows.

Accounts receivable portfolio 1 Receivables within the scope of consolidation (Jiaogui Institute)

Accounts receivable portfolio 2 Receivables outside the scope of consolidation (Jiaogui Institute)

For accounts receivable classified as a portfolio, the Company prepares a table of ageing of accounts receivable against the expected credit loss rate for the entire duration by referring to historical credit loss experience, taking into account current conditions and forecasts of future economic conditions, and calculates expected credit losses.

For Portfolio 1, no bad debt provision is made for receivables from companies within the scope of consolidation, except where objective evidence exists that the Company will not be able to collect the amounts in accordance with the original terms of the receivables; for Portfolio 2, the Company calculates expected credit losses for receivables outside the scope of consolidation based on a combination of credit risk characteristics using the age of the accounts as the combination of credit risk

characteristics.

The basis for determining the combinations of other receivables is as follows.

Other receivables portfolio 1 Interest receivable (Jiaogui Institute)

Other receivables portfolio 2 Dividend receivable (Jiaogui Institute)

Other receivables portfolio 3 Receivable from insurance and performance bonds (Jiaogui Institute)

Other receivables portfolio 4 Receivable from others (Jiaogui Institute)

Other receivables portfolio 5 Receivable from financial products (Wan Tong Expressway)

Other receivables portfolio 6 Other receivables (Wan Tong Expressway)

For other receivables classified as a portfolio, the Company calculates expected credit losses by reference to historical credit loss experience, current conditions and forecasts of future economic conditions, through default risk exposure and expected credit loss rates over the next 12 months or the entire duration.

The basis for determining the portfolio of long-term receivables is as follows.

Long-term receivable portfolio 1 Warranty receivables, construction receivables, lease receivables

Long-term receivables portfolio 2 Other receivables

For long-term receivables classified as Portfolio 1, the Company calculates expected credit losses by taking into account historical credit loss experience, current conditions and forecasts of future economic conditions through default risk exposure and expected credit loss rates throughout the life of the receivables.

For long-term receivables classified as Portfolio 2, the Company calculates expected credit losses by reference to historical credit loss experience, combining current conditions and forecasts of future economic conditions, through default exposures and expected credit loss rates over the next 12 months or the entire duration.

2) Debt investments, other debt investments

For debt investments and other debt investments, the Company calculates expected credit losses through default exposures and expected credit loss rates within the next 12 months or for the entire duration, depending on the nature of the investment and the various types of counterparties and exposures.

(4) With lower credit risk

A financial instrument is considered to have low credit risk if the risk of default is low, the borrower's ability to meet its contractual cash flow obligations is strong in the short term, and even if adverse changes in economic conditions and the business environment in the longer term do not necessarily reduce the borrower's ability to meet its contractual cash flow obligations.

(5) Significant increase in credit risk

The Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition by comparing the probability of default over the expected life of the financial instrument as determined at the balance sheet date with the probability of default over the expected life of the financial instrument as determined at initial recognition to determine the relative change in the probability of default over the expected life of the financial instrument.

In determining whether credit risk has increased significantly since initial recognition, the Company considers reasonable and substantiated information, including forward-looking information, that is available without undue additional cost or effort. The information considered by the Company includes.

1) whether there has been a significant change in internal price indicators as a result of changes in credit risk

2) adverse changes in business, financial or economic conditions that are expected to result in a significant change in the debtor's ability to meet its debt service obligations

3) whether there has been a significant change in the actual or expected results of the debtor's operations; whether there has been a significant adverse change in the regulatory, economic or technological environment in which the debtor operates

4) whether there has been a significant change in the value of the collateral pledged as security for the debt or in the quality of guarantees or credit enhancements provided by third parties. These changes are expected to reduce the debtor's economic incentive to repay the debt by the contractual deadline or to affect the probability of default

5) whether there has been a significant change in the economic incentives expected to reduce the debtor's ability to repay by the contractual deadline

6) expected changes to the loan contract, including whether the breach is expected to result in a possible waiver or amendment of contractual obligations, the granting of an interest-free period, a jump in interest rates, a requirement for additional collateral or security or other changes to the contractual framework of the financial instrument

7) whether there is a significant change in the debtor's expected performance and repayment behaviour

8) Whether contractual payments are more than (and including) 30 days overdue.

Depending on the nature of the financial instrument, the Company assesses whether there is a significant increase in credit risk on the basis of individual financial instruments or a portfolio of financial instruments. When assessing on the basis of a portfolio of financial instruments, the Company may classify financial instruments based on common credit risk characteristics, such as past due information and credit risk ratings.

Typically, the Company determines that the credit risk of a financial instrument has increased significantly if it is more than 30 days past due. This is unless the Company can obtain, without undue cost or effort, reasonable and substantiated information that demonstrates that credit risk has not increased significantly since initial recognition despite being more than 30 days past due on the contractual payment terms.

(6) Financial assets that are credit impaired

The Company assesses at the balance sheet date whether financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are credit impaired. A financial asset becomes credit impaired when one or more events occur that have an adverse effect on the expected future cash flows of the financial asset. Evidence that a financial asset is credit impaired includes observable information such as

Significant financial difficulty of the issuer or debtor; a breach of contract by the debtor, such as default or delinquency in interest or principal payments; a concession by a creditor to the debtor that the debtor would not otherwise make because of economic or contractual considerations relating to the debtor's financial difficulty; it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset as a result of the issuer's or debtor's financial difficulty; the purchase at a A financial asset is purchased or originated at a significant discount that reflects the fact that a credit loss has been incurred.

(7) Presentation of allowance for expected credit losses

To reflect changes in the credit risk of a financial instrument since initial recognition, the Company remeasures the expected credit losses at each balance sheet date, and the resulting increase or reversal of the allowance for losses should be recorded as an impairment loss or gain in profit or loss for the current period. For financial assets measured at amortized cost, the provision for losses is reduced by the carrying amount of the financial asset as stated in the balance sheet; for debt investments measured at fair value through other comprehensive income, the Company recognizes its provision for losses in other comprehensive income, without reducing the carrying amount of the financial asset.

(8) Write-off

The carrying amount of a financial asset is written down directly if the Company no longer has a reasonable expectation that the contractual cash flows from the financial asset will be fully or partially recovered. Such a write-down constitutes derecognition of the related financial asset. This usually occurs when the Company determines that the debtor has no assets or sources of income that will generate sufficient cash flows to repay the amount to be written down.

A financial asset that has been written down and subsequently recovered is included in profit or loss in the period in which it is recovered as a reversal of the impairment loss.

6. Transfer of financial assets

A financial asset is derecognised if the Group has transferred substantially all the risks and rewards of ownership of the financial asset to the transferor; a financial asset is not derecognised if substantially all the risks and rewards of ownership of the financial asset have been retained.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it is treated as follows: if it relinquishes control over the financial asset, it derecognises the financial asset and recognises the resulting assets and liabilities; if it does not relinquish control over the financial asset, it recognises the financial asset to the extent of its continuing involvement in the transferred financial asset and recognises the related liability accordingly.

If the continuing involvement is through the provision of a financial guarantee for the transferred financial asset, the lower of the carrying amount of the financial asset or the amount of the financial guarantee is used to recognise the asset resulting from the continuing involvement. The amount of the financial guarantee is the maximum amount of the consideration received that will be required to be repaid.

Note 10 Accounts receivables

For companies that have not yet implemented the new standard on financial instruments.

Receivables include notes receivable, accounts receivable, other receivables, etc.

1. Receivables that are individually significant and for which a single bad debt provision is made

(1) Judgment basis or amount criterion for materiality of a single item: The Company determines receivables of over CNY1,000,000 to be material in a single item.

(2) Method of accrual of individually significant amount and individual provision for bad debts: Receivables with individually significant amounts are individually tested for impairment. If there is objective evidence of impairment, an impairment loss is recognized on the basis of the difference between the present value of future cash flows and their carrying amount, and a corresponding provision for bad debts is made accordingly. Where the difference between the estimated future cash flows of a short-term receivable and its present value is remote, the estimated future cash flows may not be discounted in determining the related impairment loss. Financial assets that are not impaired are tested individually for impairment, including in a portfolio of financial assets with similar credit risk characteristics. Receivables for which an impairment loss has been recognized in a separate test are no longer included in a portfolio of receivables with similar credit risk characteristics for the purpose of impairment testing.

2. Receivables for which provision for bad debts is made on the basis of a combination of credit risk characteristics

(1) Basis for determining the combinations.

Combination 1: For receivables with individually significant amounts that are tested separately and not impaired, together with receivables with individually insignificant amounts, the Company uses the age of the accounts as the combination of credit risk characteristics.

Combination 2: The Company's receivables from related parties and internal employees.

Combination 3: Receivables from government grants and deposits. (Applicable only to the Jiaotong Group Company)

(2) Provisioning method for bad debts by portfolio.

Combination 1: Aging analysis method.

Combination 2: No provision for bad debts.

Combination 3: Aging analysis method.

The Company determines the percentage of bad debt provision for each age group of receivables based on the actual loss rate of each age group of receivables in previous years, taking into account the current situation, and calculates the bad debt provision accordingly. The percentage of bad debt provision for each age group of receivables is as follows.

Aging	Provision for bad debts based on proportion of accounts receivable (%)	Provision for bad debts based on proportion of other receivables (%)
Within 1 year (including 1 year)	5.00	5.00
1－2 years (including 2 years)	10.00	10.00
2－3 years (including 3 years)	20.00	20.00
3－4 years (including 4 years)	30.00	30.00
4－5 years (including 5 years)	50.00	50.00
Over 5years	100.00	100.00

Anhui Jiaotong Group Company Limited, a subsidiary of the Group, has implemented the following accrual policy for Portfolio III.

Aging	Provision for bad debts based on proportion of accounts receivable (%)	Provision for bad debts based on proportion of other receivables (%)
Within 1 year (including 1 year)	1.00	1.00
1－2 years (including 2 years)	5.00	5.00
2－3 years (including 3 years)	20.00	20.00
3－4 years (including 4 years)	30.00	30.00
4－5 years (including 5 years)	50.00	50.00
Over 5years	100.00	100.00

3. Receivables that are not individually significant but for which a separate provision for bad debts has been made

For receivables that are not individually significant but for which there is objective evidence of impairment, the provision for bad debts under the ageing analysis method does not reflect the actual situation, the Company performs a separate impairment test and recognises an impairment loss based on the difference between the present value of future cash flows and their carrying amount, and makes a corresponding provision for bad debts accordingly. For example, receivables from related parties; receivables in dispute with the other party or involved in litigation or arbitration; receivables where there are clear indications that it is probable that the debtor will not be able to meet its repayment obligations, etc.

4. Method of accrual for pawn loans and related receivables

Accruals are made individually and at the following rates.Other combinations:

Credit risk rating	Charge-off ratio
Normal category	0%
Concerned category	2%-6%
Sub-category	20%-40%
Suspicious	50%-70%
Loss Category	100%

For companies that have implemented the new standard on financial instruments.

See IV,Note9, "Companies that have implemented the new standard on financial instruments" - 5. Impairment of financial assets.

Note 11 Inventory

1. Inventory classification

Inventories are finished goods or merchandise held for sale in the ordinary course of the Company's activities, work-in-progress in the production process, materials and supplies used in the production process or in the provision of labour services, etc. They include raw materials, work-in-progress, goods in stock, development products, development costs, working capital materials, etc.

2. Method of valuation of inventories issued

(1) General inventories are initially measured at actual cost when acquired and are valued on a weighted average basis when issued.

(2) Real estate development business

Inventories are initially measured at cost. Inventories mainly comprise inventory materials, development products under construction (development costs), completed development products and development products temporarily leased out with the intention of sale. The cost of development products includes land premiums, expenditure on infrastructure facilities, expenditure on construction and installation works, borrowing costs incurred prior to the completion of development projects and

other related costs incurred in the development process. When inventories are issued, their actual costs are determined using the individual valuation method.

(3) Construction contract operations

Construction contracts are measured at actual cost, which includes direct and indirect costs incurred in connection with the execution of the contract from the time the contract is entered into until its completion. Travel and bidding costs incurred in connection with the conclusion of a contract that can be separately identified and reliably measured and for which it is probable that the contract will be concluded are included in the cost of the contract when it is obtained; if the above conditions are not met, they are included in profit or loss for the period.

The cumulative costs incurred and the cumulative gross profit (loss) recognised on contracts under construction are shown in the balance sheet, net of offsetting amounts, against the settled price. The excess of the sum of the cumulative costs incurred and the cumulative gross profit (loss) recognized on contracts under construction over the settled price is shown as inventories; the excess of the settled price on contracts under construction over the sum of the cumulative costs incurred and the cumulative gross profit (loss) recognized is shown as receipts in advance.

3. Inventory inventory system

Inventories are inventoried on a perpetual basis, at least once a year, and any surplus or deficit is credited or charged to profit or loss for the year.

4. Provision for decline in value of inventories

Inventories are measured at the lower of cost or net realisable value at the balance sheet date. If the cost of inventories is higher than their net realisable value, a provision for impairment of inventories is made and charged to current profit or loss. In determining the net realisable value of inventories, the determination is based on reliable evidence obtained and takes into account factors such as the purpose for which the inventories are held and the effect of post-balance sheet events.

(1) The net realisable value of inventories, such as finished goods, merchandise and materials for sale, which are held directly for sale, is determined in the ordinary course of production and operation at the estimated selling price of such inventories, less estimated selling expenses and related taxes. Inventories held for the purpose of executing sales contracts or labour contracts are measured at the contract price as their net realisable value; if the quantity of inventories held exceeds the quantity ordered under the sales contract, the net realisable value of the excess inventories is measured at the normal selling price. Materials used for sale, etc. are measured at their net realisable value based on market prices.

(2) The net realisable value of inventories of materials subject to processing is determined in the normal course of production operations by taking the estimated selling price of the finished goods produced less the estimated costs to be incurred to completion, estimated selling expenses and related taxes. If the net realisable value of the finished goods produced from it is higher than cost, the material is measured at cost; if a decrease in the price of the material indicates that the net realisable value of the finished goods is lower than cost, the material is measured at its net realisable value and a provision

for decline in value of inventories is made for the difference.

(3) Provision for decline in value of inventories is generally made on the basis of individual items of inventories; for inventories of large quantities and lower unit prices, provision is made by category of inventories.

(4) At the balance sheet date, if the factors affecting the value of inventories previously written down have disappeared, the amount written down is restored and reversed to the extent of the original provision for diminution in value of inventories, with the reversal charged to current profit or loss.

5. Amortisation methods for working capital materials

The lump sum method of amortisation is used when claimed.

Note 12 Non-current assets or disposal group held for sale

1.Classification of non-current assets or disposal group as held for sale

The Company classifies a non-current asset (or disposal group) as held for sale if the following requirements are met simultaneously:

(1)The asset or disposal group must be available for immediate sale in its present condition subject only to the terms that are usual and customary for sales of such assets (or disposal groups).

(2)Its sale must be highly probable, i.e, the Company must be committed to a plan to sell the asset (or disposal group) and obtain definite purchase commitment, and the sale is expected to complete within one year. If the relevant regulations require the approval from the relevant power organisations or supervision departments of the Company before they can be sold, the approval has been obtained.

When the Company acquires a non-current asset (or disposal group) exclusively with a view to its subsequent disposal, it shall classify the non-current asset (or disposal group) as held for sale at the acquisition date only if the one-year requirement is met and it is highly probable that any other criteria that are not met at that date will be met within a short period following the acquisition (usually within three months).

The Company that is committed to dispose its equity investment in a subsidiary which will lead to its loss of control of the subsidiary shall classify the investment as held for sale in the separate financial statements of the Company, and classify all the assets and liabilities of that subsidiary as held for sale in the consolidated financial statements of the group, when the above criteria are met, regardless of whether the Company will remain part of equity investment in the subsidiary.

2.Measurements of non-current assets or disposal group held for sale

The principal of measurement of non-current assets (or disposal groups) held for sale does not apply to the following assets: investment properties that are measured in accordance with the fair value model, biological assets that are measured at fair value less costs to sell, assets arising from employee benefits, deferred tax assets, financial assets within the scope of relevant accounting standards related to financial instruments and contractual rights under insurance contracts as defined in accounting

standards related to insurance contracts.

When the non-current assets (or disposal groups) as held for sale are initially measured or subsequently measured at balance sheet date, if the carrying amount of the asset (or disposal group) is higher than the fair value less cost to sell, it shall be written-down to its fair value less cost to sell, and the difference shall be recognised as impairment loss into current profit or loss, and provision for asset impairment shall be recognised simultaneously.

When the assets (or disposal groups) ceases to be classified as held for sale or the non-current assets are removed from disposal groups since the criteria for held for sale are no longer met, the assets shall be measured at the lower of:

(1)Its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale, and

(2)Its recoverable amount

3.Presentation

An entity shall present a non-current asset classified as held for sale and the assets of a disposal group classified as held for sale separately from other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale shall be presented separately from other liabilities in the statement of financial position. Those assets and liabilities shall not be offset and presented as a single amount.

Note 13 Long-term Equity Investment

The Company's long-term equity investments include equity investments in investees over which the Company exercises control and significant influence, and equity investments in joint ventures. The Company is able to exercise significant influence over the investee as an associate of the Company.

1. Basis for determining joint control and significant influence over an investee

Joint control refers to control over an arrangement that is shared in accordance with the relevant agreement, and where the relevant activities of the arrangement require the unanimous consent of the participants sharing control before decisions can be made. In determining whether there is joint control, it is first determined whether all participants or a group of participants collectively control the arrangement. If all participants or a group of participants must act in concert to decide on the relevant activities of an arrangement, all participants or a group of participants are considered to collectively control the arrangement. The determination is then made as to whether decisions on activities relating to the arrangement must be made by the unanimous agreement of those participants who collectively control the arrangement. The existence of a combination of two or more participants capable of collectively controlling an arrangement does not constitute joint control. Protective rights enjoyed are not taken into account in determining whether joint control exists.

Significant influence means that the investor has the power to participate in decision-making over the financial and operating policies of the investee but does not control, or have joint control with other parties, over the formulation of those policies. In determining whether significant influence can be exercised over an investee, consideration is given to the investor's direct or indirect holding of voting shares in the investee and the effect of current exercisable potential voting rights held by the investor and other parties upon their assumed conversion into equity interests in the investee's units, including the effect of current convertible warrants, share options and convertible corporate bonds issued by the investee.

When the Company directly or indirectly through its subsidiaries owns more than 20% (including 20%) but less than 50% of the voting shares of an investee unit, it is generally considered to have significant influence over the investee unit, unless there is clear evidence that it cannot participate in the production and operation decisions of the investee unit in such cases and does not form a significant influence.

2. Determination of initial investment cost

(1) Long-term equity investments resulting from business combinations shall have their investment costs determined in accordance with the following provisions.

1) In a business combination under the same control, where the merging party pays cash, transfers non-cash assets or assumes debt as consideration for the combination, the initial investment cost of the long-term equity investment at the date of the combination is determined as the share of the ownership interest of the merged party in the book value of the ultimate controlling party in the consolidated financial statements. The difference between the initial investment cost of the long-term equity investment and the cash paid, the non-cash assets transferred and the carrying value of the debt assumed is adjusted against capital surplus; if capital surplus is not sufficient to cover the reduction, retained earnings are adjusted.

2) In a business combination under common control, if the consolidating party issues equity securities as consideration for the combination, the share of the ownership interest of the consolidated party in the carrying amount of the consolidated financial statements of the ultimate controlling party is taken as the initial investment cost of the long-term equity investment at the date of the combination. The difference between the initial investment cost of the long-term equity investment and the total nominal value of the shares issued is adjusted against capital surplus, and if capital surplus is not sufficient to cover the reduction, retained earnings are adjusted.

3) For business combinations not under common control, the assets given, liabilities incurred or assumed and the fair value of equity securities issued at the date of purchase to obtain control over the acquiree are determined as the cost of the combination as the initial investment cost of the long-term equity investment. Intermediary fees such as audit, legal services, appraisal and consulting fees and other related administrative expenses incurred by the consolidating party for the business combination

are charged to current profit or loss as incurred.

(2) The investment cost of long-term equity investments acquired by means other than those resulting from business combinations is determined in accordance with the following provisions.

1) Long-term equity investments acquired by paying cash are stated at the cost of investment in accordance with the actual purchase price paid. The initial cost of investment includes fees, taxes and other necessary expenses directly related to the acquisition of the long-term equity investment.

2) Long-term equity investments acquired by issuing equity securities are stated at the fair value of the equity securities issued as the initial investment cost.

3) Long-term equity investments acquired through an exchange of non-monetary assets, if the exchange has commercial substance and the fair value of the assets being exchanged or the assets being exchanged can be measured reliably, the fair value of the assets being exchanged and related taxes are used as the initial investment cost, and the difference between the fair value and the carrying amount of the assets being exchanged is charged to current profit or loss; if the exchange of non-monetary assets does not meet both of the above conditions, the difference between the fair value of the assets being exchanged and the carrying amount of the assets being exchanged is charged to current profit or loss. If the exchange of non-monetary assets does not meet both of the above conditions, the initial investment cost is based on the carrying amount of the assets exchanged and related taxes and fees.

4) Long-term equity investments acquired through debt restructuring are measured at the fair value of the equity interest acquired as the initial investment cost, with the difference between the initial investment cost and the carrying amount of the debt recorded in profit or loss for the period.

3. Subsequent measurement and profit and loss recognition methods

Long-term equity investments in which the Company is able to exercise control over the investee are accounted for using the cost method; long-term equity investments in associates and joint ventures are accounted for using the equity method.

(1) Cost method

The cost of long-term equity investments accounted for under the cost method is adjusted when additional investments are made or recovered; cash dividends or profits declared by the investee are recognized as investment income in the current period.

(2) Equity method

Long-term equity investments accounted for under the equity method are generally accounted for as follows

If the investment cost of the Company's long-term equity investment is greater than its share of the fair value of the identifiable net assets of the investee at the time of investment, the initial investment cost of the long-term equity investment is not adjusted; if the initial investment cost of the long-term

equity investment is less than its share of the fair value of the identifiable net assets of the investee at the time of investment, the difference is recognized in profit or loss for the period and the cost of the long-term equity investment is adjusted.

The Company recognizes investment income and other comprehensive income in accordance with the Company's share of the investee's net profit or loss and other comprehensive income, respectively, and adjusts the carrying value of the long-term equity investment; the Company calculates its share of the profit or cash dividends declared by the investee and reduces the carrying value of the long-term equity investment accordingly; the share of the investee's ownership interest other than net profit or loss, other comprehensive income and profit distribution The carrying amount of the long-term equity investment is adjusted and recognized in owners' equity for changes in the equity of the investee other than net profit or loss, other comprehensive income and profit distribution. In recognising the share of net profit or loss of the investee, the fair value of the identifiable net assets of the investee at the time of acquisition of the investment is used as the basis for recognition, after adjusting the net profit of the investee. If the accounting policies and accounting periods adopted by the investee are different from those of the Company, the financial statements of the investee shall be adjusted in accordance with the Company's accounting policies and accounting periods, and investment income and other comprehensive income, etc. shall be recognized accordingly. Unrealized gains and losses on internal transactions between the Company and its associates and joint ventures are offset on the basis of the proportionate share attributable to the Company, on the basis of which investment gains and losses are recognized. Unrealized losses on internal transactions between the Company and its investees are recognized in full if they represent impairment losses on assets.

If the Company is able to exercise significant influence over the investee or exercise joint control over the investee but does not constitute control due to additional investments, for example, the sum of the fair value of the equity investment originally held plus the cost of the additional investment is used as the initial cost of the investment to be accounted for under the equity method. If an equity investment previously held is classified as an available-for-sale financial asset, the difference between its fair value and its carrying amount, as well as the accumulated fair value changes previously recognized in other comprehensive income, are transferred to profit or loss for the period in which the equity method of accounting is changed.

Where a portion of an equity investment is disposed of, for example, and joint control or significant influence over the investee is lost, the remaining equity interest after disposal is measured at fair value instead, and the difference between its fair value and its carrying amount at the date of loss of joint control or significant influence is recognized in profit or loss for the period. Other comprehensive income recognised as a result of the equity method of accounting for the former equity investment is accounted for on the termination of the equity method of accounting on the same basis as if the relevant asset or liability had been disposed of directly by the investee.

Note 14 Investment properties

Investment properties are real estate held to earn rentals or for capital appreciation, or both. It includes land use rights that have been leased out, land use rights that are held and intended to be transferred upon appreciation, and buildings that have been leased out.

The Company applies the cost model to investment properties for subsequent measurement.

Investment properties are initially measured at cost. Subsequent expenditures related to investment properties are included in the cost of investment properties if it is probable that the economic benefits associated with the asset will flow and its cost can be measured reliably. Other subsequent expenditures are charged to current profit or loss as incurred.

The Company uses the cost model for subsequent measurement of investment properties and depreciates or amortizes them in accordance with policies consistent with those for buildings or land use rights.

Upon conversion of owner-occupied properties or inventories to investment properties or investment properties to owner-occupied properties, the book value before conversion is used as the recorded value after conversion.

When the use of an investment property is changed to self-use, the investment property is converted to a fixed asset or intangible asset from the date of the change. When the use of a self-use property is changed to earn rentals or capital appreciation, the fixed asset or intangible asset is converted to investment property from the date of the change. When a conversion occurs, the book value before conversion is used as the recorded value after conversion if the conversion is to investment property measured using the cost model.

Investment properties are derecognised when they are disposed of, or permanently withdrawn from use, and no economic benefits are expected from their disposal. Proceeds from the sale, transfer, retirement or destruction of investment properties, net of their carrying amounts and related taxes, are credited or charged to current profit or loss.

Note 15 Fixed assets

1. The fixed assets recognition conditions, measurement methods and depreciation methods

Fixed assetss indicate tangible assets for the producing commodity, providing labor service, renting or operating management, and operating life is more than a fiscal year.

Fixed assets are recognized as the actual cost at the time of acquisition, depreciation shall be calculated by the straight-line method from the next month when the predetermined serviceable condition is reached.

2. Depreciation year limit and depreciation rate of various types of fixed assets

Category	Depreciation method	Estimated useful life (year)	Estimated net salvage rate (%)	Annual depreciation rate (%)
Roads and Structures	Vehicle flow method*1	20-30	3.00	3.23-4.85

Category	Depreciation method	Estimated useful life (year)	Estimated net salvage rate (%)	Annual depreciation rate (%)
Houses and buildings	Straight line	10	3.00	9.70
Security Facilities	Straight line	5-10	3.00	9.70-19.40
Communication facilities	Straight line	5	3.00	19.40
Surveillance facilities	Straight line	5	3.00	19.40
Toll collection facilities	Straight line	5	3.00	19.40
Power and Lighting	Straight line	9	3.00	10.78
Machinery and equipment	Straight line	6	3.00	16.17
Transportation	Straight line	3	3.00	32.33
Other	Straight line	20-30	3.00	3.23-4.85

*1: The depreciation method for roads and structures is the traffic flow method, whereby total annual depreciation is calculated based on the proportion of actual traffic flow in a given year to the estimated total traffic flow during the period of operation. When actual traffic volumes differ materially from the estimated total traffic volumes, the Company will reestimate and depreciate the total traffic volumes.

For fixed assets for which provision for impairment has been made, the provision for impairment of fixed assets is deducted when depreciation is provided. At the end of each year, the Company reviews the useful life, estimated net residual value and depreciation method of fixed assets. If the estimated useful life differs from the original estimate, the useful life of the fixed assets is adjusted.

3. Basis of recognition, valuation method and depreciation method of fixed assets leased under finance leases

The Company recognizes a lease of a fixed asset as a finance lease when substantially all the risks and rewards associated with the asset are transferred. The cost of a fixed asset acquired under a finance lease is determined as the lower of the fair value of the leased asset and the present value of the minimum lease payments at the commencement date of the lease. Fixed assets acquired under finance leases are depreciated using a depreciation policy that is consistent with that for owned fixed assets. If it is reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is provided over the useful life of the leased asset; if it is not reasonably certain that ownership of the leased asset will be obtained at the end of the lease term, depreciation is provided over the shorter of the lease term and the useful life of the leased asset.

Note 16 Construction in process

1. Construction in progress is accounted for by classifying the project as a standing item.

2. Criteria and point in time for the transfer of construction in progress to fixed assets

Construction in progress projects are recorded as fixed assets at the value of all expenditure incurred in the construction of the asset before it reaches its intended useable state. This includes construction costs, the original cost of machinery and equipment, other expenditure necessary to bring the construction in progress to its intended useable condition and borrowing costs incurred for borrowings specifically for the project before the asset reaches its intended useable condition and borrowing costs incurred for general borrowings taken up. The Company transfers construction in progress to fixed assets when the installation or construction is completed to its intended useable condition. Fixed assets that have reached their intended useable state but have not yet been finalized are transferred to fixed assets from the date they reach their intended useable state at their estimated value based on the project budget, cost or actual cost of the project, and are depreciated in accordance with the Company's fixed asset depreciation policy, and the original provisional estimated value is adjusted to the actual cost after the finalization of the project, but not the original depreciated value. The depreciation amount is not adjusted.

Note 17 Borrowing costs

1. Principles for recognition and period of capitalisation of borrowing costs

Borrowing costs incurred by the Company that are directly attributable to the acquisition or production of assets eligible for capitalisation are capitalised to the cost of the relevant assets when both of the following conditions are met.

(1) the expenditure on the asset has been incurred.

(2) The borrowing costs have been incurred.

(3) The acquisition or production activities necessary to bring the asset to its intended useable condition have commenced.

Other interest, discounts or premiums on borrowings and exchange differences are charged to profit or loss in the period in which they are incurred.

Capitalisation of borrowing costs is suspended when there is an unusual interruption in the course of the acquisition or production of an asset eligible for capitalisation and the interruption lasts for more than three consecutive months.

Capitalisation of borrowing costs ceases when the acquisition or production of the asset eligible for capitalisation reaches its intended use or saleable condition; borrowing costs incurred subsequently are recognised as expenses in the period in which they are incurred.

2. Capitalisation rate and calculation of capitalised amount

If special borrowings are borrowed for the purpose of acquiring or producing assets eligible for capitalisation, the amount of interest expenses capitalised on special borrowings is determined by subtracting the interest income earned by depositing unused borrowed funds in banks or the investment income earned by making temporary investments from the actual interest expenses incurred in the period of the special borrowings.

Note 18 Intangible asset

1. Method of valuation of intangible assets: Recorded at actual cost at the time of acquisition.

2. Useful life and amortisation of intangible assets

(1) Estimated useful life of intangible assets with finite useful lives.

Item	Amortization method	Amortisation period	Basis
Land use rights	Straight line method	30-50years	Legal right to use
Software rights	Straight line method	2-10years	Useful life determined by the period of economic benefit to the company
Concessions	Straight line method	3-10years	Useful life determined by the period of economic benefit to the company
Car parking rights	Straight line method	45.58years	Useful life determined by the period of economic benefit to the company
Advertising rights	Straight line method		The remaining life of the toll period of the road at the time of acquisition of the advertising rights of the road
Other	Straight line method	5years	Useful life determined by the period of economic benefit to the company

At the end of each year, the Company reviews the useful life and amortization method of intangible assets with finite useful lives. Upon review, the useful life and amortization method of intangible assets at the end of the period are not different from those previously estimated.

(2) Intangible assets with indefinite useful lives are considered to have indefinite useful lives if the period over which the intangible assets will bring economic benefits to the enterprise is not foreseeable. For intangible assets with indefinite useful lives, the Company reviews the useful lives of intangible assets with indefinite useful lives at the end of each year, and if they are still indefinite after re-examination, they are tested for impairment at the balance sheet date.

(3) Amortisation of intangible assets

For intangible assets with finite useful lives, the Company determines their useful lives at the time of acquisition and amortizes them over their useful lives using the straight-line method on a reasonable basis, with the amortization amount charged to current profit or loss based on the items to be benefited. The specific amount to be amortized is the amount of its cost less its estimated residual value. Intangible assets for which provision for impairment has been made have a residual value of nil, net of the cumulative amount of provision for impairment of intangible assets already made. This is except where there is a commitment by a third party to purchase the intangible asset at the end of its useful life or where information on the estimated residual value is available on the basis of an

active market and it is probable that such a market will exist at the end of the useful life of the intangible asset.

Intangible assets with indefinite useful lives are not amortised. The useful lives of intangible assets with indefinite useful lives are reviewed at the end of each year and, if there is evidence that the useful life of the intangible asset is finite, its useful life is estimated and it is systematically and reasonably amortised over its estimated useful life.

3. Specific criteria for classifying the research phase and development phase of internal research and development projects

(1) The Company treats the preparation of information and related aspects for further development activities as the research phase, and expenses for the research phase of an intangible asset are charged to current profit or loss as incurred.

(2) Development activities carried out after the Company has completed the research phase are treated as the development phase.

4. Specific conditions for capitalisation of development stage expenditure

Development stage expenditure is recognised as an intangible asset only when all of the following conditions are met.

(1) It is technically feasible to complete the intangible asset so that it can be used or sold.

(2) There is an intention to complete the intangible asset and to use or sell it.

(3) The manner in which the intangible asset will generate economic benefits, including the ability to demonstrate that a market exists for the product produced using the intangible asset or that a market exists for the intangible asset itself, and the usefulness of the intangible asset can be demonstrated if it is to be used internally.

(4) The availability of sufficient technical, financial and other resources to support the completion of the development of the intangible asset and the ability to use or sell the intangible asset.

(5) Expenditure attributable to the development phase of the intangible asset can be measured reliably.

Note 19 Long-term asset impairment

1. Long-term equity investments impairment testing methods and accounting treatment

The Company conducts an item-by-item examination of long-term equity investments at the balance sheet date to determine whether there are indications of impairment of long-term equity investments based on various changes in the investee's operating policies, legal environment, market demand, industry and profitability. When the recoverable amount of a long-term equity investment is less than the carrying amount, the difference between the recoverable amount and the carrying

amount of the long-term equity investment is provided for as a provision for impairment of long-term equity investment. Once an impairment loss on an asset is recognized, it is not reversed in subsequent accounting periods.

2. Impairment testing method and accounting treatment for investment properties

Investment properties are stated at the lower of cost or recoverable amount at the balance sheet date, and if the recoverable amount is less than cost, a provision for impairment is made for the difference between the two. If the value of an investment property for which a provision for impairment has been made is restored, the provision for impairment made in prior periods is not reversed.

3. Impairment testing methods and accounting treatment of fixed assets

The Company makes a judgement on each fixed asset at the balance sheet date and when there is an indication of impairment and the estimated recoverable amount is less than its carrying amount, the carrying amount is written down to its recoverable amount and the written down amount is recognized as an asset impairment loss and charged to current profit or loss, together with a corresponding provision for asset impairment. Once an asset impairment loss is recognized, it will not be reversed in subsequent accounting periods. Provision for impairment is made in full for individual items of fixed assets when the following indications exist.

(1) Fixed assets that have been idle for a long period of time, will not be used in the foreseeable future and have no longer have a transfer value.

(2) Fixed assets that are no longer available for use due to technological advancement, etc.

(3) Fixed assets which, although still usable, have generated a large number of non-conforming products after use.

(4) Fixed assets that have been destroyed to the extent that they no longer have use and transfer value.

(5) Other fixed assets that are no longer substantially capable of bringing economic benefits to the Company.

4. Method of testing and accounting for impairment of construction in progress

The Company conducts a comprehensive review of construction in progress at the balance sheet date. If there is evidence that construction in progress has been impaired and the estimated recoverable amount is less than its carrying amount, the carrying amount is written down to its recoverable amount and the written down amount is recognized as an asset impairment loss and charged to current profit or loss, together with a corresponding provision for asset impairment. Once an impairment loss is recognized, it is not reversed in subsequent accounting periods. Construction in progress is tested for impairment if one or more of the following conditions exist.

(1) Construction in progress that has been suspended for a long period of time and is not expected to recommence construction within the next three years.

(2) Projects constructed that are obsolete, both in terms of performance and technology, and where there is a high degree of uncertainty as to the economic benefits to the enterprise.

(3) Other circumstances sufficient to prove that the construction in progress has been impaired.

5. Test methods and accounting treatment for impairment of intangible assets

When the recoverable amount of an intangible asset is less than its carrying amount, the carrying amount of the asset is written down to its recoverable amount and the amount written down is recognised as an impairment loss and charged to current profit or loss, together with a corresponding provision for impairment of intangible assets. Once an impairment loss on an intangible asset is recognized, it is not reversed in subsequent accounting periods. An intangible asset is tested for impairment if one or more of the following conditions exist.

(1) The intangible asset has been replaced by other new technology, etc., such that its ability to generate economic benefits for the enterprise has been materially and adversely affected.

(2) The market value of the intangible asset has declined significantly in the period and may not recover over the remaining life of the intangible asset.

(3) Other circumstances sufficient to indicate that the carrying amount of the intangible asset has exceeded its recoverable amount.

6. Goodwill impairment test

Goodwill arising from business combinations is tested for impairment at least at the end of each year. When the Company performs an impairment test on a relevant group of assets or a combination of groups of assets that contains goodwill, if there is an indication that the group of assets or combination of groups of assets to which the goodwill relates is impaired, the following steps are followed.

Firstly, an impairment test is performed on the asset group or combination of asset groups that do not contain goodwill, and the recoverable amount is calculated and compared with the carrying amount of the relevant assets, and a corresponding impairment loss is recognised; then an impairment test is performed on the asset group or combination of asset groups that contain goodwill, and the carrying amount of these relevant asset groups or combination of asset groups (including the portion of the carrying amount of goodwill apportioned) is compared with their recoverable amounts. If the recoverable amount of the relevant group of assets or combination of groups of assets is less than its carrying amount, an impairment loss is recognized for the difference. The amount of the impairment loss is reduced first by the carrying amount of goodwill allocated to the asset group or group of assets, and then by the carrying amount of each asset group or group of assets other than goodwill in proportion to its proportionate share of the carrying amount of each asset group or group of assets.

Note 20 Long-term unamortized expenses

The long-term deferred expenses shall be recorded according to the actual amount incurred, and shall be averagely amortized in the benefit period or the specified period. If the long-term deferred expense item cannot benefit the future accounting period, the unamortized value of the item shall be transferred to the current profit and loss.

Contents	Amortisation period
Payment for renovation work	5 years
One-off payment of taxes related to 20-year lease income	20 years
Car park rental fee	34 years
Light and power connection fee	3 years
Other	5 years

Note 21 Employee benefits

Employee remuneration refers to all forms of remuneration or compensation given by the Company for services rendered by employees or for the termination of employment relationships. Employee remuneration includes short-term remuneration, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided by the Company to employees' spouses, children, dependents, survivors of deceased employees and other beneficiaries are also considered employee compensation.

1. Accounting treatment of short-term remuneration

(1) Basic remuneration of employees (salaries, bonuses, allowances and subsidies)

The Company recognizes the actual short-term remuneration incurred as a liability in the accounting period in which the employee performs services for it and recognizes it in profit or loss for the current period, except where other accounting standards require or permit it to be charged to the cost of an asset.

(2) Employee benefit expenses

Employee benefit expenses incurred by the Company are charged to current profit or loss or to the cost of the related assets when actually incurred, based on the actual amount incurred. Employee benefit expenses are measured at fair value if they are non-monetary benefits.

(3) Social insurance premiums such as medical insurance premiums, work injury insurance premiums, maternity insurance premiums and housing fund, as well as trade union expenses and employee education expenses

The amount of social insurance premiums such as medical insurance premiums, work injury insurance premiums, maternity insurance premiums and housing provident fund, as well as trade union funds and employee education funds withdrawn in accordance with regulations, are calculated and determined in accordance with the prescribed accrual basis and accrual rate to determine the corresponding amount of employee compensation in the accounting period in which the employee provides services to the employee, and the corresponding liability is recognized and charged to current profit or loss or the cost of related assets.

(4) Short-term compensated absences

The Company recognizes employee compensation related to accumulated compensated absences when an employee provides services that increase his or her entitlement to future compensated absences and measures the amount of the increase in expected payments as a result of accumulated unexercised rights. The Company recognizes employee compensation related to non-accumulated compensated absences in the accounting period in which the employee actually incurs the absence.

(5) Short-term profit-sharing plans

The Company recognizes employee compensation payable related to profit-sharing plans if both of the following conditions are met.

1) The enterprise has a present legal or constructive obligation to pay employee compensation as a result of past events.

2) The amount of the obligation to pay employee compensation arising from the profit-sharing plan can be reliably estimated.

2. Accounting for post-employment benefits

(1) Defined contribution plans

The Company recognizes the amount of contributions payable under a defined contribution plan as a liability in the accounting period in which the employee performs services for the employee, and recognizes it in profit or loss or in the cost of the related assets. If the full amount of contributions payable under the defined contribution plan is not expected to be paid within twelve months after the end of the annual reporting period in which the employees render the related services, the Company measures the full amount of contributions payable at a discounted rate (determined based on the market yield of treasury bonds or high quality corporate bonds in an active market that matches the maturity and currency of the obligations under the defined benefit plan at the balance sheet date) by reference to the corresponding discounted rate. employee compensation.

(2) Defined benefit plans

1) Determining the present value of defined benefit plan obligations and current service cost

Under the expected cumulative benefit unit method, obligations arising from defined benefit plans are measured and the vesting period of the related obligations is determined using unbiased and mutually consistent actuarial assumptions for estimating relevant demographic and financial variables, etc. The Company discounts the obligations arising from the defined benefit plans at a corresponding discount rate (determined based on market yields on treasury bonds or high quality corporate bonds in an active market matching the maturity and currency of the defined benefit plan obligations at the balance sheet date) to determine the present value of the defined benefit plan obligations and the current service cost.

2) Recognition of net defined benefit plan liabilities or net assets

Where a defined benefit plan has assets, the Company recognises the deficit or surplus arising from the present value of the defined benefit plan obligations less the fair value of the defined benefit plan assets as a net defined benefit plan liability or net asset. If a defined benefit plan has a surplus, the Company measures the net defined benefit plan asset at the lower of the surplus or asset limit of the defined benefit plan.

3) Determination of amounts to be charged to the cost of assets or profit or loss for the period

Cost of services, including current service costs, past service costs and settlement gains or losses. Of these, service costs are charged to current profit or loss, except for current service costs that are required or permitted to be charged to the cost of assets under other accounting standards. Net interest on net defined benefit plan liabilities or net assets, including interest income on plan assets, interest expense on defined benefit plan obligations and interest on the effect of asset ceilings, is included in profit or loss for the period.

4) Determination of amounts to be included in other comprehensive income

Changes resulting from the remeasurement of the net liability or net assets of a defined benefit plan, including

i) Actuarial gains or losses, being increases or decreases in the present value of the defined benefit plan obligation previously measured as a result of actuarial assumptions and experience adjustments.

ii) Return on plan assets, net of amounts included in net interest on the net liability or net assets of the defined benefit plan ;

iii) changes in the impact of asset ceilings, net of amounts included in net interest on net defined benefit plan liabilities or net assets.

The changes resulting from the remeasurement of the net liabilities or net assets of the defined benefit plans as described above are taken directly to other comprehensive income and are not allowed to be reversed to profit or loss in subsequent accounting periods, except that the Company may transfer these amounts recognized in other comprehensive income to the extent of equity.

3. Accounting for termination benefits

Where the Company provides termination benefits to employees, a liability for employee compensation arising from termination benefits is recognized in profit or loss at the earliest of: (1) when the termination benefits provided as a result of a termination plan or proposed redundancy cannot be unilaterally withdrawn by the enterprise; and (2) when the enterprise recognizes costs or expenses associated with a restructuring involving the payment of termination benefits.

If the termination benefits are not expected to be fully paid within twelve months after the end of the annual reporting period, the amount of the termination benefits is discounted by reference to the

corresponding discount rate (determined based on the market yield of treasury bonds or high-quality corporate bonds in an active market matching the maturity and currency of the obligations under the defined benefit plan at the balance sheet date) and the discounted amount is used to measure the employee compensation payable.

4. Accounting for other long-term employee benefits

(1) Qualifying for defined contribution plans

For other long-term employee benefits provided by the Company to employees, if the conditions of the defined contribution plan are met, the entire amount to be contributed is discounted and measured as employee compensation payable.

(2) Eligible for defined benefit plans

At the end of the reporting period, the Company recognizes the cost of employee compensation arising from other long-term employee benefits as a component of: 1) service cost; 2) net interest on the net liability or net assets for other long-term employee benefits; and 3) changes resulting from the remeasurement of the net liability or net assets for other long-term employee benefits.

To simplify the related accounting treatment, the total net amount of the above items is charged to current profit or loss or to the cost of the related assets.

Note 22 Bonds payable

Non-convertible corporate bonds issued by the Company are treated as liabilities on the basis of the amount actually received (net of related transaction costs); the difference between the amount actually received for the bond issue and the total face value of the bonds is treated as bond premium or discount, which is amortized over the life of the bonds at the effective interest rate when interest is accrued, and is treated in accordance with the principles of treatment of borrowing costs.

The convertible bonds issued by the Company are initially recognized by splitting the liability and equity components and treating them separately. The fair value of the liability component is first recognized and used as the initial recognition amount, and the initial recognition amount of the equity component is determined by deducting the initial recognition amount of the liability component from the overall issue price of the convertible bonds (net of related transaction costs).

Note 23 Estimated liabilities

1. Criteria for recognition of a estimated liability

The Company recognizes a estimated liability if the obligation associated with the contingent event meets the following conditions: (1) the obligation is a present obligation of the Company; (2) it is probable that an outflow of economic benefits will result from the performance of the obligation; and (3) the amount of the obligation can be measured reliably.

2. Measurement of estimated liabilities

A estimated liability is initially measured at the best estimate of the expenditure required to settle the related present obligation, taking into account the risks associated with the contingency, uncertainty and the time value of money. The carrying amount of the estimated liability is reviewed at each balance sheet date. Where there is conclusive evidence that the carrying amount does not reflect the current best estimate, the carrying amount is adjusted in accordance with the current best estimate.

Note 24 Other financial instruments such as preference shares and perpetual debentures

1. Basis of classification of other financial instruments such as preference shares and perpetual debentures

The classification of preferred shares (or perpetual debentures, the same below) issued by the Company as financial liabilities or equity instruments is based on the specific content of the relevant contracts or agreements and is determined on the basis of substance over form.

(1) Redemption option

If the preferred shares issued by the Company are subject to redemption by the Company on a specific date, the preferred shares are financial liabilities; if the purchaser has the option to redeem, the preferred shares are still financial liabilities, and if the purchaser waives the option, the shares are reclassified as equity instruments; if the option to redeem belongs to the Company, the preferred shares are equity instruments, but once the Company has elected to redeem and such redemption option is announced, the preferred shares are classified as equity instruments. If the option to redeem belongs to the Company, then the preference shares are an equity instrument, but once the Company has elected to redeem and such redemption option is announced, the equity instrument is reclassified as a financial liability.

(2) Dividend payments

If the payment of cash dividends is entirely at the discretion of the Company, the preference shares are classified as an equity instrument; if the payment of cash dividends is mandatory and the dividend payment rate is greater than or equal to the market interest rate for the same period, the preference shares are classified as a financial liability, and if the dividend payment rate is lower than the market interest rate, the preference shares are a compound financial instrument and the preference shares need to be subdivided.

(3) Conversion to ordinary shares

If the Company issues preference shares with conditions for conversion into ordinary shares, whether the preference shares are classified as financial liabilities or equity instruments depends on whether the number of ordinary shares to be converted in the future is fixed: if the number of ordinary shares to be converted in the future is non-fixed, the preference shares issued are financial liabilities; if the number of ordinary shares to be converted in the future is fixed, they are classified as equity

instruments.

2. Accounting treatment of other financial instruments such as preferred shares and perpetual debentures

The Company determines the accounting treatment for interest expenses or dividend distributions, etc. on the basis of the classification of the financial instruments issued. For financial instruments classified as equity instruments, regardless of whether or not the name of the instrument includes "debt", the interest expense or dividend distribution is treated as an appropriation of the Company's (the issuing company's) profit, and the repurchase or cancellation of the instrument is treated as a change in equity; for financial instruments classified as financial liabilities, regardless of whether or not the name of the instrument includes "shares", the interest expense or dividend distribution is treated as a change in equity. "shares", their interest expenses or dividend distribution are in principle treated as borrowing costs, and the gains or losses arising from their repurchase or redemption, etc. are charged to current profit or loss.

Note 25 Revenue recognition principles and measurement methods

For companies that have not yet implemented the new revenue standard.

Revenue is recognized when it is probable that future economic benefits associated with the transaction will flow to the Company, the related revenue can be measured reliably and the specific revenue recognition criteria for each of the following operating activities are met

1. Toll revenue, road damage compensation revenue and salvage revenue

Revenue from tolls, road damage compensation income and salvage income from the operation of roads is recognized when collected.

2. Service area operating income

Service area operating income represents income from leasing of service areas and is recognized on a straight-line basis over the lease term.

3. Revenue from the sale of real estate

Revenue from the sale of real estate is recognized when the development product has been completed and accepted, a legally binding sales contract has been signed, the delivery conditions of the sales contract have been met, proof of payment has been obtained from the buyer and notice of delivery has been given, and the time limit for delivery as determined by the written notice of delivery has expired.

4. Income recognition method for rental properties

Revenue from leased properties is recognized when the relevant rent has been received or evidence of collection has been obtained, based on the lease date (or rent-free period if there is a rent-free period) and the amount of rent agreed in the lease contract or agreement.

5. Revenue from the sale of goods

Revenue from the sale of goods is recognized when the principal risks and rewards of ownership of the goods have been transferred to the buyer, the right of continuing management normally associated with ownership has not been retained and effective control over the goods sold has not been exercised, the amount of revenue can be measured reliably, it is probable that the related economic benefits will flow to the enterprise and the related costs incurred or to be incurred can be measured reliably.

6. Revenue from the provision of labour services

Revenue from the provision of labour is recognised on the balance sheet date in accordance with the percentage of completion method when the outcome of the labour transaction can be reliably estimated. The progress of completion of a labour transaction is determined by the proportion of labour provided to the total amount of labour to be provided.

A reliable estimate of the outcome of a labour supply transaction is one that simultaneously satisfies: (1) the amount of revenue can be measured reliably; (2) it is probable that the related economic benefits will flow to the enterprise; (3) the degree of completion of the transaction can be reliably determined; and (4) the costs incurred and to be incurred in the transaction can be measured reliably.

If the outcome of a labour supply transaction cannot be reliably estimated, revenue from labour supplied is recognized at the amount of labour costs incurred and expected to be reimbursed, and labour costs incurred are expensed in the period. Revenue is not recognized for labour costs already incurred that are not expected to be reimbursed.

When the Company enters into a contract or agreement with another enterprise that includes the sale of goods and the provision of services, the part of the sale of goods and the part of the provision of services are treated separately if the parts of the sale of goods and the part of the provision of services can be distinguished and measured separately; if the parts of the sale of goods and the part of the provision of services cannot be distinguished, or if they can be distinguished but cannot be measured separately, the contract is treated in its entirety as a sale of goods.

7. Royalty income

Revenue is recognized on an accrual basis in accordance with the relevant contract or agreement.

8. Interest income

Interest income is determined on the basis of the timing of the use of the Company's monetary resources by others and the effective interest rate.

9. Other business income recognition methods

Revenue from other operations is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise, the amount of revenue can be measured

reliably, and the costs incurred or to be incurred in connection with the revenue can be measured reliably, as agreed in the relevant contracts or agreements. One of the Company's subsidiaries, Wan Tong Expressway, recognises revenue at the amount of consideration it expects to be entitled to receive when the customer obtains control of the relevant goods or services.

For companies that have implemented the new revenue standard.

1. General principles

Revenue is the total inflow of economic benefits arising from the ordinary activities of the Company that would result in an increase in shareholders' equity and that are unrelated to capital contributions by shareholders.

The Company recognises revenue when it has fulfilled its performance obligations under the contract, i.e. when the customer obtains control of the relevant goods. The acquisition of control of the relevant commodity is defined as the ability to dominate the use of and derive substantially all of the economic benefits from the commodity.

Where a contract contains two or more performance obligations, the Company measures revenue at the contract start date by apportioning the transaction price to each individual performance obligation based on the relative proportion of the individual selling price of the goods or services promised by each individual performance obligation, based on the transaction price apportioned to each individual performance obligation.

The transaction price is the amount of consideration to which the Company expects to be entitled as a result of the transfer of goods or services to the customer, excluding amounts collected on behalf of third parties. In determining the transaction price of a contract, where variable consideration exists, the Company determines the best estimate of the variable consideration based on the expected or most likely amount and includes in the transaction price an amount that does not exceed the probability that there will be no material reversal of the revenue recognized in the aggregate when the related uncertainty is removed. If there is a significant financing component in the contract, the Company determines the transaction price based on the amount payable in cash by the customer immediately upon acquisition of control of the commodity, and the difference between such transaction price and the contract consideration is amortized over the term of the contract using the effective interest rate method, with the Company disregarding the financing component in cases where the interval between the transfer of control and the payment of the price by the customer does not exceed one year.

A performance obligation is satisfied at a point in time if one of the following conditions is met; otherwise, the performance obligation is satisfied at a point in time.

(1) The customer acquires and consumes the economic benefits arising from the Company's performance at the same time as the Company's performance.

(2) The customer is able to control the goods under construction in the course of the Company's

performance.

(3) The commodities produced in the course of the Company's performance are of irreplaceable use and the Company is entitled to receive payment for the portion of the performance that has been completed to date in the aggregate throughout the term of the contract.

For performance obligations performed within a time period, the Company recognizes revenue in accordance with the progress of performance over that time period, except where the progress of performance cannot be reasonably determined. The Company determines the progress of performance for services rendered based on the input method (or output method). When the progress of performance is not reasonably determinable, the Company recognizes revenue in the amount of costs already incurred until the progress of performance can be reasonably determined, if the costs already incurred are expected to be reimbursed.

For performance obligations performed at a point in time, the Company recognizes revenue at the point at which the customer obtains control of the relevant goods. In determining whether a customer has acquired control of goods or services, the Company considers the following indications.

(1) The Company has a present right to receive payment for the goods or services, i.e. the customer has a present obligation to pay for the goods.

(2) The Company has transferred legal title to the goods to the customer, i.e. the customer has legal title to the goods.

(3) the Company has transferred physical possession of the goods to the customer, i.e. the customer has taken physical possession of the goods

(4) the Company has transferred to the customer the principal risks and rewards of ownership of the goods, i.e. the customer has acquired the principal risks and rewards of ownership of the goods

(5) The customer has accepted the goods.

2. Specific methods

The specific method of revenue recognition for the Company is as follows.

The Company is mainly engaged in the provision of professional and technical services such as survey and design, consulting and research and development, testing and inspection, engineering management and general contracting business for construction projects in the fields of highway, municipal and water transportation. The relevant business distinguishes between the following different scenarios for revenue recognition.

Survey and design, consulting and research and development

Contracts for the provision of services between the Company and its customers are primarily performance obligations to be performed within a certain period of time. As the goods produced in the course of the Company's performance have irreplaceable uses and the Company is entitled to receive

payment for the cumulative portion of performance completed to date throughout the contract period, the Company treats them as performance obligations to be performed within a certain period of time and recognises revenue in accordance with the progress of performance. At the balance sheet date, the major stages of the completed workload have been recognized based on external evidence obtained. The Company determines the progress of performance for services rendered in accordance with the output method. The Company uses the actual progress of workload completion for design projects as the basis for recognition and calculates the amount of contracts completed by multiplying the total amount of design contracts by the actual progress of workload completion, deducting the contract amounts completed cumulatively in previous accounting periods and recognising the corresponding value added tax as current revenue for the project.

Testing and inspection services

Contracts for testing and inspection services between the Company and its customers are primarily performance obligations to be performed over a period of time. As the customers obtain and consume the economic benefits arising from the Company's performance at the same time as the Company's performance, the Company recognises revenue as performance obligations to be performed over a period of time in accordance with the progress of performance. At the balance sheet date, the amount of work performed is recognised based on external evidence obtained.

Engineering management services

Engineering management services contracts between the Company and its customers are primarily performance obligations to be performed over a period of time. As the customers obtain and consume the economic benefits arising from the Company's performance at the same time as the Company's performance, the Company recognizes revenue as a performance obligation to be performed over a period of time in accordance with the progress of performance. At the balance sheet date, completed work is recognized based on external evidence obtained.

General contracting operations

General contracting contracts between the Company and its customers are primarily performance obligations to be performed over a period of time. As the customers are able to control the goods under construction in the course of the Company's performance, the Company recognizes revenue as a performance obligation to be performed over a period of time in accordance with the progress of performance, except where the progress of performance cannot be reasonably determined. The Company determines the progress of performance for services rendered in accordance with the input method. The progress of performance is determined as the proportion of the contract costs actually incurred to perform the contract that have been completed to the estimated total contract costs.

Note 26 Construction contracts (this section is only applicable to companies that have not yet implemented the new revenue standard)

Contract revenue and contract costs are recognized at the balance sheet date on the basis of the

percentage of completion method, where the outcome of the construction contract can be estimated reliably. Progress towards completion of the contract is determined as the proportion of the contract work performed to the total expected work under the contract.

The outcome of a construction contract can be estimated reliably if: 1. the total contract revenue can be measured reliably; 2. it is probable that the economic benefits associated with the contract will flow to the enterprise; 3. the actual contract costs incurred can be clearly identified and measured reliably; and 4. the progress of completion of the contract and the costs to be incurred to complete the contract can be reliably determined.

If the outcome of a construction contract cannot be estimated reliably, but the contract costs are recoverable, contract revenue is recognized on the basis of the actual contract costs that can be recovered, and contract costs are recognized as contract expenses in the period in which they are incurred; if it is not probable that the contract costs will be recovered, they are recognized as contract expenses immediately when incurred and no contract revenue is recognized. Revenue and expenses relating to construction contracts are determined in accordance with the percentage of completion method when the uncertainties that render the outcome of the construction contract not reliably estimable no longer exist.

Where the expected total cost of a contract exceeds the total contract revenue, the expected loss is recognised as an expense in the current period.

The cumulative costs incurred and the cumulative gross profit (loss) recognised on construction-in-progress contracts are shown in the balance sheet as a net amount after offsetting the settled price. The excess of the sum of the cumulative costs incurred and the cumulative gross profit (loss) recognized on contracts under construction over the settled price is shown as inventories; the excess of the settled price on contracts under construction over the sum of the cumulative costs incurred and the cumulative gross profit (loss) recognized is shown as receipts in advance.

Note 27 Government grants

1. Government grants include asset-related government grants and revenue-related government grants.

2. Government grants are measured at the amount received or receivable if they are monetary assets; government grants are measured at fair value if they are non-monetary assets, or at nominal amounts if the fair value cannot be reliably obtained.

3. Government grants are measured using the gross method.

(1) Government grants related to assets are recognized as deferred income and are amortized to profit or loss over the useful life of the related assets in accordance with a reasonable and systematic method. If the relevant assets are sold, transferred, scrapped or destroyed before the end of their useful lives, the unallocated balance of the relevant deferred gain is transferred to profit or loss in the period

in which the assets are disposed of.

(2) Government grants related to revenue, which are used to compensate for related expenses or losses in subsequent periods, are recognized as deferred income and charged to current profit or loss in the period in which the related expenses are recognized; those used to compensate for related expenses or losses already incurred are charged directly to current profit or loss.

4. For government grants that contain both asset-related and revenue-related components, separate accounting treatment is applied to the different components; if it is difficult to distinguish them, they are classified as revenue-related government grants as a whole.

5. The Group includes government grants related to the Group's ordinary activities in other income or reduces related costs and expenses in accordance with the substance of the economic operations; government grants not related to the Group's ordinary activities should be included in non-operating income and expenses.

6. The Group treats the policy-based preferential loan subsidies obtained in accordance with two scenarios, namely, the allocation of the subsidised interest funds by the finance to the lending banks and the direct allocation of the subsidised interest funds by the finance to the Group.

(1) Where the finance allocates the discounted interest funds to the lending bank, and the lending bank provides loans to the Group at a policy-based preferential interest rate, the Group has elected to account for them in accordance with the following method.

The actual amount of the loan received is used as the recorded value of the loan, and the related borrowing costs are calculated on the basis of the principal amount of the loan and such policy preferential interest rate.

(2) Where the interest subsidy funds are allocated directly to the Group by the Finance Department, the Group reduces the corresponding interest subsidy to the relevant borrowing costs.

Note 28 Deferred income tax assets and deferred income tax liabilities

The Company recognizes and measures deferred income tax liabilities or deferred income tax assets generally on the basis of temporary differences between the carrying amounts of assets and liabilities at the balance sheet date and their tax bases, using the balance sheet debt method to allocate the amount of taxable temporary differences or deductible temporary differences to income taxes. The Company does not discount deferred income tax assets and deferred income tax liabilities.

1. Recognition of deferred income tax assets

For deductible temporary differences, the amount of the impact on income tax is calculated at the income tax rate in the period in which it is expected to reverse and the impact is recognized as a deferred income tax asset to the extent that it is probable that future taxable income will be available to the Company against which the deductible temporary differences, deductible losses and tax credits can be utilized.

The amount of the income tax effect of deductible temporary differences arising from the initial recognition of an asset or liability is not recognized as a deferred income tax asset for transactions or events that also have the following characteristics.

(1) The transaction is not a business combination.

(2) The transaction affects neither accounting profit nor taxable income (or deductible loss) at the time it occurs.

The Company recognizes deferred income tax assets for the amount of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures that (to the extent that they) affect income tax if both of the following conditions are met.

(1) It is probable that the temporary differences will reverse in the foreseeable future.

(2) It is probable that taxable income will be available against which the deductible temporary differences can be utilised in the future.

Deferred income tax assets not recognized in prior periods are recognized if, at the balance sheet date, there is conclusive evidence that it is probable that sufficient taxable income will be available against which deductible temporary differences can be utilized in future periods.

At the balance sheet date, the Company reviews the carrying amount of deferred tax assets. The carrying amount of deferred tax assets is written down if it is more likely than not that sufficient taxable income will not be available in future periods to allow for the benefit of the deferred tax assets. To the extent that it is probable that sufficient taxable income will be available, the amount written down is reversed.

2. Recognition of deferred income tax liabilities

The Company measures the impact on income tax at the income tax rate in the period in which it is expected to reverse all taxable temporary differences and recognizes the amount of that impact as a deferred income tax liability, except where

(1) The impact on income tax of taxable temporary differences arising from the following transactions or events is not recognized as a deferred income tax liability.

1) The initial recognition of goodwill.

2) Initial recognition of an asset or liability arising from a transaction that is not a business combination and which, at the time of the transaction, affects neither accounting profit nor taxable income or deductible losses.

(2) The amount of the Company's taxable temporary differences associated with investments in subsidiaries, joint ventures and associates that affect income tax is generally recognized as a deferred income tax liability, except when both of the following conditions are met.

1) The Company is able to control the timing of the reversal of the temporary difference.

2) It is probable that the temporary difference will not reverse in the foreseeable future.

3. Recognition of deferred income tax liabilities or assets arising from specific transactions or events

(1) Deferred income tax liabilities or assets related to business combinations

Deferred income tax liabilities or deferred income tax assets are recognized along with the related deferred income tax expense (or benefit) on taxable temporary differences or deductible temporary differences arising from business combinations not under common control, usually adjusting the goodwill recognized in the business combination.

(2) Items charged directly to owners' equity

Current income tax and deferred income tax relating to transactions or events that are recognized directly in owners' equity are recognized in owners' equity. The impact of temporary differences on income tax is charged to owners' equity for transactions or events including: other comprehensive income arising from changes in the fair value of available-for-sale financial assets, etc.; changes in accounting policies using the retrospective adjustment method or the retrospective restatement method for the correction of differences in prior period (significant) accounting errors to adjust opening retained earnings; and hybrid financial instruments containing both liability and equity components are charged to owners' equity on initial recognition.

(3) Compensable losses and tax credits

1) Compensable losses and tax credits arising from the Company's own operations

Deductible losses are losses that are allowed to be offset against taxable income in subsequent years, as determined by the provisions of the tax law. Uncompensated losses (deductible losses) and tax credits that can be carried forward to future years in accordance with the provisions of the tax law are treated as deductible temporary differences. To the extent that it is probable that sufficient taxable income will be available in future periods to utilize the deductible losses or tax credits, a corresponding deferred income tax asset is recognized to the extent that it is probable that taxable income will be available, and the income tax expense in the income statement for the period is reduced.

2) Accumulated losses of the consolidated enterprise arising from a business combination

In a business combination, deductible temporary differences acquired by the Company from the acquiree that do not meet the conditions for recognition of deferred income tax assets at the date of purchase are not recognized. If, within 12 months after the date of purchase, new or further information is obtained indicating that the relevant circumstances at the date of purchase have existed and it is expected that the economic benefits arising from the deductible temporary differences of the acquiree at the date of purchase will be realized, the related deferred income tax asset is recognized, together with a reduction in goodwill, and if goodwill is not sufficient to offset the difference, the difference is recognized in profit or loss for the period; other than the above, deferred income tax assets related to

the business combination are recognized Except for the above, deferred tax assets relating to business combinations are recognized in profit or loss for the current period.

4. Temporary differences arising from eliminatoins in the consolidation process

In preparing the consolidated financial statements, the Company recognises deferred tax assets or deferred tax liabilities in the consolidated balance sheet and adjusts income tax expense in the consolidated income statement if the temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet and their tax bases in the taxable entity to which they belong arise as a result of offsetting unrealised gains or losses on internal sales, except for those transactions or events directly attributable to owners' equity and those related to business combinations. Deferred tax assets or deferred tax liabilities are recognized in the consolidated balance sheet, and income tax expense is adjusted in the consolidated income statement.

Note 29 Operating leases and finance leases

Leases that transfer substantially all the risks and rewards associated with the ownership of an asset are finance leases, except for those that are operating leases.

1. Accounting treatment of operating leases

(1) When the Company is the lessee of an operating lease, the rental expenses under the operating lease are charged to current profit or loss on a straight-line basis over the lease term or according to the amount of use of the leased asset. Where the lessor provides a rent-free period, the Company apportions the total rentals over the entire lease term without deducting the rent-free period on a straight-line basis or by other reasonable method, and recognizes the rental expense and corresponding liability over the rent-free period. Where the lessor has borne certain expenses of the lessee, the Company apportions the balance of the rental expense over the lease term after such expenses have been deducted from the total rental expense.

The initial direct costs are charged to current profit or loss. Contingent rentals, if agreed upon, are charged to current profit or loss as they are actually incurred.

(2) When the Company acts as a lessor under an operating lease, rentals received are recognized as income over the lease term using the straight-line method. Where the lessor provides a rent-free period, the lessor allocates the total rentals on a straight-line basis or other reasonable method over the entire lease term without deducting the rent-free period, and the lessor also recognizes rental income over the rent-free period. Where certain expenses are borne by the lessee, the Company allocates the balance of rental income over the lease term after such expenses have been deducted from the gross rental income.

Initial direct costs are charged to current profit or loss. Larger amounts are capitalised and charged to current profit or loss in instalments throughout the term of the operating lease on the same basis as rental income is recognised. Contingent rentals, if agreed, are charged to current income as

they are actually incurred.

2. Accounting treatment for finance leases

(1) When the Company is a lessee under a finance lease, the lower of the fair value of the leased asset and the present value of the minimum lease payments at the commencement date of the lease is taken as the recorded value of the leased asset, and the minimum lease payments are taken as the recorded value of the long-term payable, with the difference being treated as an unrecognized financing expense. The difference is accounted for as unrecognised finance costs. The effective interest rate method is used to apportion the finance costs over the lease term and is recognised as finance costs in the current period.

The initial direct costs incurred are charged to the value of the leased asset.

In depreciating finance lease assets, the Company adopts a depreciation policy consistent with that of its own depreciable assets and the depreciation period is determined by the lease contract. If it is reasonably certain that the Company will obtain ownership of the leased asset at the end of the lease term, the life of the leased asset at the commencement date of the lease term is used as the depreciation period; if it is not reasonably certain that the Company will obtain ownership of the leased asset at the end of the lease term, the shorter of the lease term or the life of the leased asset is used as the depreciation period.

(2) When the Company is a financial lessor, the sum of the minimum lease receivable and the initial direct costs at the commencement date of the lease is recorded in the long-term receivables on the balance sheet as the recorded value of the finance lease receivable, and the unguaranteed residual value is recorded at the same time; the difference between the sum of the minimum lease receivable, the initial direct costs and the unguaranteed residual value and the sum of their present values is recorded as unrealized financing proceeds over the lease term. The difference between the minimum lease receivable, the sum of the initial direct costs and the unguaranteed residual value and their present value is recognized as unrealized finance income, which is included in lease income/operating income, using the effective interest method in each period of the lease term.

Note 30 Discontinued operation

1. Criteria for recognition of discontinued operations

Discontinued operation is defined as a separately distinguishable component of the Company that meets one of the following conditions and which has been disposed of or classified as held for sale.

(1) The component represents a separate principal business or a separate principal area of operation.

(2) The component is part of a connected plan for the disposal of a separate principal business or a separate principal place of business.

(3) the component is a subsidiary acquired specifically for resale.

2. Presentation of discontinued operations

The Company presents profit or loss from continuing operations and profit or loss from discontinued operations separately in the income statement. For discontinued operations presented in the current period, the Company restates the information previously presented as profit or loss from continuing operations in the current financial statements as profit or loss from discontinued operations in the comparable accounting periods. If the discontinued operation no longer meets the conditions for classification as held for sale, the Company restates the information previously reported as profit or loss from discontinued operations in the current financial statements as profit or loss from continuing operations in the comparable accounting period.

Note 31 Fair value measurement

Fair value is the price that a market participant would receive to sell an asset or pay to transfer a liability in an orderly transaction occurring at the measurement date.

The Company's assets and liabilities measured at fair value include: financial assets held for trading, available-for-sale financial assets, investments in other equity instruments and other non-current financial assets.

For financial assets or financial liabilities for which an active market exists, the Company uses quoted prices in an active market to determine their fair values. Where there is no active market for a financial instrument, the Company uses valuation techniques to determine its fair value. The valuation models used are mainly discounted cash flow models and market comparable company models, etc. The inputs to the valuation techniques mainly include risk-free rates, benchmark rates, exchange rates, credit spreads, liquidity premiums, illiquidity discounts, etc.

Where non-financial assets are measured at fair value, consideration is given to the ability of a market participant to generate economic benefits from the use of the asset for its best use or the ability to generate economic benefits from the sale of the asset to other market participants who are able to use it for its best use.

The Company uses valuation techniques that are appropriate in the circumstances and supported by sufficient available data and other information, giving priority to the use of relevant observable inputs and using unobservable inputs only when observable inputs are not available or not practicable.

The treatment of gains or losses arising from changes in the fair value of financial assets or financial liabilities (other than those related to hedging) is described in note IV, (ix).

The carrying value of investment properties measured using the fair value model is adjusted on the basis of the fair value of the investment property at the balance sheet date, with the difference between the fair value and the original carrying value charged to current profit or loss.

Assets and liabilities that are measured or disclosed at fair value in the financial statements are determined to be within the fair value hierarchy based on the lowest level of inputs that are

significant to the fair value measurement as a whole: Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date; Level 2 inputs are inputs other than Level 1 inputs that are directly or indirectly observable for the relevant asset or liability; and Level 3 inputs are inputs that are not directly or indirectly observable for the relevant asset or liability. Level 2 inputs are inputs other than Level 1 inputs that are directly or indirectly observable for the relevant asset or liability; and Level 3 inputs are unobservable inputs for the relevant asset or liability.

At each balance sheet date, the Company reassesses the assets and liabilities recognized in the financial statements that are measured at fair value on an ongoing basis to determine whether a transition between levels of the fair value measurement hierarchy has occurred.

V. Introduction of changes in accounting policies and estimates and correction of significant previous errors

1.Change in accounting policy

On 5 July 2017, the Ministry of Finance issued Accounting Standard for Business Enterprises No. 14 - Revenue (Caihui [2017] No. 22) (the "New Revenue Standard"). Domestic listed enterprises are required to implement the New Revenue Standard from 1 January 2020 onwards. ("Jiaoguiyuan"), a subsidiary of the Group, will implement the New Revenue Standard on 1 January 2020 and make adjustments to the relevant accounting policies as described in Note 3(xxv).

The new revenue standard requires the cumulative effect of first-time implementation of the standard to be adjusted by the amount of retained earnings and other related items in the financial statements at the beginning of the year of first-time implementation (i.e. January 1, 2020), with no adjustment to information for comparable periods. Upon implementation of the new revenue standard, the Company only adjusts the cumulative effect of contracts that have not been completed at the date of first-time implementation.

The cumulative effect amounts of the above accounting policies are as follows.

As a result of the implementation of the new revenue standard, the Company's consolidated financial statements were adjusted accordingly at January 1, 2020.

Accounts receivable CNY -1,046,668,287.34, Inventory CNY -90,979,782.60, Contract assets CNY1,137,648,069.94, Receipts in advanceCNY-186,787,807.04, contract liabilities of CNY186,787,807.04

2. Changes in accounting estimates

There were no significant changes in accounting estimates during the period.

3.Correction of material prior-period accounting errors

The Company had no material prior period error corrections during the period.

4.Items relating to financial statements as at the beginning of the year of first-time implementation of the new revenue standard

Items in the consolidated financial statements.

Items	31 December 2019	1 January 2020	Adjustments
Accounts receivable	2,187,735,976.37	1,141,067,689.03	-1,046,668,287.34
Inventory	22,713,876,711.90	22,622,896,929.30	-90,979,782.60
Contract assets		1,137,648,069.94	1,137,648,069.94
Receipts in advance	10,261,597,041.58	10,074,809,234.54	-186,787,807.04
Contractual liabilities		186,787,807.04	186,787,807.04

VI. Taxes

1. The main taxes payable of the company and its subsidiaries are listed as below:

Taxes	Tax rate and basis of tax assessment
Value added tax	The taxable income is calculated at the output tax rate of 10%, 13%, 9%and 6%, and the value-added tax is paid at the net amounts after deducting input VATs for the reporting period. Small-scale taxpayers and simple collection methods are subject to pay VAT in accordance with taxable income of 3% and 5%
Urban maintenance and construction tax	5%,7% of the turnover taxes paid
Educational surcharges	3% of the turnover taxes paid
Local educational surcharges	2% of the turnover taxes paid
Corporate income tax	15%, 20%,25% of taxable income; 16.5% for subsidiaries registered in Hong Kong
Property tax	1.2% of the residual value of the property and 12% of the rental income
Construction fee for cultural undertakings	3% of VAT taxable services
Land appreciation tax	In accordance with the revenue of real estate sales after deducting the specified amount of the project, it is calculated at the rate of progressive tax rates.

Note: The original tax rate applied by the Company on VAT taxable sales or imported goods was 16%/10%. According to the Announcement on Policies Governing Deepening VAT Reform from the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs (CGHGG [2019] No.39), the applicable tax rate is adjusted to 13%/9% effective from April 1, 2019. From April 1,2019 to December 31,2021, production and living service taxpayers are allowed to deduct the input tax of the current period by an additional 10% to deduction the tax payable.

2. tax concessions and approvals

(1) On September 9, 2019, Anhui Transport Consulting & Design Institute Co., Ltd. re-certified and obtained the High-tech Enterprise Certificate with the number GR201934001087, which is valid

for three years (from January 1, 2019 to January 1, 2021). According to the relevant regulations of the Enterprise Income Tax Law and other related regulations, Anhui Transport Consulting & Design Institute Co., Ltd. has enjoyed the preferential income tax policy of the national high-tech enterprises for three consecutive years since 2019, and paid corporate income tax at a preferential tax rate of 15%.

(2) On July 24, 2018, the Company's subsidiary Anhui Transport Survey and Design Institute was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate with the number GR201834001078; On October 26, 2018, the Company's subsidiary Expressway Testing was identified as a high-tech enterprise and obtained the High-tech Enterprise Certificate with the number GR201834001966; all are valid for three years(from January 1, 2018 to December 31, 2020). According to the relevant regulations of the Enterprise Income Tax Law and other related regulations, they have eiijoyed the national high-tech enterprise income tax preferential policies during the reporting period, and paid corporate income tax at a preferential tax rate of 15%.

(3)According to Notification on the implementation of the inclusive tax reduction and exemption policy for small and micro enterprises from the Ministry of Finance and the State Administration of Taxation (Caishui [2019] No. 13), the annual taxable income of small and micro enterprises with the portion not exceeding CNY1 million will be reduced to 25% of the taxable income, and the corporate income tax will be paid at a rate of 20%; the portion of the annual taxable income exceeding CNY1 million but not exceeding CNY3 million will be reduced by 50% of the taxable income and pay corporate income tax at a rate of 20%. Some of the Company's subsidiaries with annual taxable income less than CNY200 thousand (including CNY200 thousand), are identified as small and micro enterprises, the annual taxable income will be reduced to 50% of the taxable income, and the corporate income tax will be paid at a rate of 20%.

(4)According to Notification on expanding the scope of exemption for relevant government funds from the Ministry of Finance and the State Administration of Taxation (Caishui [2016] No. 12), the scope of exemption for educational surcharges, local educational surcharges and water conservancy construction hind, will be extended to taxpayers with monthly sales or turnover less than CNY100 thousand (quarterly sales or turnover less than CNY300 thousand). The Company's subsidiary Anhui Xunjie Logistics Suzhou Co., Ltd. enjoys the preferential policy of exemption of educational surcharges and local educational surcharges for the current year.

(5)According to Notification on preferential policies for urban land use tax of urban bus station, road passenger station and urban rail transit system (Finance and Taxation [2016] No. 16) issued by the Ministry of Finance and the State Administration of Taxation, the operation land of urban bus station and road passenger station is exemption from urban land use tax. The Company's subsidiary, Anhui Jiaoyun Group Co., Ltd. and others were entitled to exemption from urban land use tax for the year.

VII. Business combinations and consolidated financial statements

1. subsidiaries

No.	Company name	Level	Type of enterprise	Registered address	Principal place of business	Business nature
1	Anhui Wantong Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway construction and operation management.
2	Anhui Anlian Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway construction and operation management, and real estate development
3	Anhui Wuyan Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Wuhu, Anhui Province	Wuhu, Anhui Province	Highway construction and operation management
4	Anhui Anqing Changjiang River Highway Bridge Co., Ltd.	Secondary	Domestic non-financial subsidiary	Anqing, Anhui Province	Anqing, Anhui Province	Highway and bridge construction and operation management
5	Anhui Expressway Media Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Advertising production and publication
6	Anhui Highway Construction Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Construction for highway traffic facilities
7	Anhui Yida Expressway Service Area Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Operation and management in service area
8	Anhui Yangji Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Xuancheng, Anhui Province	Xuancheng, Anhui Province	Highway construction and operation management
9	Anhui Expressway Real Estate Group Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Real estate development and sales
10	Anhui Expressway Petrochemical Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Sales of oil products

No.	Company name	Level	Type of enterprise	Registered address	Principal place of business	Business nature
11	Hefei Wantong Microfinance Co., Ltd.	Secondary	Domestic financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Microfinance Disbursement
12	Anhui Liguang Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Road Construction and Operation Management
13	Anhui Wangqian Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Road construction and operation management
14	Anhui Transportation Holding Group (Hongkong) Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hong Kong, China	Hong Kong, China	Offshore financing platforms
15	Anhui Jiefubeng Expressway Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Mengcheng, AnhuiProvince	Mengcheng, AnhuiProvince	Highway Operations Management
16	Anhui Transportation Holding Group Lujiang Expressway Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Lujiang, Anhui Province	Lujiang, Anhui Province	Highway Operations Management
17	Anhui Machao Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway Operations Management
18	Anhui Xuming Expressway Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Wuhe, Anhui Province	Wuhe, Anhui Province	Highway Operations Management
19	Anhui Transportation Group Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Nature of Business
20	Anhui Transport Consulting & Design Institute Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Surveying and design

No.	Company name	Level	Type of enterprise	Registered address	Principal place of business	Business nature
21	Anhui Qixing Property Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Property Services
22	Anhui Xunjie Logistics Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Logistics and warehousing
23	Anhui Jinggong Construction Group Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	General contracting for construction of housing construction and municipal public works
24	Anhui Expressway Network Operation Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Motorway network toll collection
25	Anhui Transportation Bomeng Highway Development Limited Anhui Construction Management Co., Ltd.	Secondary	Domestic non-financial subsidiary	Bozhou, Anhui Province	Bozhou, Anhui Province	Investment, construction and operation of highways and related infrastructure under project contracts
26	Anhui Transportation Holdings Construction Management Co.,Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Construction of roads, bridges and tunnels, ports, housing buildings, etc.
27	Anhui Transportation Capital Investment Management Co., Ltd.	Secondary	Domestic financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Investment management
28	Anhui Hezong Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway Operations Management
29	Anhui Yuehuang Expressway Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway Operations Management
30	Anhui Transportation Holding Information Industry Co., Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Information System Integration

No.	Company name	Level	Type of enterprise	Registered address	Principal place of business	Business nature
31	Anhui Province Hailu Expressway Co.,Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway Operations Management
32	Anhui Wuhe Expressway Co.,Ltd.	Secondary	Domestic non-financial subsidiary	Hefei, Anhui Province	Hefei, Anhui Province	Highway Operations Management

(Continued)

Company name	Paid-in capital	Percentage of shareholding (%)	Voting rights enjoyed (%)	Amount of investment	Method of acquisition
Anhui Wantong Expressway Co., Ltd.	1,658,610,000.00	31.63	31.63	959,876,379.62	Investment set up
Anhui Anlian Expressway Co., Ltd.	700,000,000.00	98.86	98.86	892,441,500.00	Business combinations not under common control
Anhui Wuyan Expressway Co., Ltd.	100,000,000.00	70.00	70.00	70,000,000.00	Establishment of investment
Anhui Anqing Changjiang River Highway Bridge Co., Ltd.	150,000,000.00	100.00	100.00	483,000,000.00	Business combinations not under common control
Anhui Expressway Media Co., Ltd.	50,000,000.00	51% direct and 49% indirect shareholding	100.00	25,500,000.00	Other
Anhui Highway Construction Co., Ltd.	190,000,000.00	100.00	100.00	533,676,089.55	Other
Anhui Yida Expressway Service Area Management Co., Ltd.	50,000,000.00	100.00	100.00	79,243,778.64	Establishment of investment
Anhui Yangji Expressway Co., Ltd.	300,000,000.00	90.00	90.00	270,000,000.00	Establishment of investment
Anhui Expressway Real Estate	3,367,000,100.00	100.00	100.00	3,498,520,364.30	Investment Establishment

Company name	Paid-in capital	Percentage of shareholding (%)	Voting rights enjoyed (%)	Amount of investment	Method of acquisition
Group Co., Ltd.					
Anhui Expressway Petrochemical Co., Ltd.	1,040,000,000.00	51.00	51.00	2,128,669,745.27	Investment establishment
Hefei Wantong Microfinance Co., Ltd.	150,000,000.00	30% direct and 50% indirect shareholding	80.00	45,000,000.00	Investment establishment
Anhui Liguang Expressway Co., Ltd.	100,000,000.00	80.00	80.00	80,000,000.00	Investment establishment
Anhui Wangqian Expressway Co., Ltd.	100,000,000.00	60.00	60.00	60,000,000.00	Investment establishment
Anhui Transportation Holding Group (Hongkong) Co., Ltd.	61,964,259.06	100.00	100.00	161,068,220.00	Establishment of investment
Anhui Jiefubeng Expressway Management Co., Ltd.	8,700,000.00	100.00	100.00	8,700,000.00	Business combinations under common control
Anhui Transportation Holding Group Lujiang Expressway Management Co., Ltd.	500,000.00	100.00	100.00	500,000.00	Business combination under the same control
Anhui Machao Expressway Co., Ltd.	485,435,372.69	51.00	51.00	247,827,040.07	Business combination under the same control
Anhui Xuming Expressway Management Co., Ltd.	500,000.00	100.00	100.00	500,000.00	Business combination under the same control
Anhui Transportation Group Co., Ltd.	73,025,085.37	100.00	100.00	93,025,085.37	Business combination under the same control
Anhui Transport Consulting & Design Institute Co., Ltd.	454,542,698.00	48.63	48.63	191,102,700.00	Business combination under the same control

Company name	Paid-in capital	Percentage of shareholding (%)	Voting rights enjoyed (%)	Amount of investment	Method of acquisition
Anhui Qixing Property Management Co., Ltd.	1,000,000.00	100.00	100.00	50,573,693.05	Business combination under the same control
Anhui Xunjie Logistics Co., Ltd.	181,500,000.00	100.00	100.00	196,832,169.70	Business combination under the same control
Anhui Jinggong Construction Group Co., Ltd.	130,000,000.00	100.00	100.00	161,473,650.63	Business combination under common control
Anhui Expressway Network Operation Co., Ltd.	1,000,000.00	100.00	100.00	26,058,024.57	Business combination not under common control
Anhui Transportation Bomeng Highway Development Limited Anhui Construction Management Co., Ltd.	100,000,000.00	51.00	51.00	51,000,000.00	Establishment of investment
Anhui Transportation Capital Investment Management Co., Ltd.	10,000,000.00	100.00	100.00	10,000,000.00	Investment Establishment
Anhui Hezong Expressway Co., Ltd.	2,571,259,900.00	100.00	100.00	3,820,500,305.17	Investment Establishment
Anhui Yuehuang Expressway Co., Ltd.	369,000,000.00	51.00	51.00	188,000,000.00	Establishment of investment
Anhui Transportation Holding Information Industry Co., Ltd.	915,000,000.00	51.00	51.00	467,000,000.00	Establishment of investment
Anhui Xunjie Logistics Co., Ltd.	60,000,000.00	40% direct and 30% indirect shareholding	70.00	42,000,000.00	Investment establishment
Anhui Province Helu Expressway Co.,Ltd.	100,000,000.00	100.00	100.00	630,000,000.00	Investment establishment
Anhui Wuhe Expressway Co.,Ltd.	100,000,000.00	100.00	100.00	269,000,000.00	Investment establishment

2. Reasons why a parent company owns less than half of the voting rights in an investee but is able to exercise control over the investee

No.	Enterprise name	Shareholding (%)	Voting rights (%)	Registered capital	Investment amount	Level	Reason for being included in the scope of consolidation
1	Anhui WantongExpressway Co.,Ltd	31.63	31.63	1,658,610,000.00	959,876,379.62	Secondary	Actual control
2	Anhui Transport Consulting & Design Institute Co., Ltd.	48.63	48.63	454,542,698.00	191,102,700.00	Secondary	Actual control
3	Dongzhi Jingwei Real Estate Co., Ltd.	40.00	40.00	15,000,000.00	959,876,379.62	Fourth level	Leading related activities

3. Reasons for the voting rights of parent company that direct or indirect in the investee through other subsidiary is above 50% but no control exists

No.	Enterprise name	Shareholding (%)	Voting rights (%)	Registered capital	Investment amount	Level	Reason for being included in the scope of consolidation
1	Anhui Traffic Merchants Industry Investment Fund (Limited Partnership)	79.70	79.70	300,000.00	1,195,500,000.00	Tertiary	The operation policy and financial policy of the investee shall be decided by unanimous vote of all shareholders
2	Anhui Traffic Turnover Goldstone M&A Fund Partnership (Limited Partnership)	69.70	69.70	300,000.00	1,045,500,000.00	Tertiary	The operation policy and financial policy of the investee shall be decided by unanimous vote of all shareholders

Note: Anhui Jiaocontrol Capital Investment Management Company Limited, Anhui Anlian Expressway Co. Ltd. and Anhui Wan Tong Expressway Co., Ltd. hold 63.06%, 10.00% and 6.64% shares respectively of Anhui Jiaocontrol Jinshi M&A Fund Partnership (Limited Partnership), respectively, and the Company holds a total of 69.70% shares.

4.Significant non-wholly owned subsidiaries

(1)Minority shareholders

No.	Enterprise name	Minority shareholding (%)	Profit or loss attributable to minority shareholders for the period	Dividends paid to minority shareholders during the period	Accumulated minority interests at the end of the period
1	Anhui Anlian Expressway Co., Ltd	1.14	2,443,866.47	638,185.08	23,121,987.13

No.	Enterprise name	Minority shareholding (%)	Profit or loss attributable to minority shareholders for the period	Dividends paid to minority shareholders during the period	Accumulated minority interests at the end of the period
2	Anhui Wuyan Expressway Co., Ltd.	30.00	-33,081,656.46		-211,435,222.92
3	Anhui Wangqian Expressway Co., Ltd.	40.00	-16,990,330.90		-27,193,778.83
4	Anhui Liguang Expressway Co., Ltd.	20.00	-18,746,586.68		-47,358,492.12
5	Anhui Yangji Expressway Co., Ltd.	10.00	-24,595,695.38		-99,435,391.35
6	Hefei Wantong Microfinance Co., Ltd.	20.00	483,858.51		23,489,122.31
7	Anhui Expressway Petrochemical Co., Ltd.	49.00	57,966,864.03	23,600,191.23	2,265,274,888.38
8	Anhui Wantong Expressway Co., Ltd.	68.37	490,489,291.08	260,818,081.11	7,849,088,623.78
9	Anhui Machao Expressway Co., Ltd.	49.00	17,887,448.14	30,294,505.53	240,663,508.72
10	Anhui Transport Consulting & Design Institute Co., Ltd.	51.37	187,216,983.70	51,372,353.60	1,342,858,320.11
11	Anhui Transportation Bomeng Highway Development Limited	49.00	-23,841,492.77		307,944,684.31
12	Anhui Hezong Expressway Co., Ltd.	49.00			656,300,000.00
13	Anhui Yuehuang Expressway Co., Ltd.	49.00			1,276,100,000.00
14	Anhui Transportation Holding Information Industry Co., Ltd.	30.00	1,655,150.40	1,176,000.00	19,835,810.73

(2) Main financial information

Items	2020		2019	
	Anhui Anlian Expressway Co., Ltd.	Anhui Wuyan Expressway Co., Ltd.	Anhui Anlian Expressway Co., Ltd.	Anhui Wuyan Expressway Co., Ltd.
Current assets	6,133,105,082.28	103,361,276.28	4,580,328,941.00	81,996,614.24
Non-current assets	8,495,287,386.21	1,128,763,959.48	8,731,701,994.82	1,174,697,312.24
Total assets	14,628,392,468.49	1,232,125,235.76	13,312,030,935.82	1,256,693,926.48
Current liabilities	7,945,152,381.19	966,569,774.54	6,085,509,275.30	793,024,152.73
Non-current liabilities	4,752,968,212.54	970,339,537.61	5,413,992,353.48	1,058,181,661.93

Items	2020		2019	
	Anhui Anlian Expressway Co., Ltd.	Anhui Wuyan Expressway Co., Ltd.	Anhui Anlian Expressway Co., Ltd.	Anhui Wuyan Expressway Co., Ltd.
Total liabilities	12,698,120,593.73	1,936,909,312.15	11,499,501,628.78	1,851,205,814.66
Operating income	1,777,685,529.32	20,712,168.33	857,037,719.09	29,059,764.55
Net profit	119,326,152.80	-110,272,188.21	-174,510,734.93	-99,986,564.06
Total comprehensive income	119,326,152.80	-110,272,188.21	-174,510,734.93	-99,986,564.06
Cash flow from operating activities	2,664,871,578.12	3,405,018.10	901,765,729.26	-2,620,066.62

(Continued)

Items	2020		2019	
	Anhui Wangqian Expressway Co., Ltd.	Anhui Liguang Expressway Co., Ltd.	Anhui Wangqian Expressway Co., Ltd.	Anhui Liguang Expressway Co., Ltd.
Current assets	327,072,707.81	98,563,913.71	261,438,838.41	74,088,334.93
Non-current assets	1,860,070,833.56	1,510,602,317.22	1,920,899,736.72	1,538,588,001.25
Total assets	2,187,143,541.37	1,609,166,230.93	2,182,338,575.13	1,612,676,336.18
Current liabilities	826,712,857.81	973,506,417.32	742,286,212.73	852,418,538.53
Non-current liabilities	1,428,415,130.64	872,452,274.20	1,465,560,982.24	903,317,324.84
Total liabilities	2,255,127,988.45	1,845,958,691.52	2,207,847,194.97	1,755,735,863.37
Operating income	78,793,721.16	25,430,396.24	92,709,301.58	28,660,985.57
Net profit	-42,475,827.24	-93,732,933.40	-14,736,913.15	-72,462,168.95
Total comprehensive income	-42,475,827.24	-93,732,933.40	-14,736,913.15	-72,462,168.95
Cash flow from operating activities	-2,270,152.91	21,514,939.27	-8,770,850.36	-16,640,922.89

(Continued)

Items	2020		2019	
	Anhui Yangji Expressway Co., Ltd.	Hefei Wantong Microfinance Co., Ltd.	Anhui Yangji Expressway Co., Ltd.	Hefei Wantong Microfinance Co., Ltd.
Current assets	525,650,539.07	106,916,155.14	434,089,415.21	104,222,236.75
Non-current assets	3,497,870,693.67	12,925,483.37	3,602,922,017.47	13,634,690.12
Total assets	4,023,521,232.74	119,841,638.51	4,037,011,432.68	117,856,926.87
Current liabilities	2,792,941,917.99	2,396,026.98	2,471,771,612.43	2,830,607.91
Non-current liabilities	2,224,933,228.28		2,313,636,779.96	
Total liabilities	5,017,875,146.27	2,396,026.98	4,785,408,392.39	2,830,607.91
Operating income	95,751,168.84	7,058,706.55	97,900,942.69	8,211,353.75

Items	2020		2019	
	Anhui Yangji Expressway Co., Ltd.	Hefei Wantong Microfinance Co., Ltd.	Anhui Yangji Expressway Co., Ltd.	Hefei Wantong Microfinance Co., Ltd.
Net profit	-245,956,953.82	2,419,292.57	-222,637,182.27	521,971.86
Total comprehensive income	-245,956,953.82	2,419,292.57	-222,637,182.27	521,971.86
Cash flow from operating activities	-8,080,548.05	15,808,342.37	-26,529,063.95	-15,255,025.52

(Continued)

Items	2020		2019	
	Anhui Expressway Petrochemical Co., Ltd.	Anhui Wantong Expressway Co., Ltd.	Anhui Expressway Petrochemical Co., Ltd.	Anhui Wantong Expressway Co., Ltd.
Current assets	1,331,416,864.50	3,564,187,638.40	416,880,360.03	2,744,428,474.34
Non-current assets	3,345,508,149.88	12,676,555,456.93	4,205,228,091.30	13,175,583,193.56
Total assets	4,676,925,014.38	16,240,743,095.33	4,622,108,451.33	15,920,011,667.90
Current liabilities	192,939,315.04	2,124,367,260.15	208,258,818.92	2,103,501,303.41
Non-current liabilities		2,201,742,469.12		2,246,768,014.95
Total liabilities	192,939,315.04	4,326,109,729.27	208,258,818.92	4,350,269,318.36
Operating income	6,442,698,574.36	2,626,551,610.02	6,429,603,010.39	2,946,420,820.29
Net profit	118,299,722.51	865,950,245.03	91,589,445.51	1,059,204,628.74
Total comprehensive income	118,299,722.51	867,484,093.00	91,589,445.51	1,043,628,271.32
Cash flow from operating activities	146,323,368.69	1,703,936,939.19	320,783,699.04	1,822,702,104.07

(Continued)

Items	2020		2019	
	Anhui Machao Expressway Co., Ltd.	Anhui Transport Consulting & Design Institute Co., Ltd.	Anhui Machao Expressway Co., Ltd.	Anhui Transport Consulting & Design Institute Co., Ltd.
Current assets	28,372,851.78	3,483,475,977.60	64,034,209.99	2,939,839,329.83
Non-current assets	1,892,586,135.09	583,876,278.92	1,985,692,318.69	471,221,980.15
Total assets	1,920,958,986.87	4,067,352,256.52	2,049,726,528.68	3,411,061,309.98
Current liabilities	181,318,617.98	1,442,662,525.63	176,150,085.53	1,048,703,226.96
Non-current liabilities	1,217,200,000.00	9,080,910.83	1,324,440,000.00	10,609,721.61
Total liabilities	1,398,518,617.98	1,451,743,436.46	1,500,590,085.53	1,059,312,948.57
Operating income	230,904,429.17	1,909,936,556.02	267,776,933.02	1,619,104,797.73
Net profit	36,504,996.20	363,859,852.25	61,825,521.48	325,039,560.15

Items	2020		2019	
	Anhui Machao Expressway Co., Ltd.	Anhui Transport Consulting & Design Institute Co., Ltd.	Anhui Machao Expressway Co., Ltd.	Anhui Transport Consulting & Design Institute Co., Ltd.
Total comprehensive income	36,504,996.20	363,859,852.25	61,825,521.48	325,039,560.15
Cash flow from operating activities	202,582,531.98	409,817,625.61	219,720,491.01	51,589,578.86

(Continued)

Items	2020		2019	
	Anhui Transportation Bomeng Highway Development Limited	Anhui Hezong Expressway Co., Ltd.	Anhui Transportation Bomeng Highway Development Limited	Anhui Hezong Expressway Co., Ltd.
Current assets	11,564,585.26	582,024,299.30	65,903,362.69	138,508,339.62
Non-current assets	2,485,020,710.07	2,645,333,016.13	2,701,109,467.47	1,310,668,498.41
Total assets	2,496,585,295.33	3,227,357,315.43	2,767,012,830.16	1,449,176,838.03
Current liabilities	226,575,878.39	710,802,195.97	227,095,305.52	510,176,838.03
Non-current liabilities	2,216,834,000.00	1,177,555,119.46	2,438,086,000.00	
Total liabilities	2,443,409,878.39	1,888,357,315.43	2,665,181,305.52	510,176,838.03
Operating income				
Net profit	-48,656,107.70		-125,085,655.73	
Total comprehensive income	-48,656,107.70		-125,085,655.73	
Cash flow from operating activities	408,204,435.81		371,991,876.70	

(Continued)

Items	2020		2019	
	Anhui Yuehuang Expressway Co., Ltd.	Anhui Transportation Holding Information Industry Co., Ltd.	Anhui Yuehuang Expressway Co., Ltd.	Anhui Transportation Holding Information Industry Co., Ltd.
Current assets	1,019,326,288.18	91,252,357.92	1,104,718,820.30	33,016,973.29
Non-current assets	4,554,472,578.99	6,470,473.05	2,117,788,109.17	3,199,724.83
Total assets	5,573,798,867.17	97,722,830.97	3,222,506,929.47	36,216,698.12
Current liabilities	1,948,798,867.17	32,805,052.23	1,117,506,929.47	5,597,113.07
Non-current liabilities	1,020,000,000.00	544,093.31		189,174.96
Total liabilities	2,968,798,867.17	33,349,145.54	1,117,506,929.47	5,786,288.03
Operating income		71,730,654.63		15,018,310.03

Items	2020		2019	
	Anhui Yuehuang Expressway Co., Ltd.	Anhui Transportation Holding Information Industry Co., Ltd.	Anhui Yuehuang Expressway Co., Ltd.	Anhui Transportation Holding Information Industry Co., Ltd.
Net profit		3,943,275.34		430,410.09
Total comprehensive income		3,943,275.34		430,410.09
Cash flow from operating activities		-22,713,509.88		2,611,510.07

5.The treatment of the parent company in preparing consolidated financial statements where the accounting periods of the subsidiary and the parent company do not coincide.

None.

6. Former subsidiaries that are no longer included in the scope of consolidation in the current year

None.

7. Entities newly included in the scope of consolidation in the current year

No.	Items	Type of business	Net assets at the end of the period	Net profit	Business Nature
1	Anhui Province Helu Expressway Co.,Ltd.	Domestic non-financial subsidiary	730,000,000.00		Road Construction and Operation Management
2	Anhui Wuhe Expressway Co.,Ltd.	Domestic non-financial subsidiary	369,000,000.00		Road Construction and Operation Management

8. Business combinations under common control that occurred during the year

None.

9. Business combinations not under common control during the year

None.

10. Reverse purchases during the year

None.

11. Merger by absorption occurring during the year

None.

VIII. Description of significant Items in consolidated financial statements

Unless otherwise stated, the opening balance refers to 1 January 2020, closing balance refers to 31

December 2020, the current period refers to year 2020, the prior period refers to year 2019. Unless otherwise specified, the monetary unit is CNY.

Note 1 Cash and cash equivalents

Items	Closing balance	Opening balance
Cash	2,069,539.30	3,093,524.57
Bank balances	16,359,404,146.91	14,657,289,141.27
Other cash and bank balances	372,888,733.17	373,697,024.92
Total	16,734,362,419.38	15,034,079,690.76
Including: Total amount of deposited abroad	22,923,809.04	140,269,278.42

Note: At the end of the period, the Company had 22,923,809.04 of currency funds on deposit abroad and 656,229,559.54 of currency funds with restricted use.

Restricted cash and cash equivalents are as follows：

Items	Closing balance	Opening balance
Structured deposits with a maturity of more than 3 months	320,000,000.00	200,000,000.00
Surety bonds	152,175,163.58	155,393,528.73
Mortgage deposits	86,047,275.13	121,699,875.11
Banker's Acceptance Deposits	53,896,604.50	22,229,494.10
Litigation freeze funds	38,724,170.71	44,271,413.12
Deposit interest	2,365,261.66	6,696,619.31
Time deposits of over 3 months	1,683,280.00	1,791,560.00
Supervised Funds	1,002,190.95	10,946,417.31
Performance Bond	335,613.01	
Quality Guarantee		3,400,077.22
Others		16,432,835.17
Total	656,229,559.54	582,861,820.07

The amount deposited overseas were HKD current deposits of the subsidiary of the Compsny, Anhui Wantong Expressway Co., Ltd, Anhui Wantong Expressway Co., Ltd (HK) and Transportation Holding Group (HK).

Note 2 Held-for-trading flnancial assets

Items	Closing balance	Opening balance
Financial assets at fair value through profit or loss	1,264,558,547.95	974,373,486.30
Including: Structured deposit	1,104,490,547.95	422,316,986.30

Items	Closing balance	Opening balance
Financial products	160,068,000.00	552,056,500.00
Total	1,264,558,547.95	974,373,486.30

Note 3 Financial assets at fair value through profits and losses

Items	Closing balance	Opening balance
Trading financial assets	29,999,000.00	
Including: Investment in debt instruments	29,999,000.00	
Total	29,999,000.00	

Note 4 Notes receivable

1.Categories of notes receivable

Items	31 December 2020			31 December 2019		
	Book Balance	Provision for bad debt	Carrying amount	Book Balance	Provision for bad debt	Carrying amount
Bank acceptance bills	51,575,628.26		51,575,628.26	38,928,333.81		38,928,333.81
Commercial acceptance bills	48,640,108.74	300,000.00	48,340,108.74	10,104,704.59	83,763.67	10,020,940.92
Total	100,215,737.00	300,000.00	99,915,737.00	49,033,038.40	83,763.67	48,949,274.73

At the end of the period, the Company had no notes receivable that were pledged.

2.Notes receivable discounted or endorsed to third parties but not yet matured at 31 December 2020:

Items	Closing balance	Opening balance
Bank acceptance bill	44,551,506.05	7,669,399.99
Total	44,551,506.05	7,669,399.99

3. Notes receivable by bad debt provision method

Companies that have implemented the new financial instrument standards:

Items	31 December 2020				Carrying amount
	Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Recognize provision for bad debts by	24,723,920.00	100.00	300,000.00		24,423,920.00
Including: group one: Bank acceptance	24,423,920.00	98.79			24,423,920.00
group two: Commercial acceptance bills	300,000.00	1.21	300,000.00	100.00	

Items	31 December 2020				Carrying amount
	Book balance		Provision for bad debt		
	Amount	Proportion (%)	Amount	Provision ratio (%)	
Total	24,723,920.00	100.00	300,000.00		24,423,920.00

At 31 December 2020, notes receivable with provision for bad debt recognised by group two

Item	31 December 2020		Provision ratio (%)
	Book balance	Provision for bad debt	
Commercial acceptance bills	300,000.00	300,000.00	100.00
Total	300,000.00	300,000.00	

Note 5 Accounts receivable

Items	31 December 2020			31 December 2019		
	Book Balance	Provision for bad debt	Carrying amount	Book Balance	Provision for bad debt	Carrying amount
Companies that have not implemented the new financial instrument standards	815,431,698.27	161,060,796.16	654,370,902.11	928,908,068.31	147,146,830.43	781,761,237.88
Companies that have implemented the new financial instrument standards	795,706,952.29	227,523,027.19	568,183,925.10	553,927,531.18	194,621,080.03	359,306,451.15
Total	1,611,138,650.56	388,583,823.35	1,222,554,827.21	1,482,835,599.49	341,767,910.46	1,141,067,689.03

1.Companies that have not implemented the new financial instrument standards:

Items	Closing balance			
	Book balance		Provision for bad debt	
	Amount	Proportion(%)	Amount	Proportion(%)
Accounts receivable with significant single amounts and for which bad debt provision are drawn individually	40,926,981.47	5.02	40,926,981.47	100.00
Accounts receivable for which bad debt provision are drawn according to combination of credit risk characteristics	769,205,920.54	94.33	115,782,488.34	15.05
Accounts receivable with insignificant single amounts and for which bad debt provision are drawn individually	5,298,796.26	0.65	4,351,326.35	82.12

Items	Closing balance			
	Book balance		Provision for bad debt	
	Amount	Proportion(%)	Amount	Proportion(%)
Total	815,431,698.27	100.00	161,060,796.16	

(Continued)

Items	Opening balance			
	Book balance		Provision for bad debt	
	Amount	Proportion(%)	Amount	Proportion(%)
Accounts receivable with significant single amounts and for which bad debt provision are drawn individually	38,956,447.06	4.19	38,956,447.06	100.00
Accounts receivable for which bad debt provision are drawn according to combination of credit risk characteristics	884,961,259.23	95.27	103,200,021.35	11.66
Accounts receivable with insignificant single amounts and for which bad debt provision are drawn individually	4,990,362.02	0.54	4,990,362.02	100.00
Total	928,908,068.31	100.00	147,146,830.43	

(1)Accounts receivable with significant single amounts at the end of period and for which bad debt provision are drawn individually

Name of debtor	Book balance	Provision for bad debt	Aging	Bad debt reserve percentage (%)	Reason
Runyu Technology Information Management (Shenzhen) Co., Ltd.	17,851,149.50	17,851,149.50	2-3years	100.00	Irrecoverable
Changzhou Yiihui Logistics Co., Ltd.	7,598,854.93	7,598,854.93	1-2years	100.00	Irrecoverable
Shenzhen Qianhai Mia Logistics Co.	1,800,000.00	1,800,000.00	1-3years	100.00	Irrecoverable
Chuzhou Anbang Polymerization Technology Co., Ltd. and Chuzhou Anxing Environmental Protection Colored Fiber Co., Ltd.	1,493,444.67	1,493,444.67	Over 3years	100.00	Irrecoverable
Wuhan Beacon Technology Co.	430,431.11	430,431.11	2-3years	100.00	Insurance refusal
Shanghai Nengda Express Co.	289,600.00	289,600.00	Over 3years	100.00	Irrecoverable
GREE Electric (Hefei) Co.	276,068.61	276,068.61	Over 3years	100.00	Benefit difference
Anhui Huishida Hotel Management Co.	5,411,235.85	5,411,235.85	Over 3years	100.00	Irrecoverable
Anhui Dongjie Chemical Fuel Co., Ltd.	5,776,196.80	5,776,196.80	Over 3years	100.00	Irrecoverable
Total	40,926,981.47	40,926,981.47			

(2)Accounts receivable with bad debt provision recognised by credit risk characteristics

Accounts receivable for which bad debt provision are drawn by adopting aging analysis method:

Aging	31 December 2020			31 December 2019		
	Accounts receivable		Provision for bad debt	Accounts receivable		Provision for bad debt
	Amount	Proportio n(%)		Amount	Proporti on (%)	
Within one year	417,369,750.31	65.97	20,868,487.53	521,220,808.86	65.08	26,061,036.40
1 -2 years	54,357,222.51	8.59	5,435,722.25	59,532,988.35	7.43	5,953,299.35
2-3 years	42,657,897.46	6.74	8,531,579.49	90,513,260.01	11.30	18,102,652.00
Over 3 years	118,305,202.91	18.70	79,402,027.55	129,601,087.66	16.19	51,819,772.37
Total	632,690,073.19	100.00	114,237,816.82	800,868,144.88	100.00	101,936,760.12

Accounts receivable with bad debt provision recognised collectively by other methods

Items	31 December 2020			31 December 2019		
	Accounts receivable	Accrual rate (%)	Provision for bad debt	Accounts receivable	Accrual rate (%)	Provision for bad debt
Related party and internal employees	9,847,113.91			2,052,794.84		
Government subsidies and security deposit	126,668,733.44	1.22	1,544,671.52	82,040,319.51	1.54	1,263,261.23
Total	136,515,847.35		1,544,671.52	84,093,114.35		1,263,261.23

Accounts receivable with bad debt provision recognised collectively by other methods:

Name of debtor	Book balance	Provision for bad debt	Aging	Bad debt reserve percentage (%)	Reason
He Shubao and others	37,810.09	37,810.09	Over 5years	100.00	Expected not recoverable
Anhui Provincial Department of Transport	2,004.47	2,004.47	Over 5years	100.00	Expected not recoverable
Anhui Provincial Road Transport Administration	26,036.00	26,036.00	3-4years	100.00	Expected not recoverable
Arrears of previous years	5,597.34	5,597.34	Over 5years	100.00	Expected not recoverable
Anhui Provincial Road Transport Administration	6,600.00	6,600.00	Over 5years	100.00	Expected not recoverable
Huangshan Road Transport Management Office	320.00	320.00	Over 5years	100.00	Expected not recoverable
Chuzhou Jintong Automobile Sales & Service Co.	1,745,360.01	1,745,360.01	Over 5years	100.00	Expected not recoverable
Yichang Metropaper Co.	13,174.27	13,174.27	3-4years	100.00	Expected not recoverable
Changzhou Muzhen Textile Co.	14,623.92	14,623.92	3-4years	100.00	Expected not recoverable
Anhui Huana Packaging Technology Co.	17,709.43	17,709.43	3-4years	100.00	Expected not recoverable

Name of debtor	Book balance	Provision for bad debt	Aging	Bad debt reserve percentage (%)	Reason
Anhui M01083 Li Keyi	18,000.00	18,000.00	3-4years	100.00	Expected not recoverable
Anhui M07695 Cheng Ming	32,325.62	32,325.62	3-4years	100.00	Expected not recoverable
Anhui Pengfei Sporting Goods Co.	5,006.50	5,006.50	2-3years	100.00	Expected not recoverable
Anhui M74400	5,261.95	5,261.95	2-3years	100.00	Expected not recoverable
Anhui M10276 Liu Depei	8,843.00	8,843.00	2-3years	100.00	Expected not recoverable
Anhui M10060 Chen Jiagui	10,000.00	10,000.00	2-3years	100.00	Expected not recoverable
Yangzhou Line	11,110.80	11,110.80	2-3years	100.00	Expected not recoverable
Yichang Jincui Paper Co.	33,827.95	33,827.95	2-3years	100.00	Expected not recoverable
Shanghai Huabiao Freight Department	58,720.00	58,720.00	2-3years	100.00	Expected not recoverable
Shu Cheng Honest Paperboard Co.	102,180.34	102,180.34	1-2years	100.00	Expected not recoverable
Hangzhou Baishi Logistics Co.	120,413.00	120,413.00	1-2years	100.00	Expected not recoverable
Other receivables with insignificant balances	1,425,281.44	477,811.53	1-2years	33.52	Expected not recoverable
Anhui Huifeng New Energy Co.	667,907.00	667,907.00	Over 5years	100.00	Expected not recoverable
Anhui Baoyi Steel Processing and Logistics Co.	930,683.13	930,683.13	4-5years	100.00	Expected not recoverable
Total	5,298,796.26	4,351,326.35			

2.Companies that have implemented the new financial instrument standard:

(1) Accounts receivable by aging

Aging	31 December 2020
Within one year	361,487,749.88
1-2 years	112,912,924.83
2-3 years	90,699,647.18
Over 3 years	230,606,630.40
Subtotal	795,706,952.29
Less: Provision for bad debt	227,523,027.19
Total	568,183,925.10

(2) Accounts receivable by bad debt provision method

Category	31 December 2020				Carrying amount
	Accounts receivable		Provision for bad debt		
	Amount	Proportion (%)	Amount	Expected credit losses rate (%)	
Provision for bad debt recognised individually					
Provision for bad debt recognised collectively	795,706,952.29	100.00	227,523,027.19	28.59	568,183,925.10
Group two: Accounts receivables due from other customers	795,706,952.29	100.00	227,523,027.19	28.59	568,183,925.10
Total	795,706,952.29	100.00	227,523,027.19		568,183,925.10

(3)Accounts receivable with bad debt provision recognised by group two

Aging	31 December 2020		
	Accounts receivable	Provision for bad debt	Provision ratio (%)
Within one year	361,487,749.88	18,074,387.51	5.00
1-2 years	112,912,924.83	11,291,292.49	10.00
2-3 years	90,699,647.18	27,209,894.16	30.00
Over 3 years	230,606,630.40	170,947,453.03	74.13
Total	795,706,952.29	227,523,027.19	

3. Provision for bad debts withdrawn, recovered or reversed in the current period

4. Accounts receivable actually written off in the current period.

5. Details of the top 5 debtors with largest closing balances

Name of debtor	Book balance	Proportion (%)	Provision for bad debt
Hefei Highway Administration Bureau	45,326,777.58	2.81	12,495,029.83
Hefei Construction Materials and Equipment Co.	42,711,152.40	2.65	2,135,557.62
Ningxia Hui Autonomous Region Ningdong Energy Chemical Base Management Committee Planning, Construction and Land Bureau	33,113,098.85	2.06	19,379,987.99
Anhui Province Port and Maritime Construction Investment Group Co.	29,012,227.18	1.80	5,097,698.43
Dongying Wang Sheng Logistics Co.	23,364,565.30	1.45	1,168,228.27
Total	173,527,821.31	10.77	40,276,502.14

Note 6 Prepayments

1. Prepayments are presented in aging combination

Age	Closing balance			Opening balance		
	Book balance		Provision for bad debt	Book balance		Provision for bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	190,948,103.95	55.89		699,258,613.16	69.30	96,451.07
1 to 2 years (including 2 years)	86,156,920.14	25.22		288,155,292.85	28.56	
2 to 3 years (including 3 years)	52,084,161.84	15.25		10,771,706.57	1.07	
Over 3 years	12,434,332.78	3.64	198,692.35	10,809,753.78	1.07	91,057.45
Total	341,623,518.71	100.00	198,692.35	1,008,995,366.36	100.00	187,508.52

2. Status of large prepayments aged over one year:

Credit unit	Debt unit	Closing balance	Aging	Reasons for non-settlement
High-speed Real Estate Group Fuyang Development Co.	Fuyang City Property Special Maintenance Funds Management Office	27,842,000.00	2-3years	Not settled
Anhui High Speed Real Estate Group Hefei Co.	Hefei Power Supply Company of State Grid Anhui Province Electric Power Co.	5,856,905.87	1-2years	Not settled
Anhui High Road Construction Co.	Hebei Tiandu Traffic Facilities Co.	4,864,725.40	2-3years	Not settled
High-speed Real Estate Group Fuyang Development Co.	China Construction Eighth Engineering Bureau Co.	4,797,468.54	2-3years	Not settled
High-speed Real Estate Group Fuyang Development Co.	Fuyang Property Special Maintenance Funds Management Office	3,387,000.00	1-2years	Not settled
High-speed Real Estate Group Fuyang Development Co.	Anhui Sanhuan Electric Power Engineering Group Co.	2,090,990.97	3-4years	Not settled
Anhui High Speed Real Estate Group Hefei Co.	Hefei CNPC Kunlun Gas Co.	3,553,200.00	1-2years	Not settled
Anhui High Road Construction Co.	Shandong Guanxian Jinguan Traffic Facilities Co.	1,908,458.88	2-3years	Not settled
Anhui Expressway Real Estate Co.	Hefei Power Supply Company of State Grid Anhui Province Electric Power Company	1,817,834.21	1-2years	Not settled
Anhui High Speed Real Estate Group Hefei Co.	China Construction Eighth Engineering Bureau Co.	1,784,694.00	1-2years	Not settled
High-speed Real Estate Group Fuyang Development Co.	Fuyang Fushui Industrial Co.	1,718,181.82	2-3years	Not settled

Credit unit	Debt unit	Closing balance	Aging	Reasons for non-settlement
Anhui Shengxuan Gardening and Greening Engineering Co.	Anhui Luyou Road and Bridge Engineering Co.	1,472,817.22	Over 3 years	Not settled
Anhui High Road Construction Co.	Hefei Wenjing Garden Flower Business Department	1,178,946.24	2-3years	Not settled
Anhui Provincial High Road Construction Co.	Chaohu Jingcheng Traffic Facilities Co.	1,050,000.00	2-3years	Not settled
Anhui High Road Construction Co.	Anhui Dailop New Material Technology Co.	1,016,575.00	2-3years	Not settled
Total		64,339,798.15		

3. Details of the top 5 debtors with largest closing balances

Name of debtor	Book balance	Proportion (%)	Provision for bad debt
Sinopec Sales Limited Anhui Petroleum Branch	81,831,437.18	23.95	
China Railway Materials Anhui Tie Peng Cement Co.	69,039,760.12	20.21	
Anhui Wanwei High-Tech Materials Co.	63,418,004.15	18.56	
Fuyang Property Special Maintenance Funds Management Office	37,452,000.00	10.96	
Hefei Chaoheng Materials Co.	26,650,390.35	7.80	
Total	278,391,591.80	81.48	

Note 7 Other receivables

Items	Closing balance	Opening balance
Interest receivable	196,136.29	5,398,670.85
Dividends receivable	82,752,723.14	21,608,230.85
Other receivables	1,360,425,891.95	1,347,984,515.33
Total	1,443,374,751.38	1,374,991,417.03

1. Interest receivable

Items	Closing balance	Opening balance
Time Deposit		5,054,402.23
Interest on loans	196,136.29	220,643.96
Others		123,624.66
Total	196,136.29	5,398,670.85

2. Dividends receivable

Items	Closing balance	Opening balance	Reasons for non-recover	Impairment and the basis of its determination
Dividends receivable within one year of age	82,195,827.94	12,582,800.00		No impairment, estimating to be recovered
Including: (1) Anhui Xin'an Financial Group Co.		12,582,800.00		
(2) Huishang Bank Co.	81,001,932.22		Not yet paid	No impairment, estimating to be recovered
(3) Anhui Hefei Bus Terminal Co.	1,193,895.72		Regularly allocated	No impairment, estimating to be recovered
Dividends receivable aged over one year	556,895.20	9,025,430.85		
Including: (1) Anhui Jiangnan Long Distance Transportation Co.		8,468,535.65	Not yet paid	
(2) Anhui Bengbu Feiyan Express Passenger Transport Co.	556,895.20	556,895.20	Regularly allocated	No impairment, estimating to be recovered
Total	82,752,723.14	21,608,230.85		

3.Other receivables

Items	31 December 2020			31 December 2019		
	Book Balance	Provision for bad debt	Carrying amount	Book Balance	Provision for bad debt	Carrying amount
Companies that have not implemented the new financial instrument standards	1,467,894,389.56	278,079,940.19	1,189,814,449.37	1,447,382,312.39	283,759,039.60	1,163,623,272.79
Companies that have implemented the new financial instrument standards	275,234,360.10	104,622,917.52	170,611,442.58	346,478,895.55	162,117,653.01	184,361,242.54
Total	1,743,128,749.66	382,702,857.71	1,360,425,891.95	1,793,861,207.94	445,876,692.61	1,347,984,515.33

(1)Companies that have not implemented the new financial instrument standards:

Items	Closing balance			
	Book balance		Provision for bad debt	
	Amount	Proportion(%)	Amount	Proportion(%)
Accounts receivable with significant single amounts and for which bad debt provision are drawn individually	33,767,005.81	2.30	30,267,005.81	89.63

Items	Closing balance			
	Book balance		Provision for bad debt	
	Amount	Proportion(%)	Amount	Proportion(%)
Accounts receivable for which bad debt provision are drawn according to combination of credit risk characteristics	1,420,145,895.40	96.75	233,883,310.01	16.47
Accounts receivable with insignificant single amounts and for which bad debt provision are drawn individually	13,981,488.35	0.95	13,929,624.37	99.63
Total	1,467,894,389.56	100.00	278,079,940.19	

Continued:

Items	Opening balance			
	Book balance		Provision for bad debt	
	Amount	Proportion(%)	Amount	Proportion(%)
Accounts receivable with significant single amounts and for which bad debt provision are drawn individually	49,149,659.32	3.40	40,069,973.35	81.53
Accounts receivable for which bad debt provision are drawn according to combination of credit risk characteristics	1,387,296,808.98	95.85	233,330,004.49	16.82
Accounts receivable with insignificant single amounts and for which bad debt provision are drawn individually	10,935,844.09	0.75	10,359,061.76	94.73
Total	1,447,382,312.39	100.00	283,759,039.60	

1) Other receivable with significant single amounts at the end of period and for which bad debt provision are drawn individually

Name of debtor	Book balance	Provision for bad debt	Aging	Bad debt reserve percentage (%)	Reason
Anhui Provincial Public Security Department Traffic Police Headquarters Expressway Direct Subordinate Detachment	9,300,000.00	9,300,000.00	Over 5years	100.00	Unrecoverable
Anhui High Speed Logistics Co.	4,196,312.00	4,196,312.00	1-2years	100.00	Not expected to be recovered
Anhui Yanjiang Expressway Co.	1,294,472.00	1,294,472.00	Over 5years	100.00	Company has been written off and is not expected to be recovered

Name of debtor	Book balance	Provision for bad debt	Aging	Bad debt reserve percentage (%)	Reason
Anhui Province Hehuai Fu Expressway Co.	1,129,125.00	1,129,125.00	Over 5years	100.00	Company written off and not expected to be recovered
Chuzhou Anbang Polymerization Hi-Tech Co.	1,000,000.00	1,000,000.00	4-5years	100.00	Company restructured and unrecoverable
Shenzhen Qianhai Mia Logistics Co.	7,820,000.00	4,320,000.00	1-2years	55.24	Counterparty company is insolvent
Wang Dekai	9,027,096.81	9,027,096.81	Over 5years	100.00	Expected future cash flows
Total	33,767,005.81	30,267,005.81			

2) Other receivable with bad debt provision recognised by credit risk characteristics

Other receivable for which bad debt provision are drawn by adopting aging analysis method:

Aging	31 December 2020			31 December 2019		
	Accounts receivable		Provision for bad debt	Accounts receivable		Provision for bad debt
	Amount	Proportio n(%)		Amount	Proporti on (%)	
Within 1 year (including 1 year)	945,615,656.42	76.88	47,280,782.81	682,058,197.72	66.37	34,102,914.81
1 to 2 years (including 2 years)	56,956,647.69	4.63	5,695,664.77	90,808,386.00	8.84	9,080,838.60
2 to 3 years (including 3 years)	34,659,333.70	2.82	6,931,866.76	60,950,834.41	5.93	12,190,166.91
Over 3 year	192,733,990.02	15.67	172,066,113.95	193,871,961.95	18.86	175,687,442.44
Total	1,229,965,627.83	100.00	231,974,428.29	1,027,689,380.08	100.00	231,061,362.76

Other receivable with bad debt provision recognised collectively by other methods

Items	31 December 2020			31 December 2019		
	Accounts receivable	Provisi on ratio (%)	Provision for bad debt	Accounts receivable	Provisi on ratio (%)	Provision for bad debt
Related party and internal employees	92,570,642.51			208,161,148.34		
Government subsidies and security deposit	97,609,625.06	1.96	1,908,881.72	151,446,280.56	1.50	2,268,641.73
Total	190,180,267.57		1,908,881.72	359,607,428.90		2,268,641.73

3)Other receivable with bad debt provision recognised collectively by other methods:

Name of debtor	Book balance	Provision for bad debt	Aging	Bad debt reserve percentage (%)	Reason
Tianchang Housing Provident Fund Management Centre and others	2,541,631.09	2,541,631.09	Over 5years	100.00	Expected not recoverable
Unit Staff	1,672,566.07	1,672,566.07	More than 3 years	100.00	Expected not recoverable
Nanjing Longan Industrial Co.	1,000,000.00	1,000,000.00	More than 5 years	100.00	Expected not recoverable
Li Yang (Fengyang Branch)	931,155.08	931,155.08	4-5 years	100.00	Expected not recoverable
Loss of electricity for small owners	896,003.81	896,003.81	Less than 1 year	100.00	Expected not recoverable
Anhui Haoqiang Logistics Co.	843,490.00	843,490.00	1-2 years	100.00	Expected not recoverable
Chuzhou City Housing System Reform Office	655,755.85	655,755.85	4-5 years	100.00	Expected not recoverable
Zhang Hanru	560,966.27	560,966.27	4-5 years	100.00	Expected not recoverable
Anhui Liu Qian Expressway Co.	514,748.00	514,748.00	Over 3years	100.00	Expected not recoverable
Mao Kehong	468,261.08	468,261.08	4-5 years	100.00	Expected not recoverable
Qian Shanxin	412,368.00	412,368.00	4-5 years	100.00	Expected not recoverable
Liu Deli	388,377.80	388,377.80	Over 5years	100.00	Expected not recoverable
Li Yang (Fengyang Bus)	305,997.56	305,997.56	4-5 years	100.00	Expected not recoverable
Anhui Huifeng New Energy Co.	300,000.00	300,000.00	Over 5years	100.00	Expected not recoverable
Wan M04608 Zhang Xiaocai	293,835.75	293,835.75	4-5 years	100.00	Expected not recoverable
Kong Qingyang, temporary current payment	220,516.00	220,516.00	Over 5years	100.00	Expected not recoverable
Song Changzhu	200,000.00	200,000.00	4-5 years	100.00	Expected not recoverable
Wang Lei (Fengyang Branch)	193,833.94	193,833.94	Over 5years	100.00	Expected not recoverable
Ni Zehui	185,200.00	185,200.00	Over 5years	100.00	Expected not recoverable
Mingguang City Road Transport Management Office	175,000.00	175,000.00	Over 5years	100.00	Expected not recoverable
Zhou Zhenghua	159,275.89	159,275.89	Over 5years	100.00	Expected not recoverable
Third team	139,062.09	139,062.09	Over 5years	100.00	Expected not recoverable
Anhui Longchai Shengming New Energy Vehicle Leasing Co.	132,830.00	115,932.35	Less than 1 year	87.28	Expected not recoverable
Chuzhou Housing Provident Fund Management Centre	128,076.86	128,076.86	Over 5years	100.00	Expected not recoverable
Zhao Zhenghui	124,328.50	124,328.50	Over 5years	100.00	Expected not recoverable

Name of debtor	Book balance	Provision for bad debt	Aging	Bad debt reserve percentage (%)	Reason
Hu Chuanquan	120,000.00	120,000.00	Over 5years	100.00	Expected not recoverable
Hu Jian	110,041.95	110,041.95	Over 5years	100.00	Expected not recoverable
Anhui Provincial Department of Transport	79,500.00	79,500.00	4-5 years	100.00	Expected not recoverable
Chen Shouling	66,057.63	66,057.63	4-5 years	100.00	Expected not recoverable
Transport and Development Materials	46,800.00	46,800.00	Over 5years	100.00	Expected not recoverable
Ruan Xinfu	38,471.00	38,471.00	Over 5years	100.00	Expected not recoverable
Anhui Dongwan Construction Group Co.	32,618.70	652.37	2-3 years	2.00	Impairment testing
Xu Feng	16,033.97	16,033.97	Over 5years	100.00	Expected not recoverable
Anhui Baoyi Steel Processing & Logistics Co.	15,640.00	15,640.00	1-2 years	100.00	Expected not recoverable
Zhang Youxu	5,900.00	5,900.00	Over 5years	100.00	Expected not recoverable
Anhui Wantu Investment Finance Guarantee Co.	2,000.00		Over 3years		Guarantee
Xu Dong	1,500.00	1,500.00	Over 5years	100.00	Expected not recoverable
Xu Zhenxi	1,350.00	1,350.00	Over 5years	100.00	Expected not recoverable
Anhui Province Credit Guarantee Group Co.	1,000.00		Over 5years		Guarantee
Municipal Vegetable Wholesale Market	1,000.00	1,000.00	Over 5years	100.00	Expected not recoverable
Xiang Ying	295.46	295.46	Over 5years	100.00	Expected not recoverable
Total	13,981,488.35	13,929,624.37			

(2)Companies that have implemented the new financial instrument standard:

1) Other receivable by aging

Aging	Closing balance	Opening balance
Within 1 year	82,438,482.66	83,570,757.96
1-2 years	15,794,596.00	25,012,115.79
2-3 years	23,270,610.67	61,048,934.54
Over 3 years	153,730,670.77	176,847,087.26
Subtotal	275,234,360.10	346,478,895.55
Less: Provision for bad debt	104,622,917.52	162,117,653.01
Total	170,611,442.58	184,361,242.54

2) Accounts receivable by bad debt provision method

Provision for bad debts	Stage I	Stage II	Stage III	Total
	Expected credit losses for the next 12 months	Expected credit losses (no credit impairment) for the entire life of the asset	Expected credit loss for the entire life of the asset (credit impairment has occurred)	
Opening balance	62,586,388.15		99,531,264.86	162,117,653.01
Opening balance in the period				
-- Carried forward to Phase II				
--Transferred to Phase III	-180,000.00		180,000.00	
--transferred back to Phase II				
--Transfer back to Phase I				
Accrued during the period	9,566,352.10		-1,514,008.51	8,052,343.59
Reversal during the period				
Transferred during the period				
Write-offs during the period			65,547,079.08	65,547,079.08
Other movements				
Balance at end of period	71,972,740.25		32,650,177.27	104,622,917.52

3) Provision for bad debts recovered or reversed

Name of debtor	Amount reversed or recovered	Accumulated before reversal or recovery	Amount of bad debt provision made	Reason and method of reversal or recovery
Wooden Rhythm Flooring Project Clearance	36,165.00	36,165.00	36,165.00	Litigation recovery
Li Defeng	10,700.00	10,700.00	10,700.00	Court-ordered repossession
Anhui Luyu Lu'an Highway Development Co.	4,253,889.52	4,253,889.52	4,253,889.52	Company repossession in liquidation
Total	4,300,754.52	4,300,754.52	4,300,754.52	

4) Actual write-off of other receivables during the reporting period

Name of debtor	Nature of payment	Amount written off	Reason for write-off	Write-off procedures performed	Whether arising from related party transactions
Anhui Rongjian Ecological Economic Development Co.	Pawn loans and advances in lieu of litigation	29,959,742.57	Termination of execution by the Court	Adopted by the Board of Directors of the Company	None
Anhui Yaohua Holding Group Co.	Pawn loans and advances in lieu of litigation	17,565,466.50	Termination of execution by the Court	Adopted by the Board of Directors of the Company	None
Anhui Ronglin Forestry Co.	Pawn loans and advances in lieu of litigation	10,095,004.00	Termination of execution by the Court	Adopted by the Board of Directors of the Company	None
Yang Jun	Pawn loans and advances in lieu of litigation	6,095,758.01	Termination of execution by the Court	Adopted by the Board of Directors of the Company	None
Anhui Luyu Lu'an Highway Development Co.	Correspondence	5,567,753.53	Liquidation of a company	Report on the liquidation of the company	None
Hu Maoyun	Pawn loans and advances in lieu of litigation	1,831,108.00	Termination of execution by the Court	Adopted by the Board of Directors of the Company	None
Wu Xudong	Enforcement costs	13,300.00	Debtor has no property to be enforced	Approved by the shareholders' meeting of the company	None
Li Defeng	Enforcement costs	56,982.00	Court enforcement beyond 180 days	Approved by the shareholders' meeting of the company	None
Total		71,185,114.61			

5)Details of the top 5 debtors with largest closing balances

Name of debtor	Nature of payment	Book balance	Aging	Proportion (%)	Provision for bad debt
Woyang County Non-Tax Revenue Collection Authority	Guarantee	559,000,000.00	Within 1 year	32.07	27,950,000.00
Hefei Municipal Bureau of Natural Resources and Planning	Guarantee	210,000,000.00	Within 1 year	12.05	10,500,000.00

Name of debtor	Nature of payment	Book balance	Aging	Proportion (%)	Provision for bad debt
Xuancheng City People's Government	Construction receivables	30,051,100.00	Over 3 years	1.72	901,533.00
Huaining County Transport Bureau	Project advances	27,280,000.00	Within 1 year	1.57	272,800.00
Chaohu Julong Real Estate Development Co.	Loans	27,500,000.00	Over 4 years	1.58	19,250,000.00
Total		853,831,100.00		48.99	58,874,333.00

Note 8 Inventories

1. Category of inventories

Items	Closing balance		
	Book balance	Provision for loss on decline in value	Book value
Raw materials	25,148,987.51	435,625.57	24,713,361.94
Self-made semi-finished products and work in process	17,885,423,439.28		17,885,423,439.28
Including: Work performed but not yet settled constructions	143,676,582.72		143,676,582.72
Real estate development products under construction	17,741,746,856.56		17,741,746,856.56
Finished goods	4,885,328,325.70	130,827,640.17	4,754,500,685.53
Including: Completed real estate development products	4,482,975,531.93	130,827,640.17	4,352,147,891.76
Turnover materials (packing materials low-value consumables, etc.)	7,236,253.72	10,107.30	7,226,146.42
Consumptive biological assets	16,748,296.00		16,748,296.00
Others	82,803,324.87	611,291.88	82,192,032.99
Including: Untapped land reserve			
Total	22,902,688,627.08	131,884,664.92	22,770,803,962.16

(Continued)

Items	Opening balance		
	Book balance	Provision for loss on decline in value	Book value
Raw materials	30,738,546.27	554,327.87	30,184,218.40
Self-made semi-finished products and work in process	17,624,604,750.38		17,624,604,750.38

Items	Opening balance		
	Book balance	Provision for loss on decline in value	Book value
Including: Work performed but not yet settled constructions	180,343,466.38		180,343,466.38
Real estate development products under construction	17,444,231,286.16		17,444,231,286.16
Finished goods	4,952,933,916.81	79,757,214.35	4,873,176,702.46
Including: Completed real estate development products	4,489,651,471.39	79,370,449.59	4,410,281,021.80
Turnover materials (packing materials low-value consumables, etc.)	8,200,913.30	10,107.30	8,190,806.00
Consumptive biological assets	13,083,051.49		13,083,051.49
Others	74,267,962.26	610,561.69	73,657,400.57
Including: Untapped land reserve			
Total	22,703,829,140.51	80,932,211.21	22,622,896,929.30

2. The closing balance of inventories contains borrowing costs capitalised in the amount of CNY1,030,102,850.78.

3. The status of completed unsettled assets resulting from construction contracts at the end of the period.

Items	Opening balance
Accumulated costs incurred	3,069,652,301.33
Accumulated gross profit recognised	194,559,713.15
Less: Expected loss	
Amount settled	3,120,535,431.76
Completed unsettled assets arising from construction contracts	143,676,582.72

Note 9 Contract assets

1. Status of contract assets

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Contract assets arising from engineering consultancy business	1,505,722,593.71	337,650,156.14	1,168,072,437.57	1,296,639,727.53	249,971,440.19	1,046,668,287.34
Completed unsettled assets arising from construction contracts	68,438,921.33	1,208,692.96	67,230,228.37	90,979,782.60		90,979,782.60

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Total	1,574,161,515.04	338,858,849.10	1,235,302,665.94	1,387,619,510.13	249,971,440.19	1,137,648,069.94

2. Provision for impairment of contract assets

Category	Opening balance	Increase	Decrease	Closing balance
Contract assets arising from engineering consultancy business	249,971,440.19	87,678,715.95		337,650,156.14
Completed unsettled assets arising from construction contracts		1,208,692.96		1,208,692.96
Total	249,971,440.19	88,887,408.91		338,858,849.10

Note 10 Non-current assets maturing within one year

Items	Closing balance	Opening balance
Finance Lease	633,703,657.60	633,313,550.29
Loan origination and advance	67,181,646.40	80,355,646.40
Total	700,885,304.00	713,669,196.69

Note 11 Other current assets

Items	Closing balance	Opening balance
Financial products	490,000,000.00	722,000,000.00
Borrowings from Project	113,641,564.67	99,460,783.79
Prepaid taxes (Include VAT input tax)	738,408,011.59	503,402,579.28
pending deduct vat on purchase	1,543,209,920.52	892,919,083.28
Hongmen interchange project	71,951,902.57	65,311,638.30
Others	33,640,826.89	30,522,597.72
Total	2,990,852,226.24	2,313,616,682.37

Note 12 Available-for-sale financial assets

1. Category of available-for-sale financial assets

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Available-for-sale debt instruments						
Available-for-sale equity instruments	5,674,199,662.24	120,000.00	5,674,079,662.24	4,004,162,837.57	120,000.00	4,004,042,837.57
Including: Instruments measured at fair-value	3,829,681,320.08		3,829,681,320.08	2,426,841,595.41		2,426,841,595.41
Instruments measured on the basis of cost	1,844,518,342.16	120,000.00	1,844,398,342.16	1,577,321,242.16	120,000.00	1,577,201,242.16
Other available-for-sale financial assets						
Total	5,674,199,662.24	120,000.00	5,674,079,662.24	4,004,162,837.57	120,000.00	4,004,042,837.57

2. Instruments measured at fair value

Category	Available for sale equity instruments	Available for sale debt instruments	Others	Total
Cost of equity instruments / amortised cost of debt instruments	952,451,950.43			952,451,950.43
Fair value	3,829,681,320.08			3,829,681,320.08
Changes in fair value accumulated into other comprehensive income	2,877,229,369.65			2,877,229,369.65
Book value				
Provision for impairment				

3.There is no relevant explanation for the serious decline in the fair-value of the available for sell equity instrument at the end of the period or non-temporary decline without the impairment provision.

Note 13 Long-term receivables

Items	Closiong Balance			Opening balance		
	Book balance	Debt provision	Book vale	Book balance	Debt Provision	Book value
Finance lease payment	587,074,098.30	9,633,763.03	577,440,335.27	860,673,875.48	9,733,227.18	850,940,648.30
including：unrealized financing profits	58,527,032.44		58,527,032.44	66,612,905.22		66,612,905.22
Others	617,816,707.60	617,816,707.60		619,945,000.00	619,945,000.00	

Items	Closiong Balance			Opening balance		
	Book balance	Debt provision	Book vale	Book balance	Debt Provision	Book value
Total	1,204,890,805.90	627,450,470.63	577,440,335.27	1,480,618,875.48	629,678,227.18	850,940,648.30

Note 14 Long-term equity investments

1. Classification of long-term equity investments

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Investment in subsidiaries				
Investment in joint ventures	2,329,483,881.88	567,887,685.20	58,760,000.00	2,838,611,567.08
Investment in associated	3,774,049,837.23	227,675,868.32	198,695,175.63	3,803,030,529.92
Subtotal	6,103,533,719.11	795,563,553.52	257,455,175.63	6,641,642,097.00
Less: Provision for impairment of long-term equity investments	301,099,516.33	533,071,182.29		834,170,698.62
Total	5,802,434,202.78	262,492,371.23	257,455,175.63	5,807,471,398.38

2.Details of long-term equity investments

Investee	Investment cost	Opening Balance	Changes during the reporting period			
			Additional investment	Reduce in investment	Gains /(losses) on investments under the equity method	Adjustments of other comprehensiv e income
Total	5,766,271,469.57	6,103,533,719.11	13,000,004.57	77,394,576.00	751,794,264.35	
I. Joint ventures:	2,221,470,850.00	2,329,483,881.88	3,000,000.00	31,529,150.00	564,887,685.20	
Anhui Traffic Merchants Fund Management Co., Ltd.	4,500,000.00	9,371,057.06			3,305,435.25	
Anhui Traffic Merchants Industry Investment Fund (Limited Partnership)	1,195,500,000.00	1,220,775,944.31			267,484,174.36	
Anhui Traffic Goldstone Fund Management Co., Ltd.	4,500,000.00	14,720,610.00			6,993,541.88	
Anhui Traffic Turnover Goldstone M&A Fund Partnership (Limited Partnership)	1,013,970,850.00	1,084,616,270.51		31,529,150.00	287,104,533.71	

Investee	Investment cost	Opening Balance	Changes during the reporting period			
			Additional investment	Reduce in investment	Gains /(losses) on investments under the equity method	Adjustments of other comprehensiv e income
Huangshan Huidao Traffic Technology Co., Ltd	3,000,000.00		3,000,000.00			
II. Associates:	3,544,800,619.57	3,774,049,837.23	10,000,004.57	45,865,426.00	186,906,579.15	
Huainan Hami Cultural Industry Development Co., Ltd.	50,805,000.00	48,447,719.32		24,195,000.00	-4,720,411.17	
Taixing Anlian Real Estate Co., Ltd.	20,000,000.00					
Anhui Guolu Expressway Co., Ltd.	114,000,000.00	244,312,293.49			33,610,611.77	
Anhui Bengming Expressway Development Co., Ltd.	55,800,000.00	134,586,585.71			88,044,718.14	
Wanjiang Financial Leasing Co., Ltd.	2,981,870,000.00	3,102,945,711.53			48,340,512.23	
Anhui Guoyuan Venture Capital Co., Ltd.	92,590,000.00	92,589,804.43			5,373,536.21	
Anhui Anyitong Equity Investment Management Co., Ltd.	2,500,000.00	3,281,766.76			87,269.74	
Anhui Anyi Datong Equity Investment Partnership	70,654,628.00	59,444,742.31		21,670,426.00	10,433,744.10	
Anhui Jiangnan Changyun Huangshan Passenger Transport Co. Ltd	3,600,000.00					
Anhui Chaohu Chaoyu Car Rental Co., Ltd.	300,000.00	379,516.48			43,893.30	
. Hefei Heke Anyun School Bus Service Co., Ltd	1,960,000.00	2,309,039.76			646,901.44	
Anhui State Star Ticketing Service Co., Ltd.	200,000.00	273,429.05			-51,153.85	

Investee	Investment cost	Opening Balance	Changes during the reporting period			
			Additional investment	Reduce in investment	Gains /(losses) on investments under the equity method	Adjustments of other comprehensiv e income
Chuzhou 21 st Century Bilingual Primary School	2,640,087.00	1,345,769.71			491,270.87	
Anhui Feiyan Bengbu Fast Passenger Transport Co.,Ltd.	2,880,000.00	3,085,170.08			-531,193.54	
Anhui Hegei Vechile Passenger Terminal Co. Ltd	27,000,000.00				3,224,505.03	
Anhui ExpresswayBroadcasting Co. Ltd	10,000,900.00	7,493,915.08			183,378.86	
Asia-Europe Pearl (Hong Kong) Investment Holding Co., Ltd	4.57		4.57			
Anhui Comprehensive Transportation Research Institute Co., Ltd	80,000,000.00	55,554,373.52			2,220,644.40	
Taihu Anjian Traffic Investment Co., Ltd.	27,000,000.00	18,000,000.00	9,000,000.00		-491,648.38	
Anhui Xuanjing Expressway Co., Ltd	1,000,000.00		1,000,000.00			

(Continued)

Investee	Change of increase or decrease in current period				Closing balance	Closing balance of impairment provision
	Changes in other equity	Declare payment of cas dividends or profits	Provision for impairment	Others		
Total	169,284.60	-180,060,599.63	533,071,182.29	30,600,000.00	6,641,642,097.00	834,170,698.62
I. Joint ventures:		-27,230,850.00			2,838,611,567.08	
Anhui Traffic Merchants Fund Management Co., Ltd.					12,676,492.31	
Anhui Traffic Merchants Industry Investment Fund (Limited Partnership)		-23,910,000.00			1,464,350,118.67	

Investee	Change of increase or decrease in current period				Closing balance	Closing balance of impairment provision
	Changes in other equity	Declare payment of cas dividends or profits	Provision for impairment	Others		
Anhui Traffic Goldstone Fund Management Co., Ltd.					21,714,151.88	
Anhui Traffic Turnover Goldstone M&A Fund Partnership (Limited Partnership)		-3,320,850.00			1,336,870,804.22	
Huangshan Huidao Traffic Technology Co., Ltd					3,000,000.00	
II. Associates:	169,284.60	-152,829,749.63	533,071,182.29	30,600,000.00	3,803,030,529.92	834,170,698.62
Huainan Hami Cultural Industry Development Co., Ltd.					19,532,308.15	
Taixing Anlian Real Estate Co., Ltd.						
Anhui Guolu Expressway Co., Ltd.		-32,239,349.63			245,683,555.63	
Anhui Bengming Expressway Development Co., Ltd.		-116,960,000.00			105,671,303.85	
Wanjiang Financial Leasing Co., Ltd.			533,071,182.29		3,151,286,223.76	834,170,698.62
Anhui Guoyuan Venture Capital Co., Ltd.	-1,106,027.99	-1,851,800.00			95,005,512.65	
Anhui Anyitong Equity Investment Management Co., Ltd.		-350,000.00			3,019,036.50	
Anhui Anyi Datong Equity Investment Partnership	1,275,312.59				49,483,373.00	
Anhui Jiangnan Changyun Huangshan Passenger Transport Co. Ltd				3,600,000.00	3,600,000.00	
Anhui Chaohu Chaoyu Car Rental Co., Ltd.					423,409.78	

Investee	Change of increase or decrease in current period				Closing balance	Closing balance of impairment provision
	Changes in other equity	Declare payment of cas dividends or profits	Provision for impairment	Others		
. Hefei Heke Anyun School Bus Service Co., Ltd					2,955,941.20	
Anhui State Star Ticketing Service Co., Ltd.					222,275.20	
Chuzhou 21 st Century Bilingual Primary School		-588,000.00			1,249,040.58	
Anhui Feiyan Bengbu Fast Passenger Transport Co.,Ltd.					2,553,976.54	
Anhui Hegei Vechile Passenger Terminal Co. Ltd				27,000,000.00	30,224,505.03	
Anhui ExpresswayBroadcasting Co. Ltd					7,677,293.94	
Asia-Europe Pearl (Hong Kong) Investment Holding Co., Ltd					4.57	
Anhui Comprehensive Transportation Research Institute Co., Ltd		-840,600.00			56,934,417.92	
Taihu Anjian Traffic Investment Co., Ltd.					26,508,351.62	
Anhui Xuanjing Expressway Co., Ltd					1,000,000.00	

3.Key financial information on significant joint ventures

Items	2020		2019	
	Anhui Transportation Holdings Jinshi Private Equity Fund Management Co.	Anhui Transportation Holdings Jinshi M&A Fund Partnership (Limited Partnership)	Anhui Transportation Holdings Jinshi Private Equity Fund Management Co.	Anhui Transportation Holdings Jinshi M&A Fund Partnership (Limited Partnership)
Current assets	51,460,567.31	276,016,768.52	54,473,857.57	1,556,158,140.35
Non-current assets	21,100,269.83	1,759,058,489.63	57,502.48	
Total assets	72,560,837.14	2,035,075,258.15	54,531,360.05	1,556,158,140.35
Current liabilities	1,368,558.42		5,205,665.39	

Items	2020		2019	
	Anhui Transportation Holdings Jinshi Private Equity Fund Management Co.	Anhui Transportation Holdings Jinshi M&A Fund Partnership (Limited Partnership)	Anhui Transportation Holdings Jinshi Private Equity Fund Management Co.	Anhui Transportation Holdings Jinshi M&A Fund Partnership (Limited Partnership)
Non-current liabilities	1,642,027.31		260,334.53	
Total liabilities	3,010,585.73		5,465,999.92	
Net Assets	69,550,251.41	2,035,075,258.15	49,065,360.13	1,556,158,140.35
Share of net assets based on percentage of shareholding	20,865,075.42	1,418,447,454.93	14,719,608.04	1,084,642,223.82
Adjustments				
Carrying value of equity investments in joint ventures	21,714,151.88	1,336,870,804.22	14,720,610.00	1,084,616,270.51
Fair value of equity investments for which publicly quoted prices exist				
Operating income	27,973,998.07	553,297,276.60	23,504,389.84	77,200,661.54
Net profit	20,484,891.28	528,917,117.80	16,880,069.18	52,041,883.04
Other comprehensive income				
Total comprehensive income	20,484,891.28	528,917,117.80	16,880,069.18	52,041,883.04
Dividends received by the enterprise from joint ventures during the period		3,320,850.00		

(Continued)

Items	2020		2019	
	Anhui Transportation Holdings Investment Promotion Private Equity Fund Management Co.	Anhui Transportation Holdings Investment Promotion Fund (Limited Partnership)	Anhui Transportation Holdings Investment Promotion Private Equity Fund Management Co.	Anhui Transportation Holdings Investment Promotion Fund (Limited Partnership)
Current assets	45,302,902.29	1,862,301,144.35	31,118,076.40	846,872,075.59
Non-current assets	81,695.25		130,712.25	699,999,990.88
Total assets	45,384,597.54	1,862,301,144.35	31,248,788.65	1,546,872,066.47
Current liabilities	2,207,653.49	24,754,012.45	-67,432.96	15,126,170.77
Non-current liabilities	921,969.68		79,364.74	
Total liabilities	3,129,623.17	24,754,012.45	11,931.78	15,126,170.77

Items	2020		2019	
	Anhui Transportation Holdings Investment Promotion Private Equity Fund Management Co.	Anhui Transportation Holdings Investment Promotion Fund (Limited Partnership)	Anhui Transportation Holdings Investment Promotion Private Equity Fund Management Co.	Anhui Transportation Holdings Investment Promotion Fund (Limited Partnership)
Net Assets	42,254,974.37	1,837,547,131.90	31,236,856.87	1,531,745,895.70
Share of net assets based on percentage of shareholding	12,676,492.31	1,464,525,064.12	9,371,057.06	1,220,801,478.87
Adjustments				
Carrying value of equity investments in joint ventures	12,676,492.31	1,464,350,118.67	9,371,057.06	1,220,775,944.31
Fair value of equity investments for which publicly quoted prices exist				
Operating income	26,141,593.49		13,632,269.25	
Net profit	11,018,117.50	335,613,769.59	2,322,911.71	16,372,084.34
Other comprehensive income				
Total comprehensive income	11,018,117.50	335,613,769.59	2,322,911.71	16,372,084.34
Dividends received by the enterprise from joint ventures during the period		23,910,000.00		

(Continued)

Items	2020		2019	
	Anhui Guolu Expressway Co.	Anhui Guoyuan Ventur Capital Co.	Anhui Guolu Expressway Co.	Anhui Guoyuan Ventur Capital Co.
Current assets	178,161,081.35	11,041,715.67	210,934,008.73	18,228,668.84
Non-current assets	746,996,667.39	524,707,352.00	786,191,794.13	487,156,730.35
Total assets	925,157,748.74	535,749,067.67	997,125,802.86	505,385,399.19
Current liabilities	117,236,392.07	4,410,483.91	66,357,320.00	5,386,507.79
Non-current liabilities	15,582,000.00		143,000,000.00	
Total liabilities	132,818,392.07	4,410,483.91	209,357,320.00	5,386,507.79
Net Assets	792,339,356.67	531,338,583.76	787,768,482.86	499,998,891.40
Share of net assets based on percentage of shareholding	237,701,807.00	98,393,278.94	236,330,544.86	92,589,859.57
Adjustments	7,981,748.63		7,981,748.63	

Items	2020		2019	
	Anhui Guolu Expressway Co.	Anhui Guoyuan Ventur Capital Co.	Anhui Guolu Expressway Co.	Anhui Guoyuan Ventur Capital Co.
Carrying value of equity investments in joint ventures	245,683,555.63	95,005,512.65	244,312,293.49	92,589,804.43
Fair value of equity investments for which publicly quoted prices exist				
Operating income	307,033,713.16		398,637,750.97	
Net profit	112,035,372.58	29,014,774.35	149,256,248.29	10,770,102.52
Other comprehensive income				-12,288,232.89
Total comprehensive income	112,035,372.58	29,014,774.35	149,256,248.29	-1,518,130.37
Dividends received by the enterprise from joint ventures during the period	32,239,349.63	1,851,800.00	51,788,162.04	1,666,620.00

(Continued)

Items	2020		2019	
	Anhui Anyi Datong Equity Investment Partnership	Anhui Bengming Expressway Development Co.	Anhui Anyi Datong Equity Investment Partnership	Anhui Bengming Expressway Development Co.
Current assets	7,106,980.19	165,804,636.65	21,977,667.71	68,365,332.61
Non-current assets	215,481,212.99	661,862,576.64	242,567,002.20	762,638,686.89
Total assets	222,588,193.18	827,667,213.29	264,544,669.91	831,004,019.50
Current liabilities	4,644,932.39	148,728,953.77	1,204,460.18	373,657,555.30
Non-current liabilities		414,760,000.00		120,880,000.00
Total liabilities	4,644,932.39	563,488,953.77	1,204,460.18	494,537,555.30
Net Assets	217,943,260.79	264,178,259.52	263,340,209.73	336,466,464.20
Share of net assets based on percentage of shareholding	49,197,204.03	105,671,303.81	59,444,742.81	134,586,585.68
Adjustments				
Carrying value of equity investments in joint ventures	49,483,373.00	105,671,303.85	59,444,742.31	134,586,585.71
Fair value of equity investments for which publicly quoted prices exist				
Operating income		483,531,948.08		620,853,120.53
Net profit	46,228,374.37	220,111,795.32	-45,835,736.00	310,928,936.86
Other comprehensive income	5,650,476.69		19,687,209.72	

Items	2020		2019	
	Anhui Anyi Datong Equity Investment Partnership	Anhui Bengming Expressway Development Co.	Anhui Anyi Datong Equity Investment Partnership	Anhui Bengming Expressway Development Co.
Total comprehensive income	51,878,851.06	220,111,795.32	-26,148,526.28	310,928,936.86
Dividends received by the enterprise from joint ventures during the period		116,960,000.00		90,920,000.00

(Continued)

Items	2020		2019	
	Anhui Anyitong Equity Investment Management Co.	Wanjiang Financial Leasing Co.	Anhui Anyitong Equity Investment Management Co.	Wanjiang Financial Leasing Co.
Current assets	9,858,107.73	16,010,202,531.43	9,725,847.83	21,289,004,560.77
Non-current assets	2,458,704.92	755,447,007.01	3,541,050.06	654,067,610.26
Total assets	12,316,812.65	16,765,649,538.44	13,266,897.89	21,943,072,171.03
Current liabilities	207,636.11	7,401,007,251.70	139,830.85	10,966,285,789.13
Non-current liabilities		2,774,184,571.70		4,501,013,662.28
Total liabilities	207,636.11	10,175,191,823.40	139,830.85	15,467,299,451.41
Net Assets	12,109,176.54	6,590,457,715.04	13,127,067.04	6,475,772,719.62
Share of net assets based on percentage of shareholding	3,027,294.14	2,363,931,277.81	3,281,766.76	2,322,833,771.44
Adjustments				
Carrying value of equity investments in joint ventures	3,019,036.50	2,317,115,525.14	3,281,766.76	2,801,846,195.20
Fair value of equity investments for which publicly quoted prices exist				
Operating income	1,547,169.76	1,318,632,096.58	3,386,792.36	1,580,195,258.75
Net profit	349,078.95	134,767,357.96	1,351,102.20	337,544,080.58
Other comprehensive income				
Total comprehensive income	349,078.95	134,767,357.96	1,351,102.20	337,544,080.58
Dividends received by the enterprise from joint ventures during the period	350,000.00		900,000.00	

(Continued)

Items	2020		2019	
	Chuzhou 21st Century Bilingual Primary School	Anhui Guoxing Passenger Ticket Networking Service Co.	Chuzhou 21st Century Bilingual Primary School	Anhui Guoxing Passenger Ticket Networking Service Co.
Current assets	1,546,042.70	3,083,937.91	1,394,143.32	4,458,024.32
Non-current assets	1,087,878.15	154,486.99	1,464,118.15	349,640.62
Total assets	2,633,920.85	3,238,424.90	2,858,261.47	4,807,664.94
Current liabilities	541,354.92	2,127,048.90	584,889.15	3,477,356.64
Non-current liabilities				
Total liabilities	541,354.92	2,127,048.90	584,889.15	3,477,356.64
Net Assets	2,092,565.93	1,111,376.00	2,273,372.32	1,330,308.30
Share of net assets based on percentage of shareholding	1,025,357.31	222,275.20	1,113,952.44	266,061.66
Adjustments				
Carrying value of equity investments in joint ventures	1,249,040.58	222,275.20	1,345,769.71	273,429.05
Fair value of equity investments for which publicly quoted prices exist				
Operating income	5,507,682.36	1,899,106.50	4,888,338.60	1,539,254.32
Net profit	1,002,593.61	-218,932.30	-625,026.28	298,038.02
Other comprehensive income				
Total comprehensive income	1,002,593.61	-218,932.30	-625,026.28	298,038.02
Dividends received by the enterprise from joint ventures during the period	588,000.00		490,000.00	

(Continued)

Items	2020		2019	
	Huainan Hami Culture Industr Development Co.	Taixing Anlian Real Estate Co.	Huainan Hami Culture Industr Development Co.	Taixing Anlian Real Estate Co.
Current assets	449,043,196.85		441,238,225.40	295,754,644.63
Non-current assets	119,302.91		160,101.99	3,332,570.24
Total assets	449,162,499.76		441,398,327.39	299,087,214.87
Current liabilities	391,125,157.23		335,106,916.50	266,447,864.94

Items	2020		2019	
	Huainan Hami Culture Industr Development Co.	Taixing Anlian Real Estate Co.	Huainan Hami Culture Industry Development Co.	Taixing Anlian Real Estate Co.
Non-current liabilities				28,970,000.00
Total liabilities	391,125,157.23		335,106,916.50	295,417,864.94
Net Assets	58,037,342.53		106,291,410.89	3,669,349.93
Share of net assets based on percentage of shareholding	28,084,270.05		51,434,413.73	1,467,739.97
Adjustments			-2,986,694.41	
Carrying value of equity investments in joint ventures	19,532,308.15		48,447,719.32	
Fair value of equity investments for which publicly quoted prices exist				
Operating income				205,503,578.67
Net profit	-9,557,422.89		-7,948,538.23	9,886,691.94
Other comprehensive income				
Total comprehensive income	-9,557,422.89		-7,948,538.23	9,886,691.94
Dividends received by the enterprise from joint ventures during the period				

(Continued)

Items	2020		2019	
	Anhui Comprehensive Traffic Research Institute Co.	Anhui High Speed Broadcasting Co.	Anhui Comprehensive Traffic Research Institute Co.	Anhui High Speed Broadcasting Co.
Current assets	222,695,123.61	8,174,604.09	205,055,629.76	6,006,216.60
Non-current assets	166,623,291.17	9,630,482.76	103,595,666.4	639,822.69
Total assets	389,318,414.78	17,805,086.85	308,651,296.16	6,646,039.29
Current liabilities	104,949,719.59	2,046,240.03	104,816,986.86	802,035.05
Non-current liabilities	27,931,116.50			
Total liabilities	132,880,836.09	2,046,240.03	104,816,986.86	802,035.05
Net Assets	256,437,578.69	15,758,846.82	203,834,309.30	5,844,004.24
Share of net assets based on percentage of shareholding	56,934,417.92	7,721,834.94	40,766,861.86	2,863,562.00

Items	2020		2019	
	Anhui Comprehensive Traffic Research Institute Co.	Anhui High Speed Broadcasting Co.	Anhui Comprehensive Traffic Research Institute Co.	Anhui High Speed Broadcasting Co.
Adjustments				
Carrying value of equity investments in joint ventures	56,934,417.92	7,677,293.94	55,554,373.52	7,493,915.08
Fair value of equity investments for which publicly quoted prices exist				
Operating income	139,150,671.89	8,855,126.55	127,367,014.50	5,413,068.25
Net profit	11,251,618.07	374,242.58	10,095,246.02	-821,865.15
Other comprehensive income				
Total comprehensive income	11,251,618.07	374,242.58	10,095,246.02	-821,865.15
Dividends received by the enterprise from joint ventures during the period	840,600.00			

Note 15 Other equity instrument investment

1.Investment in other equity instruments

Items	Closing balance	Opening balance
Anhui Xin'an Financial Group Co., Ltd	75,308,679.31	75,308,679.31
Anhui Xin'an Capital Operation Management Co., Ltd	25,222,208.79	25,222,208.79
Total	100,530,888.10	100,530,888.10

2. Important investments in other equity instruments at the end of the period

Items	Investment costs	Amount of accumulated changes in fair value included in other comprehensive income	Fair value on closing balance
Anhui Xin'an Financial Group Co., Ltd	125,827,800.00	-50,519,135.26	75,308,664.74
Anhui Xin'an Capital Operation Management Co., Ltd	74,172,200.00	-48,949,976.64	25,222,223.36
Total	200,000,000.00	-99,469,111.90	100,530,888.10

Note 16 Other Non-Current Financial Assets

Items	Closiong Fair-Value	Opening Fair-value
Designated as financial assets through profit and loss	390,029.23	141,052.77

Items	Closiong Fair-Value	Opening Fair-value
Total	390,029.23	141,052.77

Note 17 Investment properties

1. Investment properties measured on the basis of cost

Items	Opening Balance	Increase	Decrease	Closing balance
Ⅰ.Total Costs	4,047,556,167.84	251,272,203.66	77,389,898.86	4,221,438,472.64
Including:1. Buildings and constructions	3,949,699,061.33	247,510,253.25	77,389,898.86	4,119,819,415.72
2.Parking-use right	95,889,751.68	3,761,950.41		99,651,702.09
3.Land-use right	1,967,354.83			1,967,354.83
Ⅱ. Accumulated depreciation and amortization total	501,115,940.10	128,711,354.20	30,541,475.88	599,285,818.42
Including:1. Buildings and constructions	488,828,952.27	125,293,134.63	30,541,475.88	583,580,611.02
2. Parking-use right	12,008,279.19	3,369,035.69		15,377,314.88
3. Land-use right	278,708.64	49,183.88		327,892.52
ⅢI.Book value of investment real estate total	3,546,440,227.74			3,622,152,654.22
Including:1. Buildings and constructions	3,460,870,109.06			3,536,238,804.70
2. Parking-use right	83,881,472.49			84,274,387.21
3. Land-use right	1,688,646.19			1,639,462.31
Ⅳ. Accumulated amount of impairment provisions for investment real estate total				
Including:1. Buildings and constructions				
2. Parking-use right				
3. Land-use right				
Ⅴ. Book value of investment property total	3,546,440,227.74			3,622,152,654.22
Including:1. Buildings and constructions	3,460,870,109.06			3,536,238,804.70
2.Parking-use right	83,881,472.49			84,274,387.21
3. Land-use right	1,688,646.19			1,639,462.31

Note18 Fixed assets

Items	Closing balance	Opening balance
Fixed assets	176,231,848,608.36	180,588,445,775.79
Fixed assets pending for disposal	249,153.85	2,333,792.46
Total	176,232,097,762.21	180,590,779,568.25

1.Fixed assets

Items	Opening balance	Increase	Decrease	Closing Balance
I. Total initial cost:	231,624,176,286.58	3,939,760,346.91	788,955,922.63	234,774,980,710.86
Including: highway & structures	208,159,542,456.40	2,124,672,195.21	77,048,247.59	210,207,166,404.02
Buildings and constructions	8,338,821,160.79	977,136,168.50	168,906,407.64	9,147,050,921.65
Safety facilities	5,238,822,141.91	64,060,685.72	41,911,340.92	5,260,971,486.71
Communication facilities	1,290,507,841.54	18,448,074.71	27,591,977.52	1,281,363,938.73
Monitoring facilities	754,325,023.17	25,971,166.92	16,236,144.89	764,060,045.20
Tolling facilities	2,756,673,095.67	161,825,733.94	25,294,340.88	2,893,204,488.73
Power supply & distribution and lighting facilities	1,142,750,856.08	31,529,638.37	6,767,676.41	1,167,512,818.04
Machinery equipment	718,954,061.84	208,188,389.03	24,693,502.47	902,448,948.40
Vehicles	2,181,099,477.40	271,582,030.18	329,811,004.50	2,122,870,503.08
Others	1,042,680,171.78	56,346,264.33	70,695,279.81	1,028,331,156.30
II.Total accumulated depreciation	51,035,730,510.79	8,138,767,376.01	631,365,784.30	58,543,132,102.50
Including: highway & structures	38,467,997,513.93	6,285,085,106.32	49,471,803.78	44,703,610,816.47
Buildings and constructions	2,337,964,836.50	458,857,341.92	73,124,376.82	2,723,697,801.60
Safety facilities	3,530,154,627.85	359,568,764.25	40,435,828.39	3,849,287,563.71
Communication facilities	991,182,629.83	81,306,250.59	13,833,477.72	1,058,655,402.70
Monitoring facilities	597,028,222.47	62,566,538.79	15,749,060.59	643,845,700.67
Tolling facilities	1,389,873,874.50	436,161,793.95	22,665,892.98	1,803,369,775.47
Power supply & distribution and lighting facilities	1,043,497,309.18	30,315,473.36	6,564,646.20	1,067,248,136.34
Machinery equipment	439,899,319.92	94,062,427.17	21,110,487.78	512,851,259.31
Vehicles	1,500,365,545.33	245,153,414.15	323,488,798.58	1,422,030,160.90
Others	737,766,631.28	85,690,265.51	64,921,411.46	758,535,485.33
III.Total net book value	180,588,445,775.79			176,231,848,608.36
Including: highway & structures	169,691,544,942.47			165,503,555,587.55
Buildings and constructions	6,000,856,324.29			6,423,353,120.05
Safety facilities	1,708,667,514.06			1,411,683,923.00
Communication facilities	299,325,211.71			222,708,536.03
Monitoring facilities	157,296,800.70			120,214,344.53
Tolling facilities	1,366,799,221.17			1,089,834,713.26

Items	Opening balance	Increase	Decrease	Closing Balance
Power supply & distribution and lighting facilities	99,253,546.90			100,264,681.70
Machinery equipment	279,054,741.92			389,597,689.09
Vehicles	680,733,932.07			700,840,342.18
Others	304,913,540.50			269,795,670.97
IV. Provision for impairment				
Including: highway & structures				
Buildings and constructions				
Safety facilities				
Communication facilities				
Monitoring facilities				
Tolling facilities				
Power supply & distribution and lighting facilities				
Machinery equipment				
Vehicles				
Others				
V.Total carrying amount	180,588,445,775.79			176,231,848,608.36
Including: highway & structures	169,691,544,942.47			165,503,555,587.55
Buildings and constructions	6,000,856,324.29			6,423,353,120.05
Safety facilities	1,708,667,514.06			1,411,683,923.00
Communication facilities	299,325,211.71			222,708,536.03
Monitoring facilities	157,296,800.70			120,214,344.53
Tolling facilities	1,366,799,221.17			1,089,834,713.26
Power supply & distribution and lighting facilities	99,253,546.90			100,264,681.70
Machinery equipment	279,054,741.92			389,597,689.09
Vehicles	680,733,932.07			700,840,342.18
Others	304,913,540.50			269,795,670.97

2.The fixed assets for which the title certificate has not been obtained shall be disclosed

Items	Book value	Acc Dep	Impairment Provision	Book Value	Reasons for not completing the title certificate
Chuzhou Chengnan Passenger Terminal	33,516,727.07			33,516,727.07	In progress
Logistics # 2 Warehousing	2,529,684.66			2,529,684.66	Non-payment of land deed tax
Logistics # 1 Warehousing	2,798,199.88			2,798,199.88	Non-payment of land deed tax
Logistics information comprehensive building	1,892,767.98			1,892,767.98	Non-payment of land deed tax
Driving school comprehensive building	2,050,953.63			2,050,953.63	Non-payment of land deed tax
Quanjiao bus station	779,052.57			779,052.57	For demolition
Quanjiao traffic mall	763,266.84			763,266.84	temporary structures
Dingyuan driving school comprehensive building	1,296,975.75			1,296,975.75	Incomplete planning procedures
Fengyang west Coach Station	30,861,040.41			30,861,040.41	In progress
Mingguang bus station	1,166,564.97			1,166,564.97	Non-payment of land deed tax
Dingyuan new station	43,688,176.78			43,688,176.78	The completion settlement audit has not been carried out
Driving school comprehensive building (Driver training school driving school comprehensive building)	4,270,883.17			4,270,883.17	The relevant formalities have not been completed yet
Hexian new station and waiting room facilities (Hexian new station and waiting room facilities for the Fifth Motor Team)	2,385,375.63			2,385,375.63	The relevant formalities have not been completed yet
West commercial and residential building with front room (Fifth Automobile Fleet West commercial and residential building with front room)	1,079,941.00			1,079,941.00	The relevant formalities have not been completed yet
Zhe Gao station house	659,841.56			659,841.56	The relevant formalities have not been completed yet
Chaohu North Station repair workshop	422,876.17			422,876.17	The relevant formalities have not been completed yet
East commercial and residential building facade	405,940.59			405,940.59	The relevant formalities have not been completed yet
Xinxi commercial and residential building facade	169,645.90			169,645.90	The relevant formalities have not been completed yet
He county new station duty room and ancillary works	131,064.50			131,064.50	The relevant formalities have not been completed yet

Items	Book value	Acc Dep	Impairment Provision	Book Value	Reasons for not completing the title certificate
The west port station	128,387.98			128,387.98	The relevant formalities have not been completed yet
Office & Material Store (Lujiang Auto Repair Plant Office & Material Store)	83,071.12			83,071.12	The relevant formalities have not been completed yet
Zhe Gao facade house	48,650.79			48,650.79	The relevant formalities have not been completed yet
Tongling Railway Station South Office Building	5,083,659.16			5,083,659.16	The relevant formalities have not been completed yet

3.General information of disposal of fixed assets

Items	Closing book value	Opening book value	Reason for disposal
Pending demolition compensation		114,329.22	Be demolished by the government
Buildings and constructions	38,381.20	2,038,057.93	Be demolished by the government
Mechanical equipment	27,497.10	37,127.10	Has been scrapped and cannot be used
Toll facilities	3,225.00	3,225.00	Has been scrapped and cannot be used
Power supply & distribution and lighting facilities	55,859.21	55,859.21	Has been scrapped and cannot be used
Vehicles	34,395.66	53,492.68	Has been scrapped and cannot be used
Office equipment	3,012.30	30,734.86	Reach the retirement deadline and cannot be used
Others	86,783.38	966.46	Has been scrapped and cannot be used
Total	249,153.85	2,333,792.46	

Note 19 Construction in progress

Items	Closing balance			Opening Balance		
	Book value	Provisi on for impairment	Carrying amount	Book value	Provisi on for impairment	Carrying amount
Yiiehuang Expressway	4,467,044,068.55		4,467,044,068.55	2,102,293,024.36		2,102,293,024.36
Chiqi Expressway	4,186,633,681.99		4,186,633,681.99	1,392,221,218.64		1,392,221,218.64
Wuhuang Expressway	4,827,186,156.31		4,827,186,156.31	1,370,393,787.79		1,370,393,787.79
Hezong Expressway	2,595,418,552.03		2,595,418,552.03	1,300,795,283.44		1,300,795,283.44
Chutian Expressway	1,615,984,575.56		1,615,984,575.56	497,990,722.14		497,990,722.14
Gubeng Expressway	979,638,660.56		979,638,660.56	179,977,869.38		179,977,869.38
G40 Heluye Expressway Hefei to Dagudian	793,023,320.13		793,023,320.13	35,751,565.86		35,751,565.86

Items	Closing balance			Opening Balance		
	Book value	Provisi on for impairment	Carrying amount	Book value	Provisi on for impairment	Carrying amount
Station Reconstruction and Expansion Project						
G5011 Wuhe Expressway Longxi interchange to Lintou Station Reconstruction and Expansion Project	629,770,265.02		629,770,265.02	17,641,150.50		17,641,150.50
Shouying section of Hefei - Zhoukou Expressway	284,790,116.88		284,790,116.88			
Wuhu East Entrance Toll	154,106,480.43		154,106,480.43	119,214,569.30		119,214,569.30
Research And Development Base	115,630,598.44		115,630,598.44			
Ningan Expressway Project	111,296,919.38		111,296,919.38			
Jiang-Huai Canal Project (Jianghuai Canal Bridge) reconstruction project	107,162,619.83		107,162,619.83			
Industrial plant in Chizhou	93,782,500.67		93,782,500.67			
Taiping Lake Comprehensive Service Area	75,407,384.58		75,407,384.58	60,289,468.09		60,289,468.09
Reconstruction of Huaihe River Bridge for the River Diversion and Huaihuai Project	69,769,264.12		69,769,264.12			
Logistics Base Construction	53,621,464.08		53,621,464.08	50,479,779.13		50,479,779.13
Susong interchange relocation project	48,467,389.53		48,467,389.53			
Hefei Management Office Electromechanical System Optimization and Improvement Project	42,538,527.25		42,538,527.25			

Items	Closing balance			Opening Balance		
	Book value	Provisi on for impairment	Carrying amount	Book value	Provisi on for impairment	Carrying amount
G236 Baiyang Slope to Railway Station Reconstruction Project (Tollgate Project)	38,382,706.08		38,382,706.08			
Ning xuanhang electric system optimization and improvement project	34,827,178.73		34,827,178.73			
Xuming Expressway Reserve Project	33,711,620.69		33,711,620.69	33,354,477.90		33,354,477.90
Station Reconstruction and Expansion Project	31,148,351.74		31,148,351.74	120,967,567.22		120,967,567.22
Digital Reform of Monitoring and Control (Forth Period)	27,975,873.99		27,975,873.99	27,975,873.99		27,975,873.99
XiaoCounty East Road Crossing Expansion Project	27,738,893.86		27,738,893.86			
Xiao County Management Office Electromechanical System Optimization and Improvement Project	24,065,345.23		24,065,345.23			
High boundary management office electrical system optimization and improvement project	22,465,697.37		22,465,697.37			
Weight Equipment Purchase Project	19,620,635.00		19,620,635.00	19,620,635.00		19,620,635.00
Hechaowu Chang'an (Second Dam) Interchange Project	14,713,969.23		14,713,969.23	14,713,969.23		14,713,969.23
Chuzhou West Loop Expressway				790,905,432.42		790,905,432.42

Items	Closing balance			Opening Balance		
	Book value	Provisi on for impairment	Carrying amount	Book value	Provisi on for impairment	Carrying amount
Housing Construction Project				79,054,970.05		79,054,970.05
Hewu Expressway Reconstruction and Expansion Project and Reserve Project				48,947,309.48		48,947,309.48
Benghuai Expressway Reserve Project				23,862,263.19		23,862,263.19
Heluye Expressway (Luye Section) Reserve Project				15,631,180.18		15,631,180.18
Wangdong Changjiang River Highway Bridge Reserve Project				12,697,144.09		12,697,144.09
Highway Bridge Reserve Project				12,510,942.57		12,510,942.57
Laoji Interchange				11,795,213.35		11,795,213.35
Electrical and mechanical system renovation				10,465,049.42		10,465,049.42
Jihuang Expressway Reserve Project				5,739,911.43		5,739,911.43
Sixu Expressway Suzhou				2,847,491.60		2,847,491.60
Other minor works	252,789,062.97		252,789,062.97	302,516,310.42		302,516,310.42
Total	21,778,711,880.23		21,778,711,880.23	8,660,654,180.17		8,660,654,180.17

1. Changes in significant construction in progress

Projects	Budget (Ten thousand) yuan	Opening balance	Increase during the reporting period	Transfer to fixed asset	Decrease during the reporting period	Closing balance
Yuehuang Expressway	2,383,255.54	2,102,293,024.36	2,364,751,044.19			4,467,044,068.55
Jiqi Expressway	1,188,118.64	1,392,221,218.64	2,794,412,463.35			4,186,633,681.99
Wuhuang Expressway	1,186,471.34	1,370,393,787.79	3,456,792,368.52			4,827,186,156.31
Hezong Expressway	1,045,940.94	1,300,896,805.72	1,294,521,746.31			2,595,418,552.03

Projects	Budget (Ten thousand) yuan	Opening balance	Increase during the reporting period	Transfer to fixed asset	Decrease during the reporting period	Closing balance
Chuzhou West Ring Expressway	234,737.40	790,905,432.42	471,866,057.87	1,262,771,490.29		
Chutian Expressway	532,405.30	497,990,722.14	1,117,993,853.42			1,615,984,575.56
Gubeng Expressway	286,881.84	179,977,869.38	799,660,791.18			979,638,660.56
Total	6,857,811.00	7,634,678,860.45	12,299,998,324.84	1,262,771,490.29		18,671,905,695.00

(Continued)

Projects	Proportion of project input to budgets (%)	Rate of progress (%)	Cumulative amount of interest capitalisation	Including: interest capitalization during the reporting period	Interest capitalisation rate during the reporting period (%)	Source of funds
Yuehuang Expressway	18.74	34.99	2,451,958.33	2,451,958.33	4.15	Self-raised fund and loan
Jiqi Expressway	35.24	46.21	106,065,390.00	87,463,662.22	4.32	Self-raised fund and loan
Wuhuang Expressway	40.69	40.24	117,881,840.07	85,381,428.45	4.42	Self-raised fund and loan
Hezong Expressway	24.81	28.15	16,071,336.52	10,845,486.53	4.35	Self-raised fund and loan
Chuzhou West Ring Expressway	53.80	68.22	25,048,876.72	21,214,180.53	4.64	Self-raised fund and loan
Chutian Expressway	30.35	31.13	32,028,287.51	31,832,777.51	4.74	Self-raised fund and loan
Gubeng Expressway	34.15	38.06	15,929,180.82	15,929,180.82	4.86	Self-raised fund and loan
Total			315,476,869.97	255,118,674.39		

Note 20 Intangible assets

1.Classfication of Intangible assets

Items	Opening balance	Increase	Decrease	Closiong balance
I. Original Cost Total	1,039,360,455.66	93,876,424.03	97,430,209.71	1,035,806,669.98
Including: software license	139,440,044.05	58,599,218.19	1,862,754.34	196,176,507.90

Items	Opening balance	Increase	Decrease	Closiong balance
Land-use right	752,288,782.99	4,343,991.00	53,647,827.93	702,984,946.06
Concession	147,631,628.62	30,906,482.17	41,919,627.44	136,618,483.35
Others		26,732.67		26,732.67
II. Accumulated amortization total	295,220,526.61	112,028,376.48	39,162,861.01	368,086,042.08
Including: software license	115,954,232.26	37,460,243.86	1,762,117.93	151,652,358.19
Land-use right	167,914,658.48	15,873,734.95	15,525,743.08	168,262,650.35
Concession	11,351,635.87	58,694,130.34	21,875,000.00	48,170,766.21
Others		267.33		267.33
III. Amount of impairment provisions for intangible assets total				
Including: software license				
Land-use right				
Concession				
Others				
IV. Book Value total	744,139,929.05			667,720,627.90
Including: software license	23,485,811.79			44,524,149.71
Land-use right	584,374,124.51			534,722,295.71
Concession	136,279,992.75			88,447,717.14
Others				26,465.34

Note 21 Development expenditure

Items	Opening balance	Increase		Decrease			Closing balance
		Internal development expenditure	Others	recognized as intangible assets	Transfer to current profit and loss	Others	
Expensed expenditure		4,399,436.49			4,399,436.49		
Epidemic prevention and control system		229,385.20		229,385.20			
Metered payment system		175,112.02		175,112.02			
Contract Management System		136,806.81		136,806.81			
Project progress management system		86,782.24		86,782.24			
Engineering Change Management System		135,739.86		135,739.86			
AAS II		68,374.81		68,374.81			

Items	Opening balance	Increase		Decrease			Closing balance
		Internal development expenditure	Others	recognized as intangible assets	Transfer to current profit and loss	Others	
Wage management system for migrant workers		52,928.80		52,928.80			
Highway information board management system		484,167.92					484,167.92
Highway optical fiber management system		118,120.66					118,120.66
Highway video monitor system		1,009,448.77					1,009,448.77
Total		6,896,303.58		885,129.74	4,399,436.49		1,611,737.35

Note 22 Goodwill

1. Book value of goodwill

Investees or matters that goodwill arising from	Opening balance	Increase during the reporting period	Decrease during the reporting period	Closing balance
Laizhou Beihai Real Estate Development Co. Ltd	8,335,366.22			8,335,366.22
Anhui Anqing Yangtze River Highway Bridge Co. Ltd	19,691,437.28		1,406,531.27	18,284,906.01
Anhui Allianz Expressway Co. Ltd	13,745,166.97		2,114,641.06	11,630,525.91
Anhui Feiyan Express Passenger Transport Co. Ltd	437,328.20			437,328.20
Anhui Provincial Communications Group Tongling Motor Transportation Co. Ltd	33,278,382.66			33,278,382.66
Total	75,487,681.33		3,521,172.33	71,966,509.00

Note: For the goodwill that cannot be accurately allocated to each asset group, the group shall amortize according to the proportion of the carried forward sales area to the salable area of the project company for the real estate development enterprise; for the highway operation enterprise, the group shall amortize according to the straight-line method according to the charging period approved by the state.The decrease in goodwill in the current year is the amortization of recognized goodwill in accordance with established policies.

2.Provision for impairment

Investees or matters that goodwill arising from	Opening balance	Increase during the reporting period	Decrease during the reporting period	Closing balance
Laizhou Beihai Real Estate Development Co. Ltd	8,335,366.22			8,335,366.22
Anhui Provincial Communications Group Tongling Motor Transportation Co. Ltd	33,278,382.66			33,278,382.66
Total	41,613,748.88			41,613,748.88

Note 23 Long-term deferred expenses

Items	Opening balance	Increase during the reporting period	Amortisation during the reporting period	Other decrease during the reporting period	Closing balance	Reason for other decrease
Engineering dimension change	55,444,828.18		19,142,581.88		36,302,246.30	
Double tank renovation	94,790,778.34	9,191,589.15	13,867,247.18		90,115,120.31	
Vehicle purchase Allowance	31,923,204.46	4,212,737.72	7,930,866.00		28,205,076.18	
Decoration reconstruction	13,142,261.65	45,157,609.30	7,182,074.61		51,117,796.34	
Fengle station reconstruction	10,495,786.66	647,115.66	807,368.16		10,335,534.16	
Rent	2,138,846.86	1,054,971.96	565,792.79		2,628,026.03	
Travel route compensation	387,249.66				387,249.66	
Monitor device	1,072,532.46		357,510.84		715,021.62	
Billboard in greenbelt	1,057,576.94		303,812.04		753,764.90	
Town-country public traffic integration transformation and acquisition compensation		18,381,834.00	1,531,816.00		16,850,018.00	
Others	2,293,733.30	20,109,229.94	6,553,149.98		15,849,813.26	
Total	212,746,798.51	98,755,087.73	58,242,219.48		253,259,666.76	

Note 24 Deferred tax assets and deferred tax liabilities

1. Deferred tax assets and deferred tax liabilities are not presented with the net amount after offset

Items	Opening balance		Closing balance	
	Deferred tax assets and liabilities	Deductible/taxable temporary differences	Deferred tax assets and liabilities	Deductible/taxable temporary differences
I.Deferred tax assets	1,213,072,913.03	5,105,808,862.25	1,228,735,180.94	5,128,376,072.75
Assets impairment provision (including credit impairment)	333,325,144.34	1,588,605,410.26	336,946,430.10	1,561,943,303.94
Deductible loss	42,501,883.60	170,007,534.36	15,944,058.67	63,776,234.68

Items	Opening balance		Closing balance	
	Deferred tax assets and liabilities	Deductible/taxable temporary differences	Deferred tax assets and liabilities	Deductible/taxable temporary differences
Unrealized intragroup profit (entrusted loan)	107,137,998.59	428,551,994.36	96,375,632.70	385,502,530.81
Accrued or estimated expenses	222,834,370.41	891,337,481.60	214,177,725.71	856,710,902.81
Investment property			16,192,031.66	64,768,126.64
Fixed assets	40,735.17	271,567.82	1,937,019.12	7,748,076.50
Advance form customer-presale house fund	361,489,255.16	1,445,957,020.69	409,649,853.27	1,638,599,413.01
Governmental grants	5,070,203.21	20,280,812.84	14,126,157.13	56,504,628.54
Employee benefit	7,798,939.43	31,119,830.97	8,520,577.70	36,373,947.89
Taxatble interest difference	49,816,306.70	199,265,226.80	53,208,429.54	212,833,718.15
Other current liabilities - highway repairment costs	7,009,136.64	28,036,546.56	8,347,661.83	33,390,647.32
Special reserve - safety expenses	12,524,999.55	47,086,126.68	12,524,999.55	47,086,126.67
Difference in fair value and tax base of other equity instrument investments	24,355,995.31	97,423,981.26	24,867,277.98	99,469,111.90
Advertising and publicity expense			2,675,653.42	10,702,613.65
Deferred income	9,365,851.74	37,463,406.97	9,997,235.06	39,988,940.24
others	29,802,093.18	120,401,921.08	3,244,437.50	12,977,750.00
II..Deferred tax liabilities	2,405,921,808.38	9,627,933,222.26	2,026,862,082.05	8,111,546,091.09
Change in fair value of available-for-sale financial assets recognized in other comprehensive incom	718,103,819.67	2,872,415,278.63	367,236,128.82	1,468,944,515.29
Pre-paid taxes (land appreciation tax and surcharge)	45,884,352.99	183,526,871.84	42,680,207.85	170,720,831.30
Depreciation of fixed assets (difference between traffic flow method and straight line method)）	1,541,449,905.76	6,165,799,622.98	1,462,005,174.65	5,849,601,658.60
Difference between fair value and book value of assets for business combination not under common control(inventory)	13,832,328.89	55,329,315.56	10,049,796.51	40,199,186.04
Expressway net value difference	28,164,372.69	112,657,490.84	30,826,618.01	123,306,472.02
Others	58,487,028.38	238,204,642.41	114,064,156.21	458,773,427.84

Note 25 Other non-current assets

Items	Closing Balance	Opening balance
circulation right for equity separation	165,836,293.57	165,836,293.57
Lease income taxes paid in a lump sum	65,154,750.06	70,353,690.15
Project payment	3,088,787,250.88	4,000,000.00
Shijie Dong interchange construction project	58,512,003.45	58,512,003.45

Items	Closing Balance	Opening balance
Prepayment of equity investment	1,003,728,000.00	
Deductible/Certified Input Tax	149,026,655.12	23,943,933.79
Others	68,225,775.58	24,961,838.72
Total	4,599,270,728.66	347,607,759.68

Note 26 Short-term borrowing

Short-term loan classification

Items	Closing balance	Opening balance
Pledge loans	50,059,812.50	450,000,000.00
Mortgage loans	30,880,000.00	35,880,000.00
Guarantee loans	811,000,000.00	462,000,000.00
Credit loans	3,529,223,888.89	2,570,000,000.00
Total	4,421,163,701.39	3,517,880,000.00

Note 27 Notes payable

Items	Closing balance	Opening balance
Trade acceptance		
bank acceptance	146,269,814.98	21,739,894.10
Total	146,269,814.98	21,739,894.10

Note 28 Accounts payable

Aging	Closing balance	Opening balance
Within one year (including one year)	8,776,487,060.11	6,379,093,362.57
1-2 years（including 2 years）	2,114,484,898.41	2,981,950,580.75
2-3years（including 3years）	1,323,559,999.50	895,857,693.15
Over 3years	1,554,068,213.03	1,330,874,708.86
Total	13,768,600,171.05	11,587,776,345.33

Significant accounts payable aged over 1 year:

Items	Closing balance	Reason for no repayment
Manager Department of CCCC Hezong Expressway Project	224,114,334.76	Construction money has not yet been settled
Anhui Wantong Technology Co., Ltd.	101,308,914.23	The settlement period has not reached
Wuhu headquarters	81,524,141.94	Settlement conditions are not yet available
Shenzhen Chenggu Technology Co., Ltd	72,339,948.00	No settlement

Items	Closing balance	Reason for no repayment
China Construction eighth Engineering Bureau Co. Ltd	68,247,142.85	Construction money has not yet been settled
China Construction Fifth Engineering Bureau Co. Ltd	62,720,005.04	Settlement conditions are not yet available
Yuexi County Headquarters	50,114,921.75	Settlement conditions are not yet available
CCCC Third Highway Engineering Co. Ltd	30,798,003.00	unexpired retainage
Deshang Expressway Construction Engineering Headquarters, Feixi County	25,000,000.00	Construction money has not yet been settled
Total	716,167,411.57	

Note 29 Advances receiveable

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	7,733,174,768.57	7,632,925,332.11
More than 1 years	3,727,996,935.45	2,441,883,902.43
Total	11,461,171,704.02	10,074,809,234.54

Significant advances received with age of over one year:

Items	Closing balance	Reason for no repayment
Advance payment of housing	3,108,116,811.54	House not delivered
Anhui Jinjiaoyang Investment Management Co. Ltd	16,357,221.70	Advance rental recognised on schedule
Petro China Co., Ltd-Anhui Sales Branch	11,611,428.69	Advance rental recognised on schedule
Tongling Hengduo Energy Investment Co., Ltd.	11,000,000.00	Land rental
Total	3,147,085,461.93	

Note 30 Contract liability

Items	Closing balance	Opening balance
Advances received on contract	212,459,237.88	186,787,807.04
Total	212,459,237.88	186,787,807.04

Note 31 Employee Benefits Payable

1. Details of employee benefits payable

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
I.Short-term employee benefits	195,970,160.05	3,310,150,701.72	3,314,360,839.68	191,760,022.09
ILPost-employment benefits-defined contribution plans	30,614,369.54	187,682,882.23	188,255,712.23	30,041,539.54
IILTermination benefits	9,000,000.00	7,554,214.97	16,554,214.97	

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
IV.Other benefits due within one year				
V.Others		196,540.66	196,540.66	
Total	235,584,529.59	3,505,584,339.58	3,519,367,307.54	221,801,561.63

2. Short-term employee benefits

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
Salaries, bonuses, allowances and subsidies	120,273,756.38	2,412,329,795.33	2,427,073,148.71	105,530,403.00
Employee benefits	7,294,983.61	172,601,597.48	173,723,687.97	6,172,893.12
Social insurance	406,285.00	113,756,749.10	110,582,762.12	3,580,271.98
Including:Health insurance	259,950.69	111,255,399.81	108,445,675.39	3,069,675.11
Injury insurance	137,996.43	1,852,173.64	1,743,234.56	246,935.51
Birth insurance	8,337.88	621,584.73	366,261.25	263,661.36
Others insurance		27,590.92	27,590.92	
Housing accumulation fund	348,837.75	220,326,899.19	220,330,850.57	344,886.37
Labour union funds and employee education funds	67,320,645.96	57,814,146.07	50,159,590.18	74,975,201.85
Short-term absence pay				
Short-term profit sharing plan				
Other short term salary	325,651.35	333,321,514.55	332,490,800.13	1,156,365.77
Total	195,970,160.05	3,310,150,701.72	3,314,360,839.68	191,760,022.09

3. Defined contribution plans

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
Basic endowment insurance	19,742,163.18	100,941,305.35	96,772,375.78	23,911,092.75
Unemployment insurance	3,385,248.87	2,788,519.24	2,607,162.81	3,566,605.30
Enterprise annuity	7,486,957.49	83,953,057.64	88,876,173.64	2,563,841.49
Total	30,614,369.54	187,682,882.23	188,255,712.23	30,041,539.54

Note 32 Taxes Payable

Items	31 December 2019	Accrued in the reporting period	Paid in the reporting period	31 December 2020
Value added tax (VAT)	146,997,916.59	1,163,361,406.21	1,130,765,493.53	179,593,829.27

Items	31 December 2019	Accrued in the reporting period	Paid in the reporting period	31 December 2020
Enterprise income tax	785,185,649.47	1,018,437,283.57	1,252,573,488.39	551,049,444.65
Urban maintenance and construction tax	7,062,435.23	63,741,889.21	62,190,294.21	8,614,030.23
Property tax	17,064,818.51	61,201,429.97	57,123,322.28	21,142,926.20
Land use tax	18,308,722.91	39,434,510.84	40,153,296.69	17,589,937.06
Individual income tax	19,066,322.69	41,201,329.60	31,803,276.75	28,464,375.54
Educational surcharge (Including local educational surcharge)	6,210,294.76	54,703,238.08	53,597,587.83	7,315,945.01
Other taxes	27,083,760.78	161,619,114.92	161,028,997.15	27,673,878.55
Total	1,026,979,920.94	2,603,700,202.40	2,789,235,756.83	841,444,366.51

Note 33 Other Payables

Items	31 December 2020	31 December 2019
Interest payable	636,552,002.09	739,304,655.38
Dividend payable	22,045,928.35	31,493,397.11
Other payables	3,723,856,944.42	2,856,784,928.82
Total	4,382,454,874.86	3,627,582,981.31

1.Interest payable

Items	31 December 2020	31 December 2019
Interest on long-term borrowings with installment interest payments and the repayment of the principal at maturity	232,509,142.64	133,112,142.13
Interest on corporate bonds	399,398,921.33	547,856,419.18
Interest on short-term borrowings	1,606,917.88	3,075,797.21
Interest on preference shares /perpetual capital securities classified as financial liabilities		49,726,027.40
Other interests	3,037,020.24	5,534,269.46
Total	636,552,002.09	739,304,655.38

2.Dividends Payable

Items	31 December 2020	31 December 2019	Reasons for non-payment over 1 year
Dividends on ordinary shares	21,906,598.35	31,354,067.11	No payment requested by shareholders
Others	139,330.00	139,330.00	
Total	22,045,928.35	31,493,397.11	

3.Other payables by nature

(1) Presentation of other payables by nature of payment

Items	31 December 2020	31 December 2019
Current payments	2,164,604,166.48	1,475,102,234.79
Construction	100,075,321.40	57,012,075.88
Security deposits	584,371,071.01	782,483,788.49
Collections	137,871,117.04	154,400,562.55
Loans from non-financial institutions	40,975,000.00	32,825,000.00
Contracted vehicles	14,672,262.16	23,390,312.65
Subsidy for the three services and one industry	16,084,900.00	
Outstanding accident payments, safety maintenance fund	70,268,811.27	43,554,350.32
Freight charges	44,490,223.42	38,201,798.70
Payable in lieu of equity	15,184,600.00	12,004,600.00
Withholding costs	1,136,370.76	1,229,122.17
Other	534,123,100.88	236,581,083.27
Total	3,723,856,944.42	2,856,784,928.82

(2)Significant other payables with aging over one year

Name	Balance at 31 December 2020	Reason
Anhui River Diversion and Huaihuai Engineering Co.	909,794,222.60	Outstanding payments on behalf of construction
Beijing Anhengda Investment Co.	150,300,000.00	Unliquidated obligations
Tongling City Transportation Investment Co.	38,754,400.00	Unsettled current account
Lujiang County People's Government	28,774,890.00	Outstanding amounts
Jiangsu Dezhong Industrial Development Co.	22,000,000.00	Outstanding amounts due to former shareholders
Anhui Tongling Motor Transport Corporation	7,526,884.37	Amount outstanding on conversion
Anhui Huishang Group Co.	7,512,390.56	Outstanding amounts due to original shareholders
Andal Automobile Factory	6,553,066.00	Payment for the purchase of buses for Wangjiang City Bus
Huaibei Rongtong Industrial Co.	5,000,000.00	Outstanding guarantee deposit
Nanjing Branch of Shuguang Holding Group Co.	4,900,000.00	Outstanding amount owed to the original shareholder
Total	1,181,115,853.53	

Note 34 Non-current liabilities due within one year

Items	31 December 2020	31 December 2019
Long-term loans due within 1 year	11,243,539,843.83	14,878,473,484.63
Bonds payable due within 1 year	4,804,085,671.92	4,100,000,000.00
Long-term payables due within 1 year	140,630,994.19	73,772,154.28
Other long-term liabilities due within 1 year		
Total	16,188,256,509.94	19,052,245,638.91

Note 35 Other current liabilities

Items	31 December 2020	31 December 2019
Short-term bonds payable	2,020,000,000.00	4,020,000,000.00
Construction differences	2,271,163,486.35	3,058,145,542.87
Road repair costs	35,218,891.42	39,113,774.62
Taxes to be transferred	20,380,495.06	13,254,362.39
Other		5,968,059.03
Total	4,346,762,872.83	7,136,481,738.91

Change in short-term bonds payable:

Bonds	Par value	Issue date	Bond duration	Amount issued
19 GAOSUDICHAN (SCP)	100.00	2019/4/18	270 days	300,000,000.00
19 WANJIAOKONG SCP002	100.00	2019/5/13	240 days	1,000,000,000.00
19 WANJIAOKONG SCP003	100.00	2019/5/22	270 days	1,000,000,000.00
19 GAOSUDICHAN (SCP)	100.00	2019/8/9	270 days	270,000,000.00
19 GAOSUDICHAN (SCP)	100.00	2019/9/20	270 days	300,000,000.00
19 GAOSUDICHAN (SCP)	100.00	2019/11/8	270 days	200,000,000.00
19 GAOSUDICHAN (CP)	100.00	2019/6/12	366 days	520,000,000.00
19 GAOSUDICHAN (CP)	100.00	2019/7/9	366 days	430,000,000.00
19 GAOSUDICHAN (SCP)	100.00	2020/1/6	270 days	300,000,000.00
19 GAOSUDICHAN (SCP)	100.00	2020/4/24	270 days	270,000,000.00
19 GAOSUDICHAN (SCP)	100.00	2020/5/21	270 days	520,000,000.00
19 GAOSUDICHAN (SCP)	100.00	2020/6/10	270 days	300,000,000.00
19 GAOSUDICHAN (SCP)	100.00	2020/6/22	270 days	410,000,000.00
19 GAOSUDICHAN (CP)	100.00	2020/7/1	365 days	520,000,000.00
Total				6,340,000,000.00

(Continued)

Bonds	31 December 2019	Issued amount during the reporting period	Interest accrues at par	Amortisation of premiums and discounts	Repayment during the reporting period	31 December 2020
19 GAOSUDICHAN (SCP)	300,000,000.00				300,000,000.00	
19 WANJIAOKONG SCP002	1,000,000,000.00				1,000,000,000.00	
19 WANJIAOKONG SCP003	1,000,000,000.00				1,000,000,000.00	
19 GAOSUDICHAN (SCP)	270,000,000.00				270,000,000.00	
19 GAOSUDICHAN (SCP)	300,000,000.00				300,000,000.00	
19 GAOSUDICHAN (SCP)	200,000,000.00				200,000,000.00	
19 GAOSUDICHAN (CP)	520,000,000.00				520,000,000.00	
19 GAOSUDICHAN (CP)	430,000,000.00				430,000,000.00	
19 GAOSUDICHAN (SCP)		300,000,000.00			300,000,000.00	
19 GAOSUDICHAN (SCP)		270,000,000.00				270,000,000.00
19 GAOSUDICHAN (SCP)		520,000,000.00				520,000,000.00
19 GAOSUDICHAN (SCP)		300,000,000.00				300,000,000.00
19 GAOSUDICHAN (SCP)		410,000,000.00				410,000,000.00
19 GAOSUDICHAN (CP)		520,000,000.00				520,000,000.00
Total	4,020,000,000.00	2,320,000,000.00			4,320,000,000.00	2,020,000,000.00

Note 36 Long-term borrowing

Items	Closing balance	Opening balance
Pledged Borrowings	63,106,760,401.21	62,453,762,965.74
Secured Borrowings	519,764,262.26	1,631,537,885.37
Guaranteed Borrowings	1,799,847,866.25	2,787,530,081.91
Credit Borrowings	34,233,318,280.91	18,010,954,673.17
Total	99,659,690,810.63	84,883,785,606.19

Note 37 Bonds payable

1. Bonds payable

Items	Closing balance	Opening balance
Medium Term Notes	13,700,000,000.00	13,600,000,000.00
Corporate bonds	1,000,000,000.00	1,500,000,000.00
US dollar bonds		2,429,912,897.88

Items	Closing balance	Opening balance
Total	14,700,000,000.00	17,529,912,897.88

2. Increase/decrease in bonds payable (excluding other financial instruments such as preference shares and perpetual debt classified as financial liabilities)

Bonds	Par value	Issue date	Bonds duration	Amount issued	31 December 2019
15 WANGAOSU MTN001	100	2015-2-12	5 years	1,000,000,000.00	1,000,000,000.00
15 WANGAOSU MTN001	100	2015-2-12	7 years	500,000,000.00	500,000,000.00
15 WANGAOSU MTN002	100	2015-5-18	5 years	2,200,000,000.00	2,200,000,000.00
16 WANJIAOTONG MTN001A	100	2016-3-9	7 years	1,300,000,000.00	1,300,000,000.00
16 WANJIAOTONG MTN001B	100	2016-7-11	7 years	700,000,000.00	700,000,000.00
16 WANJIAOKONG MTN002A	100	2017-5-24	3+2 years	1,000,000,000.00	1,000,000,000.00
16 WANJIAOKONG MTN002B	100	2017-7-31	5 years	2,000,000,000.00	2,000,000,000.00
WANJIAOKONG 01	100	2017-5-24	3+2 years	500,000,000.00	500,000,000.00
WANJIAOKONG 02	100	2017-12-11	5 years	500,000,000.00	500,000,000.00
17 WANJIAO 03	100	2017-7-31	3+2 years	400,000,000.00	400,000,000.00
17 WANJIAO 04	100	2018-4-9	5 years	600,000,000.00	600,000,000.00
17 WANJIAOKONG MTN002	100	2018-9-10	5 years	1,500,000,000.00	1,500,000,000.00
18 WANJIAOKONG MTN001	100	2018-6-8	5 years	1,500,000,000.00	1,500,000,000.00
18 WANJIAOKONG MTN002	100	2019-8-12	5 years	2,000,000,000.00	2,000,000,000.00
18 WANGAOSU (Small public offering)	100	2019-8-12	7 years	1,000,000,000.00	1,000,000,000.00
18 WANGAOZHAI (Private placement)	100	2019-11-18	10 years	500,000,000.00	500,000,000.00
19 WANJIAOKONG MTN001A	100	2019-8-12	5 years	800,000,000.00	800,000,000.00
19 WANJIAOKONG MTN001B	100	2019-8-12	7 years	200,000,000.00	200,000,000.00
19 WANJIAOKONG MTN002	100	2019-11-18	10 years	1,000,000,000.00	1,000,000,000.00
20 WANJIAOKONG MTN001	100	2020-4-9	10 years	1,500,000,000.00	
USD bonds	100	2018-9-13	3 years	2,388,833,992.06	2,429,912,897.88
Subtract: due within one year				4,100,000,000.00	4,100,000,000.00
Total				18,988,833,992.06	17,529,912,897.88

(Continued)

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Amortisation of premium /discount	Repayment during the reporting period	31 December 2020
15 WANGAOSU MTN001				1,000,000,000.00	

Bonds	Issued amount during the reporting period	Accrued interest based on par value	Amortisation of premium /discount	Repayment during the reporting period	31 December 2020
15 WANGAOSU MTN001					500,000,000.00
15 WANGAOSU MTN002				2,200,000,000.00	
16 WANJIAOTONG MTN001A					1,300,000,000.00
16 WANJIAOTONG MTN001B					700,000,000.00
16 WANJIAOKONG MTN002A					1,000,000,000.00
16 WANJIAOKONG MTN002B					2,000,000,000.00
WANJIAOKONG 01					500,000,000.00
WANJIAOKONG 02					500,000,000.00
17 WANJIAO 03					400,000,000.00
17 WANJIAO 04					600,000,000.00
17 WANJIAOKONG MTN002					1,500,000,000.00
18 WANJIAOKONG MTN001					1,500,000,000.00
18 WANJIAOKONG MTN002					2,000,000,000.00
18 WANGAOSU (Small public offering)					1,000,000,000.00
18 WANGAOZHAI (Private placement)				275,000,000.00	225,000,000.00
19 WANJIAOKONG MTN001A					800,000,000.00
19 WANJIAOKONG MTN001B					200,000,000.00
19 WANJIAOKONG MTN002					1,000,000,000.00
20 WANJIAOKONG MTN001	1,500,000,000.00				1,500,000,000.00
USD bonds				150,827,225.96	2,279,085,671.92
Subtract: due within one year					4,804,085,671.92
Total	1,500,000,000.00			3,625,827,225.96	14,700,000,000.00

Note 38 Long-term payables

1. Categories of long-term payables

Items	Closing balance	Opening balance
Long-term payables	710,871,132.58	490,624,399.73
Special payable	410,225,067.21	297,619,814.02
Total	1,121,096,199.79	788,244,213.75

2.Details of the top 5 debtors with largest closing balances of long-term payables

Items	Closing balance	Opening balance
Of which: 1. CCCC Third Highway Engineering Bureau Co.	193,200,000.00	193,200,000.00
2. Xuancheng City Transportation Investment Co.	103,377,799.32	156,899,619.04
3. Wuhu City Transportation Investment Co.	76,030,000.00	76,030,000.00
4. Langxi County Transportation Construction Development Co.	60,000,000.00	76,030,000.00
5. Conversion withholding costs	9,018,560.52	10,240,715.44
Total	441,626,359.84	512,400,334.48

3.Details of the top 5 accounts with largest closing balances of special payables

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
Of which: 1. Local government investment	92,233,095.00		127,457.17	92,105,637.83
2. special subsidy funds for the construction of the passenger terminal	88,853,020.00			88,853,020.00
3. Restructuring costs	40,195,017.28	21,537.38	982,366.68	39,234,187.98
4. Compensation for demolition and relocation of the front square of the railway station renovation project	18,556,444.72			18,556,444.72
5. Personnel resettlement expenses of Sino-Ocean	7,679,175.19			7,679,175.19
Total	247,516,752.19	21,537.38	1,109,823.85	246,428,465.72

Note 39 Estimated Liabilities

Items	31 December 2020	31 December 2019
Estimated loss on delivery default	15,738,682.30	15,738,682.30
Total	15,738,682.30	15,738,682.30

Note: The estimated liabilities represent the default on delivery of houses and the default on construction work incurred on the books of Chuzhou Huishang City Investment Development Company Limited, a subsidiary of the Company.

Note 40 Deferred Income

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
Santong Yiping billing fee	5,105,333.89		9,121.03	5,096,212.86
Construction subsidy	26,416,944.65	4,250,140.00	6,181,427.68	24,485,656.97
Government subsidy for delivery Group Corporation	232,204,233.55	29,559,900.00	28,780,225.77	232,983,907.78
Subsidy for Cross-Railway Bridge on Ningji Road	52,455,000.00		2,098,200.00	50,356,800.00
Hefei Highway Port Integrated Logistics Base	891,666.62		33,333.36	858,333.26
Wanjiang Integrated Logistics Park Project	5,806,899.99		338,199.96	5,468,700.03
Cancellation of provincial network toll platform upgrade fee for provincial highway boundary toll stations		69,860,886.08		69,860,886.08
Total	322,880,078.70	103,670,926.08	37,440,507.80	389,110,496.98

Note: 1. The three passages and one leveling lump sum fee represents the total amount of CNY24,028,600.00 received by Anhui Chaohu Development and Investment Company Limited, a subsidiary of the Company, in June 2007, June 2009 and October 2009 from the non-tax revenue administration of Juchao District, Chaohu City, which was apportioned according to the proportion of the sold house area to the total saleable area.

2. The construction fund subsidies represent the construction fund subsidies of CNY50,000,000.00 received by Wan Tong Expressway, a subsidiary of the Company, from the Jiangsu Provincial Highway Construction Command under the Jiangsu Provincial Department of Communications in respect of the Ning-Huai Expressway (Tianchang Section) in 2007 and the construction fund subsidies of CNY4,000,000.00 received by the Anhui Provincial Highway Administration under the Anhui Provincial Department of Communications in respect of the Haining Expressway and the Gaojie Expressway in 2010. In 2010, the Company received a subsidy of CNY4,000,000.00 from the Anhui Provincial Highway Administration under the Department of Transportation for the construction of the Haining Expressway and the Gaojie Expressway.

3. The government grants of the Jiaotong Group Company represent special grants received by the Jiaotong Group Company and related subsidiaries, as follows.

Subsidized Projects	Category	Balance at beginning of year	Additions for the year	Amounts carried forward to profit or loss or written off against related costs during the year	Balance at the end of the year
Land money rebate	Financial allocations	22,702,806.58			22,702,806.58
Chuzhou building grants	Financial Allocation	16,729,666.32		1,035,890.99	15,693,775.33

Subsidized Projects	Category	Balance at beginning of year	Additions for the year	Amounts carried forward to profit or loss or written off against related costs during the year	Balance at the end of the year
Smart system upgrade subsidy	Financial allocation	4,863,900.00			4,863,900.00
Car purchase subsidy	Financial allocation	54,790,874.93	16,626,800.00	16,792,338.20	54,625,336.73
Chaohu bus station construction subsidy	Financial allocation	3,949,911.57		353,291.08	3,596,620.49
Newly built Huaining station special allocation for transportation	Financial allocation	1,009,150.00		44,800.00	964,350.00
Newly built Wangjiang station special allocation for transportation	Financial allocation	1,522,755.21		66,400.00	1,456,355.21
Special allocation for the construction of Tongcheng passenger transport centre station	Financial allocation	31,911,462.86		2,440,000.00	29,471,462.86
Newly built Yuexi passenger transport station special allocation of funds	Financial allocation	2,883,333.34		100,000.00	2,783,333.34
Compensation for government storage of Anqing bus station	Financial allocation	63,024,804.07		2,944,000.00	60,080,804.07
New Anqing Highway Passenger Transportation Center Station Traffic Allocation Funds	Financial allocation	10,029,166.67		500,000.00	9,529,166.67
K1 line purchase subsidy	Financial allocation	950,400.00		316,800.00	633,600.00
Yuexi passenger station government storage compensation	Financial allocation	4,923,000.00			4,923,000.00
Wangjiang city bus purchase subsidy	Financial allocation	1,417,335.00	2,477,500.00	643,019.50	3,251,815.50
Subsidy for the purchase of a bus in Susong	Financial allocation		1,200,000.00	50,000.00	1,150,000.00
Subsidy for the purchase of pure electric buses	Financial allocation	1,641,500.00	3,505,600.00	1,064,000.00	4,083,100.00
Demonstration county construction of urban-rural road passenger transport integration	Financial allocation	9,854,167.00	5,750,000.00	2,429,686.00	13,174,481.00
Total		232,204,233.55	29,559,900.00	28780225.77	232,983,907.78

4. Pursuant to the Notice of Anhui Development and Reform Commission on the Issuance of the Minutes of the Coordination Meeting on Investment Apportionment for the Crossing Project of Hefu Hang Huang and Other Railways and Ningji Expressway (Anhui Development and Reform Foundation Letter [2013] No. 1442), the Company received a total of CNY62,946,000.00 as compensation for the increase in investment for the change of Ningji Expressway to a bridge over the span.

5. Subsidy funds for Hefei Highway Port Integrated Logistics Base represents the construction guidance funds for the Hefei Highway Port Integrated Logistics Base subsidy project of CNY1,000,000.00 received from the Finance Bureau of Feidong County by Anhui Xunjie Logistics Feidong Limited Liability Company, a subsidiary of the Company, in 2016.

6. The subsidies for Wanjiang Integrated Logistics Base represent the subsidies for investment in fixed assets of Wanjiang Integrated Logistics Base of CNY3,680,000.00 allocated by the Management Committee of Maanshan Undertaking Industrial Transfer Demonstration Park in 2013, CNY4,466,000.00 allocated by the Management Committee of Wanjiang Integrated Logistics Base in 2017 and CNY2,000,000.00 allocated by Anhui Xunjie Wanjiang Logistics Company Limited, and CNY2,000,000.00 for the subsidy for Wanjiang Integrated Logistics Base allocated by the Finance Bureau of Ma'anshan City in 2015.

Note 41 Other Non-current Liabilities

Items	31 December 2020	31 December 2019
Guangde Traffic Investment Co., Ltd.	70,000,000.00	70,000,000.00
Total	70,000,000.00	70,000,000.00

Note 42 Share capital

Name of shareholders	31 December 2019		Increase during the reporting period	Decrease during the reporting period	31 December 2020	
	Contribution	Proportion (%)			Contribution	Proportion (%)
Anhui Provincial State-owned Assets Supervision and Administration Commission	16,000,000,000.00	100.00			16,000,000,000.00	100.00
Total	16,000,000,000.00	100.00			16,000,000,000.00	100.00

Note 43 Other Equity Instruments

Financial instrument s issued	31 December 2019		Increase during the reporting period		Decrease during the reporting period		31 December 2020	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
16WANJI AOKON GMTN003	10,000,000.00	1,000,000,000.00					10,000,000.00	1,000,000,000.00

Financial instrument s issued	31 December 2019		Increase during the reporting period		Decrease during the reporting period		31 December 2020	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
17WANJI AOKON GMTN001	10,000,000.00	1,000,000,000.00					10,000,000.00	1,000,000,000.00
Total	20,000,000.00	2,000,000,000.00					20,000,000.00	2,000,000,000.00

Note 44 Capital Reserves

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
(1) Capital premium	4,452,264,426.78			4,452,264,426.78
(2) Other capital reserves	41,639,373,401.26	3,005,913,575.00		44,645,286,976.26
(3)Capital reserves of original policy transferred in	227,942,766.63			227,942,766.63
Total	46,319,580,594.67	3,005,913,575.00		49,325,494,169.67

Of which: State-owned solely-owned capital reserve

1. received CNY594,000,000.00 from the Anhui Provincial Department of Finance for the registered capital of the provincial transport enterprises.

2. the receipt of CNY130,000,000.00 from the state-owned capital management funds for the Wuhuang Project and CNY1,472,000,000.00 from the project department of the Ministry of Communications for the Chiqi Project.

3. Anhui Anqing Yangtze River Highway Bridge Company Limited, Anhui Hefir Expressway Company Limited, Anhui Yuehuang Expressway Company Limited, Anhui Hailu Expressway Company Limited and Anhui Wuhe Expressway Company Limited, subsidiaries of the Company, received a total of CNY1,131,446,000.00 from the Ministry of Communications during the period, and the Company confirmed its share of CNY690,000,000.00 based on its shareholding ratio. share of CNY690,446,000.00.

4. the receipt of a subsidy of CNY117,791,000.00 for the abolition of provincial boundary toll stations.

5. recovery of receivables from Chuzhou Municipal Bureau of Transportation and Wuhu Municipal Bureau of Transportation that were originally written off against capital surplus of CNY1,676,575.00 during the period

Note 45 Special reserves

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
Production Safety Fee	55,637,711.42	33,603,946.65	36,198,360.17	53,043,297.90

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
Total	55,637,711.42	33,603,946.65	36,198,360.17	53,043,297.90

Note 46 Surplus reserves

Items	31 December 2019	Increase during the reporting period	Decrease during the reporting period	31 December 2020
Statutory surplus reserves	1,002,226,620.07	21,098,548.35		1,023,325,168.42
Total	1,002,226,620.07	21,098,548.35		1,023,325,168.42

Note 47 Undistributed profit

Items	Amount for the current period	Amount for the prior period
Opening balance of current period	10,940,091,768.63	9,179,940,284.07
Increase in this period	1,276,448,091.55	2,480,165,338.64
Of which: Transfer-in from the current net profit	1,276,448,091.55	2,480,165,338.64
Other adjustments		
Decrease in this period	516,487,684.88	720,013,854.08
Of which: The withdrawal of surplus reserve in this period	21,098,548.35	216,484,854.08
The withdrawal of general risk preparation in this period		
Cash dividends distributed in this period	495,389,136.53	503,529,000.00
Transfer to share capital		
Other decrease		
Closing balance of this period	11,700,052,175.30	10,940,091,768.63

Note 48 Operating revenue and operating costs

Items	2020		2019	
	Revenue	Cost of Sales	Revenue	Cost of Sales
Subtotal of principal businesses	35,561,996,252.95	26,738,552,954.36	34,927,336,243.94	22,894,195,634.87
Including: highway bridge operation	16,055,042,603.16	10,496,518,069.30	18,546,456,454.85	9,236,851,027.86
Real estate development	8,128,536,498.25	6,481,448,807.98	5,040,333,772.33	3,447,902,760.39
Selling of gasoline, diesel oil and lubricating oil	6,723,954,521.96	6,078,705,603.96	6,468,824,704.94	6,021,733,191.20
Media advertising business	117,097,228.52	43,369,343.41	137,868,910.88	38,084,732.94
Selling of engineering material	558,681,067.12	536,105,763.82	330,093,005.53	356,202,511.96

Items	2020		2019	
	Revenue	Cost of Sales	Revenue	Cost of Sales
Engineering survey design and consultation service	1,520,815,299.84	772,974,750.37	1,070,120,620.40	593,249,847.74
Road logistics	182,283,936.75	173,086,833.70	406,752,870.48	383,516,284.44
Road passenger transport	462,865,874.34	903,461,295.16	778,270,811.16	1,073,659,447.80
Selling of vehicles	381,042,029.58	381,504,998.83	445,670,833.89	444,812,259.21
Building construction	581,595,241.72	441,303,418.55	336,609,088.77	309,230,561.13
Others	850,081,951.71	430,074,069.28	1,366,335,170.71	988,953,010.20
Subtotal of other business	567,733,065.86	272,678,670.83	411,592,883.93	188,613,989.41
Including: Leasing business	181,439,885.74	67,582,080.72	164,423,910.13	46,892,433.62
Rescue business	60,555,756.31	2,097,076.79	5,941,816.06	1,586,630.70
Driving training	38,146,849.45	21,630,293.64	47,123,945.84	39,805,233.47
Others	287,590,574.36	181,369,219.68	194,103,211.90	100,329,691.62
Total	36,129,729,318.81	27,011,231,625.19	35,338,929,127.87	23,082,809,624.28

1.Top ten revenue from construction contracts during the reporting period

Project	Total contract revenue	Total contract cost	Percentage of completion (%)	Accumulated contract revenue recognised	Accumulated contract cost recognised
Fixed cost contracts	623,923,238.94	599,690,717.32		414,459,207.58	390,879,167.84
Among them:1.2020037-YH030 Gansu Province Pingliang to Mianyang National Expressway (G8513) Pingliang (Huating) to Tianshui section of highway traffic safety facilities (including greening works)	95,706,777.00	94,969,834.82	49.00	55,186,602.35	46,547,415.73
2.2020014-JA001-Dongjiakou to Liangshan (Lu-Yu boundary) Highway Ningyang to Liangshan (Lu-Yu boundary) section traffic safety engineering	31,425,007.55	30,641,406.72	61.00	22,601,024.42	18,688,723.43
3.Gansu Pingtian Expressway Project	32,512,647.71	32,024,958.00	63.73	20,718,964.83	20,408,180.36
4.China Nanshan Hefei Gangji Comprehensive Transportation and Logistics Port Launch Area Phase I	117,704,046.24	115,349,965.32	55.72	66,509,283.37	64,267,920.51
5.300,000-ton-year slurry high-density polyethylene plant construction general contracting project for the expansion of 15-million-ton-year oil refining and 1.2-million-ton-year ethylene project (ethylene part) of	25,000,000.00	24,500,000.00	79.44	20,183,486.23	19,462,935.78

Project	Total contract revenue	Total contract cost	Percentage of completion (%)	Accumulated contract revenue recognised	Accumulated contract cost recognised
Petrochemical Ningbo Zhenhai Refining & Chemical Co.					
6.Construction of plant of Anhui Wisdom Robot Technology Co.	20,546,801.87	20,088,608.18	92.57	19,318,954.30	18,596,848.03
7. Collective land rental housing project in Gangji Town, Changfeng County	117,704,046.24	104,286,023.01	65.73	70,975,813.18	68,550,837.37
8.Hefei Innovation Avenue	38,879,600.00	38,296,406.00	70.22	27,688,832.30	26,890,037.70
9.Co-operative Road Middle School	73,117,027.08	70,353,833.52	83.29	60,902,625.20	58,599,638.94
10. Changfeng County Sports and Cultural Facilities Project Cultural Complex Project	71,327,285.25	69,179,681.75	70.64	50,373,621.40	48,866,629.99

(Continued)

Project	Aggregate recognised gross profit	Settlement price	Accumulated collection amount	Contract revenue recognised during the reporting period	Contract cost recognized during the reporting period
Fixed cost contract:	23,580,039.74	389,873,020.32	381,056,533.10	238,571,267.53	220,998,609.91
Among them:1.2020037-YH030 Gansu Province Pingliang to Mianyang National Expressway (G8513) Pingliang (Huating) to Tianshui section of highway traffic safety facilities (including greening works)	8,639,186.62	23,265,181.00	19,498,763.78	55,186,602.35	46,547,415.73
2.2020014-JA001-Dongjiakou to Liangshan (Lu-Yu boundary) Highway Ningyang to Liangshan (Lu-Yu boundary) section traffic safety engineering	3,912,300.99	25,727,012.00	25,727,012.00	22,601,024.42	18,688,723.43
3.Gansu Pingtian Expressway Project	310,784.47	26,207,171.76	21,157,101.76	20,718,964.83	20,408,180.36
4.China Nanshan Hefei Gangji Comprehensive Transportation and Logistics Port Launch Area Phase I	2,241,362.86	72,495,118.88	72,495,118.88	66,509,283.37	64,267,920.51
5.300,000-ton-year slurry high-density polyethylene plant construction general contracting project for the expansion of 15-million-ton-year oil refining and 1.2-million-ton-year ethylene project (ethylene part) of Petrochemical Ningbo Zhenhai Refining & Chemical Co.	720,550.45	5,700,000.00	5,700,000.00	20,183,486.23	19,462,935.78

Project	Aggregate recognised gross profit	Settlement price	Accumulated collection amount	Contract revenue recognised during the reporting period	Contract cost recognized during the reporting period
6.Construction of plant of Anhui Wisdom Robot Technology Co.	722,106.27	16,069,478.40	16,069,478.40	13,825,209.53	13,314,384.48
7. Collective land rental housing project in Gangji Town, Changfeng County	2,424,975.81	77,600,000.00	77,600,000.00	11,651,376.15	11,258,724.78
8.Hefei Innovation Avenue	798,794.60	28,273,312.00	28,273,312.00	13,900,770.63	13,508,073.87
9.Co-operative Road Middle School	2302986.26	59,006,746.28	59,006,746.28	7,572,531.67	7301654.64
10. Changfeng County Sports and Cultural Facilities Project Cultural Complex Project	1,506,991.41	55,529,000.00	55,529,000.00	6,422,018.35	6240596.33

Note 49 Interest income

Items	Amount for the current period	Amount for the prior period
Interest income	13,039,303.95	12,356,582.38
—deposit from other banks		
—deposit from Central Bank		
— lendings to banks and other financial institutions		
— loans and advances	13,039,303.95	12,356,582.38
Including: personal loans and advances	9,549,051.74	7,843,658.50
Company loans and advances	3,490,252.21	4,512,923.88
Discounting of notes		
—financial assets held under resale agreements		
—bond investment		
—others		
Including: interest income of impsired financial assets		
Interest expenses		
—deposit to other banks		
—borrowing from Central Bank		
—borrowings from banks and other financial institutionb		
—absorbing deposits		
—financial assets sold under repurchase agreements		
—issuing bonds		

Items	Amount for the current period	Amount for the prior period
—others		
Net income of interest	13,039,303.95	12,356,582.38

Note50 Selling expenses

Items	Amount for the current period	Amount for the prior period
Staff remuneration	389,919,843.98	425,082,225.39
Sales and service fees	129,967,548.50	109,111,590.80
Advertising expenses	57,596,234.43	48,378,146.25
Depreciation	51,430,437.86	49,123,758.69
Property management fees	48,064,330.72	53,282,237.17
Utilities	27,890,528.15	31,002,518.46
Tendering fees	11,915,566.70	8,651,249.13
Vehicle usage fees	9,463,256.06	3,056,850.68
Repair costs	7,931,289.12	20,271,073.84
Amortization of low value consumables	6,875,763.91	11,003,797.12
Office travel expenses	5,738,349.60	8,611,525.94
Operating expenses	4,655,287.80	4,221,490.47
Communication expenses	2,710,738.51	6,130,112.14
Transport costs	2,523,768.82	3,563,046.57
Travel expenses	426,433.00	1,760,201.42
Insurance	127,315.48	13,457.83
Warehousing and storage costs	81,509.41	62,178.50
Loading/unloading	61,255.63	14,050.91
Other	108,846,141.24	74,214,420.83
Total	866,225,598.92	857,553,932.14

Note 51 Management expenses

Items	Amount for the current period	Amount for the prior period
Employee remuneration	663,470,515.67	667,299,718.77
Insurance premiums	5,461,564.49	3,636,434.31
Depreciation	125,972,204.79	108,139,555.49
Repairs and maintenance	2,307,676.41	2,945,550.78
Amortization of intangible assets	14,648,723.34	17,046,522.83
Inventory losses	218,999.87	155,047.54

Items	Amount for the current period	Amount for the prior period
Business entertainment expenses	9,640,875.29	9,622,309.94
Travel expenses	6,533,532.49	7,929,233.89
Office expenses	12,866,497.48	21,488,037.10
Conference expenses	1,305,805.69	1,414,238.37
Litigation expenses	1,593,549.17	757,211.44
Intermediary fees	34,529,038.82	33,559,023.83
Consulting fees	5,691,100.53	3,955,389.50
Board fees	2,410,985.57	3,455,124.28
Taxes and fees		327,495.17
Vehicle usage fees	9,523,456.72	13,043,647.78
Utilities	9,465,407.11	9,774,398.28
Amortization of long-term amortization	4,014,396.61	4,957,083.84
Rental fees	11,783,095.29	7,871,907.76
Communication expenses	1,435,306.05	2,618,264.47
Publicity expenses	1,302,021.93	3,654,720.76
Amortization of low value consumables	2,602,095.78	2,902,070.35
Spiritual and civilizational construction	4,735,215.70	673,507.17
Property management fees	2,231,233.55	
Other	113,155,359.15	78,769,593.24
Total	1,046,898,657.50	1,005,996,086.89

Note 52 Research and development expenses

Items	Amount for the current period	Amount for the prior period
Staff remuneration	78,309,288.07	55,258,194.08
Procurement expenses	39,661,740.97	8,444,025.23
Test outsourcing costs	6,422,673.02	6,598,510.77
Office travel expenses	447,246.12	2,135,986.25
Depreciation and amortization	4,426,033.44	1,888,224.59
Other	3,153,907.27	1,519,452.44
Total	132,420,888.89	75,844,393.36

Note 53 Financial expenses

Items	Amount for the current period	Amount for the prior period
Interest expense	5,462,721,313.71	5,327,154,567.34
Less:Interest income	556,280,652.65	523,543,045.86
Net interest expense	4,906,440,661.06	4,803,611,521.48
Foreign exchange gains and losses	-221,320,737.19	69,956,902.31
Financial institutions' fees	22,104,836.21	27,116,513.70
Total	4,707,224,760.08	4,900,684,937.49

Note 54 Other income

Items	Amount for the current period	Amount for the prior period
Loss allowance	180,054,008.20	166,679,830.06
Fuel Subsidy	72,061,325.30	64,637,393.99
Public transport and vehicle subsidies	73,280,492.70	51,847,506.09
Yuexi Old Station Storage Incentive		25,000,000.00
Amortisation of station construction subsidies	12,444,469.50	21,613,700.71
Proceeds from the acquisition and relocation of logistics sites		14,526,703.32
Transfer back of station construction funds	6,745,332.00	6,745,332.00
Compensation for demolition and relocation		7,278,324.23
Policy subsidies		8,502,079.68
Subsidy for construction funds	6,181,427.68	2,172,787.68
Vehicle renewal and renovation		4,411,515.94
Tax rebate	7,288,215.12	3,975,349.47
Job Stabilisation Subsidy	5,764,403.86	4,383,428.41
Three accesses and one leveling package fee	9,121.03	691,439.44
Subsidy for seedlings and forest land	553,200.00	553,200.00
Feasibility gap subsidy	19,598,470.51	
Financial incentive for Wuhu Industrial Park Asset Management Co.	2,449,454.29	
Financial Subsidy for Three Supply and One Industry	1,880,400.00	
Jiangsu Networking Operation Subsidy	1,766,240.00	
Financial incentive for Maanshan Demonstration Park High-tech Venture Service Company	1,751,000.00	
Subsidy for four categories of public transportation personnel	1,147,306.00	

Items	Amount for the current period	Amount for the prior period
Subsidy for "Triple One Creation" Policy	1,000,000.00	
Others	63,010,306.75	2,313,857.17
Total	456,985,172.94	385,332,448.19

Note 55 Investment income

Sources of investment income	Amount for the current period	Amount for the prior period
Gain on long-term equity investments accounted for under the equity method	751,794,264.35	335,154,724.39
Investment income arising on disposal of long-term equity investments	37,176,682.31	60,111,101.22
Investment income from financial assets at fair value through profit or loss during the period in which they are held	8,619.48	8,601.20
Investment gains on disposal of financial assets at fair value through profit or loss	14,628,389.14	
Investment income from available-for-sale financial assets, etc.	149,422,639.11	67,230,193.05
Other	33,176,578.31	37,131,791.68
Total	986,207,172.70	499,636,411.54

Note 56 Change in Fair Value of assets

Sources of change in Fair Value of assets	Amount for the current period	Amount for the prior period
Financial assets held for trading	43,611,786.55	13,942,846.00
Total	43,611,786.55	13,942,846.00

Note 57 Credit impairment loss

Items	Amount for the current period	Amount for the prior period
Bad debt loss	-16,473,757.11	-111,539,688.63
Total	-16,473,757.11	-111,539,688.63

Note 58 Assets impairment loss

Items	Amount for the current period	Amount for the prior period
Bad debt losses	-16,397,229.05	-518,004,131.92
Loss on decline in value of inventories	-53,606,677.45	-57,120,455.75
Impairment loss on long-term equity investments	-533,071,182.29	-301,099,516.33
Other	-89,021,373.97	-2,799,377.38

Items	Amount for the current period	Amount for the prior period
Total	-692,096,462.76	-879,023,481.38

Note 59 Gains from asset disposal

Items	Amount for the current period	Amount for the prior period	Amount included non-recurring profit and loss in current year
Gains/(losses) from disposal of fixed assets, construction in progress, biological assets and intangibl assets not classified as held for sale	117,276,134.20	4,551,156.44	117,276,134.20
Including: Gains/(losses) from disposal of fixed assets	113,403,163.12	4,415,478.42	113,403,163.12
Gains/(Iosses) from disposal of intangible assets	3,872,971.08	135,678.02	3,872,971.08
Total	117,276,134.20	4,551,156.44	117,276,134.20

Note 60 Non-operating income

1. Breakdown of non-operating income

Items	Amount for the current period	Amount for the prior period	Amount included non-recurring profit and loss in current year
Gain on destruction and retirement of non-current assets	7,803,229.29	7,942,405.05	7,803,229.29
Government grants not related to the ordinary activities of the business	19,671,525.35		19,671,525.35
Amounts not required to be paid	5,393,047.42		5,393,047.42
Income from liquidated damages	3,638,294.34	17,801,765.47	3,638,294.34
Income from scrap disposal of used and waste materials	2,446,891.64		2,446,891.64
Income from fines	739,073.93		739,073.93
Donations received	224,600.00		224,600.00
Profits from inventory	15.42	9,856,079.79	15.42
Other non-operating income	32,127,935.30	40,958,535.43	32,127,935.30
Total	72,044,612.69	76,558,785.74	72,044,612.69

2.Breakdown of government grants

Items	Amount for the current period	Amount for the prior period
Compensation for demolition and relocation	16,932,775.35	
Jinzhai County Poverty Alleviation Fund	107,700.00	
(Land Use Tax 2018-2019) Jiangnan Industrial Concentration Zone Management Committee Transferred to the Land Contribution Award	2,631,050.00	

Items	Amount for the current period	Amount for the prior period
Total	19,671,525.35	

Note 61 Non-operating expense

Items	Amount for the current period	Amount for the prior period	Amount included non-recurring profit and loss in current year
Loss on destruction and retirement of non-current assets	2,724,388.79	100,229,360.00	2,724,388.79
Loss on restructuring of debt	45,797,219.34		45,797,219.34
Expenditure on external donations	22,314,985.23	3,902,550.00	22,314,985.23
Amortisation of government vehicle collection costs	5,844,376.45		5,844,376.45
Compensation for vehicle conversion	2,107,095.62	4,942,176.47	2,107,095.62
Penalty expenses	1,887,938.86	2,923,449.28	1,887,938.86
Compensation expenses	303,546.27		303,546.27
Late payment expenses	126,911.98		126,911.98
Other	14,269,179.40	46,234,658.77	14,269,179.40
Total	95,375,641.94	158,232,194.52	95,375,641.94

Note 62 Income tax expense

1. Income tax expense table

Items	Amount for the current period	Amount for the prior period
Current income tax	984,432,293.73	1,603,337,795.11
Changes in deferred tax	-36,369,468.26	-95,115,203.54
Total	948,062,825.47	1,508,222,591.57

2. Reconciliation of accounting profit and income tax expense

Items	Amount for the current period
Total profit	2,835,507,666.30
Income tax expenses calculated at the applicable tax rate	708,876,916.58
Effect of different tax rates on subsidiaries	-39,799,878.60
Effect of adjusting income tax of previous period	60,132,187.90
Impact of non taxable income	-77,375,748.96
Impact of non deductible costs, expenses and losses	183,153,349.34
Influence of deductible losses of unrecognized deferred income tax assets in the prior period of use	-33,705,791.18

Items	Amount for the current period
Influence of deductible temporary differences or deductible losses of unrecognized deferred income tax assets in the current period	181,116,767.76
Others	-34,334,977.37
Total income tax expenses	948,062,825.47

Note 63 Other Comprehensive Income Attributable to Owner's of the Parent Company

1.Other comprehensive income items and their income tax impacts and transfer gains and losses

Items	2020		
	Amount before tax	Income tax	Net amount after tax
I. Other comprehensive income that cannot be subsequently reclassified to profit o loss			
1. Changes in fair value of investments in other equity instruments			
2. Other comprehensive income that will be reclassified to profit or loss in the future	1,402,333,399.30	350,867,690.85	1,051,465,708.45
1. Share of other comprehensive income under the equity method in the investee that will be reclassified to profit or loss in the future	169,284.60		169,284.60
Less: Transfer to profit or loss in the current period from other comprehensive income			
Subtotal	169,284.60		169,284.60
2. Gains or losses from changes in fair value of available-for-sale financial assets	1,402,164,114.70	350,867,690.85	1,051,296,423.85
Less: Transfer from prior period to profit or loss in other comprehensive income			
Subtotal	1,402,164,114.70	350,867,690.85	1,051,296,423.85
III. Total other comprehensive income	1,402,333,399.30	350,867,690.85	1,051,465,708.45

(Continued)

Items	2019		
	Amount before tax	Income tax	Net amount after tax
I. Other comprehensive income that cannot be subsequently reclassified to profit or loss	-6,569,069.14	-1,642,267.29	-4,926,801.85
1. Changes in fair value of investments in other equity instruments	-6,569,069.14	-1,642,267.29	-4,926,801.85
2. Other comprehensive income that will be reclassified to profit or loss in the future	153,343,905.04	38,106,684.52	115,237,220.52
1. Share of other comprehensive income under the equity method in the investee that will be reclassified to profit or loss in the future	2,168,489.42		2,168,489.42

Items	2019		
	Amount before tax	Income tax	Net amount after tax
Less: Transfer to profit or loss in the current period from other comprehensive income			
Subtotal	2,168,489.42		2,168,489.42
2. Gains or losses from changes in fair value of available-for-sale financial assets	151,175,415.62	38,106,684.52	113,068,731.10
Less: Transfer from prior period to profit or loss in other comprehensive income			
Subtotal	151,175,415.62	38,106,684.52	113,068,731.10
III. Total other comprehensive income	146,774,835.90	36,464,417.23	110,310,418.67

1.Reconciliation of other comprehensive income

Items	Changes in fair value of investments in other equity instruments	Other comprehensive income available for transfer to profit or loss under the equity method	Gains or losses from changes in fair value of available-for-sale financial assets	Subtotal
I. Opening balance of the previous period	-20,235,201.37	2,232,913.10	996,676,154.71	978,673,866.44
II. Amount of increase/decrease in the previous period (decrease is shown by "-")	-4,926,801.85	2,168,489.42	113,068,731.10	110,310,418.67
III.Opening balance of the current year	-25,162,003.22	4,401,402.52	1,109,744,885.81	1,088,984,285.11
IV. Increase/decrease in the current year (decrease is shown by "-")		169,284.60	1,051,296,423.85	1,051,465,708.45
V. Balance at the end of the current year	-25,162,003.22	4,570,687.12	2,161,041,309.66	2,140,449,993.56

Note 64 Borrowing costs

1.The amount of borrowing costs capitalised in the period was CNY 640,130,912.17.

2.Current capitalisation rate used in the calculation to determine the amount of borrowing costs to be capitalized

Capitalized asset items	Capitalisation rate	Amount capitalised
Inventory	6.20%	383,583,644.33
Chiqi Expressway	4.32%	87,463,662.22
Wuhuang Expressway	4.42%	85,381,428.45
Chutian Expressway	4.74%	31,832,777.51
Chuzhou Western Ring Road Expressway	4.64%	21,214,180.53
Gubeng Expressway	4.86%	15,929,180.82

Capitalized asset items	Capitalisation rate	Amount capitalised
Hefir Expressway Construction Project	4.35%	10,845,486.53
G42S Wuwei to Yuexi Section Project	4.15%	2,193,736.11
Highway Port North Anhui Comprehensive Logistics Base	5.49%	1,387,093.45
G4012 Huangshan to Qiandao Lake Anhui Section Project	4.15%	258,222.22
Wuhu to Lintu section expansion project	4.15%	41,500.00

Note 65 Foreign currency translation

1.Exchange differences charged to current profit or loss

Items	Amount for the current period	Amount for the prior period
Exchange differences recognised in current profit or loss	-221,320,737.19	69,956,902.31

Note 66 Lease

1.Finance lease (lessor)

Remaining lease term	The minimum lease receivables
Within 1 year (Including 1 year)	146,968,774.17
1-2 years (Including 2 years)	1,057,538,863.90
2-3 years (Including 3 years)	241,332,428.76
Over 3 years	31,457,483.20
Total	1,477,297,550.03

2.Operating lease (lessor)

Category of operating lease assets	Book value at 31 December 2020	Book value at 31 December 2019
Buildings and construction	3,536,238,804.70	3,460,870,109.06
Parking use right	84,274,387.21	83,881,472.49
Land-use right	1,639,462.31	1,688,646.19
Total	3,622,152,654.22	3,546,440,227.74

3.Finance lease commitments

Minimum lease payments to be made in subsequent years

Remaining lease term	Minimum lease payments
Up to and including 1 year	34,469,938.09
More than 1 year and up to 2 years (including 2 years)	21,417,141.91
More than 2 years and up to 3 years (including 3 years)	8,472,751.51
Total	64,359,831.51

4.Operating lease commitments

Remaining lease term	The amount of operating lease
Up to and including 1 year	935,831.15
Total	935,831.15

Note 67 Consolidated Cash Flow Statement

1. Reconciliation of net profit to cash flows from operating activities using the indirect method:

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	1,887,444,840.83	3,182,795,562.82
Add: Provision for the impairment of assets	692,096,462.76	879,023,481.38
Provision for the impairment of credit assets	16,473,757.11	111,539,688.63
Fixed assets depreciation, depletion of oil and gas assets, productive biological assets depreciation	8,267,478,730.21	6,969,654,235.37
Intangible assets amortization	112,028,376.48	46,897,158.98
Long-term unamortized expenses amortization	58,242,219.48	36,696,587.73
Loss from disposal of fixed assets, intangible assets and other long term assets(benefit is shown in “-”)	-117,276,134.20	-4,551,156.44
Loss from discarding of fixed assets(benefit is shown in “-”)	-5,078,840.50	92,286,954.95
Fair value change loss (benefit is shown in “-”)	-43,611,786.55	-13,942,846.00
Financial fee (benefit is shown in “-”)	5,462,721,313.71	4,873,568,423.79
Investment loss (benefit is shown in “-”)	-986,207,172.70	-499,636,411.54
Decrease of deferred tax assets (increase is shown in “-”)	15,662,267.91	-305,274,059.45
Increase of deferred tax liability (decrease is shown in “-”)	379,571,009.00	210,158,855.91
Decrease of inventories (increase is shown in “-”)	-107,879,703.97	-1,809,517,649.42
Decrease of operational receivables (increase is shown in “-”)	-2,244,229,870.28	-844,601,211.92
Increase of operational payables (decrease is shown in “-”)	2,639,874,532.32	2,930,349,501.77
Others		
Net amount of cash flow generated in operating activities	16,027,310,001.61	15,855,447,116.56
2. Major investment and financing activities not involved cash receipts and payments:		
Conversion of debt into capital		
Convertible bonds due within one year		

Supplementary information	Amount for the current period	Amount for the prior period
Fixed assets acquired under financial lease		
3. Net changes in cash and cash equivalents:		
Closing balance of cash	16,078,132,859.84	14,451,217,870.69
Less: opening balance of cash	14,451,217,870.69	14,352,363,880.93
Add: Closing balance of cash equivalents		
Less: opening balance of cash equivalents		
Net addition values of cash and cash equivalents	1,626,914,989.15	98,853,989.76

2. Cash and cash equivalents

Items	Closing balance	Opening balance
I. Cash	16,078,132,859.84	14,451,217,870.69
Including: cash on hand	2,069,539.30	3,093,524.57
Bank balances that can be used for payment at any time	15,703,174,587.37	14,074,427,321.20
Other cash and bank balances that can be used for payment at any time	372,888,733.17	373,697,024.92
Amounts deposited at the central bank that can be used for payment		
Deposits in other banks		
Lendings to other banks		
II. Balance of cash and cash equivalents at the end of the period	16,078,132,859.84	14,451,217,870.69

Note 68 Foreign Currency Monetary Items

Items	Carrying amount of foreign currency at 31 December 2020	Exchange rate	CNY at 31 December 2020
Cash and cash equivalents			24,252,183.23
Including: USD	2,610,629.31	6.5249	17,034,095.18
HKD	8,576,625.54	0.8416	7,218,088.05
Accounts receivable			421,895.73
Including: USD	64,659.34	6.5249	421,895.73
Long-term borrowings			821,286,253.62
Including: USD	124,920,367.58	6.5249	815,092,906.42
JPY	97,996,000.00	0.0632	6,193,347.20
Non-current liabilities due within one year			2,369,407,660.10
Including: USD	362,001,253.92	6.5249	2,362,021,981.70
JPY	116,862,000.00	0.0632	7,385,678.40

Note 69 Assets with restricted ownership and use right

Items	Closing balance	Restriction reason
Monetary funds	320,000,000.00	Structured deposits with a maturity of more than 3 months
	152,175,163.58	Surety bonds
	86,047,275.13	Mortgage deposits
	53,896,604.50	Banker's Acceptance Deposits
	38,724,170.71	Litigation freeze funds
	2,365,261.66	Deposit interest
	1,683,280.00	Time deposits of over 3 months
	1,002,190.95	Custodial Funds
	335,613.01	Performance bonds
Inventory	2,375,147,817.50	Borrowing collateral
Investment properties	289,666,216.91	Borrowing security
Fixed assets	739,003,708.49	Bank Mortgage
Intangible assets	45,549,314.99	Mortgage Status
Long-term receivables	73,664,079.65	Finance lease payments factored or pledged

A subsidiary of the Company, Anhui Express Real Estate Group Co., Ltd. pledged its 100.00% equity interest in a subsidiary, Anhui Express Real Estate Hefei Xinzhan Co., Ltd. corresponding to a registered capital of CNY10,000.00 million to borrow CNY20,000.00 million from Shanghai International Trust Co.,Ltd. The following derivative interests arising from the pledged equity interests are pledged together with the pledge: (1) equity interests derived from the pledged equity interests such as share bonus, transfer of provident fund, split of equity interests, etc.; (2) dividends and bonuses arising from the pledged equity interests; (3) other derivative interests arising from the pledged equity interests.

IX. Contingencies

Significant contingencies existing at the balance sheet date:

1.Litigations of the Company's subsidiary, Anhui Anlian Expressway Co., Ltd.:

On July 19, 2011, Beijing Anlian Real Estate Development Co., Ltd. (hereinafter referred to as “Beijing Anlian”) negotiated with Anhengda Co., Ltd. to sign the Transaction Framework Arrangement Agreement (hereinafter referred to as "Framework Agreement”), about the transfer of equity and rights of Beijing Century Pearl Real Estate Co., Ltd. (hereinafter referred to as "the project company”) which

is held by Beijing Anlian to Anhengda Co., Ltd. At the time of signing the agreement, Beijing Anlian not only holds 49.00% equity interest in the project company, but also has the exclusive right to acquire 31% of the 51.00% of the project company's equity, which is held by Zhongzhu Holdings Co., Ltd., the outsider of the case. The preliminary agreement stipulated in the Framework Agreement with a total transaction price of CNY 741.39 million. The total transaction price includes the amount of CNY 190,167,200 paid to a third party designated by Beijing Anlian, and the amount of CNY 552,122,000 paid to Beijing Anlian by Anhengda Company or Anhengda Company through the project company. After the signing of the Framework Agreement, Anhengda Company transferred 51.00% of the equity of the project company, but not actually transferred the 49.00% of the equity of the project company which is held by Beijing Anlian, and the remaining transaction price was not paid. In order to protect its own rights, Beijing Anlian filed the lawsuit in December 2013, to require Anhengda Company and its related parties (Guoao Company) to transfer the equity and pay the transaction price, liquidated damages, etc. In 2016, the court issued a final judgment on the lawsuit. After the final judgment and negotiation, Beijing Anlian and Anhengda Company transferred the equity of the project company to Guoao Company in October 2016, and Beijing Anlian recovered all the agreed price and fees. In November 2016, Beijing Anlian received relevant materials from the court, and heard that Anhengda Company sued Beijing Anlian as the defendant for civil litigation, demanding decree:

(1)Beijing Anlian returned the prepaid equity transfer premium of CNY 150 million and interest to Anhengda Company;

(2)Beijing Anlian paid a penalty due to the delay in submitting the industrial and commercial change registration documents and delaying the transfer of equity about CNY 127.44 million to Anhengda Company.

(3)Beijing Anlian paid a penalty due to the delay in the transfer of project company and projects to Anhengda Company.

(4)Beijing Anlian bears all litigation costs.

In August 2019, Beijing Third Intermediate People's Court made the first instance judgment after hearing:

(1)Reject the claim of Beijing Anhengda Investment Co., Ltd.

(2)Case acceptance fee and security fee shall be bome by Beijing Anhengda Investment Co., Ltd.

Due to dissatisfaction with the first-instance judgment, Anhengda Company appealed to the Beijing Higher People's Court and was accepted by the court (Case No: (2019) Jingmin Zhong No. 1453). The court of second instance held a court hearing on the case in November 2019. As at 31 December 2020, the court of second instance has not yet issued a judgment in this case and the matter may result in an outflow of economic benefits from the business.

2.Litigations of the Company's subsidiary, Anhui Expressway Real Estate Co., Ltd.:

(1)On 22 September 2020 Jiang He sued Cao Zhihong, Zhao Jun and Anhui Provincial Expressway Investment Co., Ltd. for the return of the purchase price of CNY300,000 and interest. on 29 October 2020 it was decided that Anhui Provincial Expressway Investment Co. Cao Zhihong filed

an appeal. As at 31 December 2020, the litigation matter had not been concluded.

(2) In a dispute over a sales and purchase contract between Tongling Hongcheng New Building Materials Company Limited and Tongling Wanjiang Construction Company Limited and Yin Guolong, the executee, Tongling Wanjiang Construction Company Limited and Yin Guolong, had income from construction work at High Speed Real Estate Group Tongling Company Limited, and the court ruled that the executee's income from construction work at High Speed Real Estate Group Tongling Company Limited was withdrawn in the amount of CNY1,740,726.00. As at 31 December 2020, the trial of the litigation matter had not been concluded.

(3) On 23 September 2020, High-speed Real Estate Group Fuyang Development Company Limited applied to the court to terminate the contract of sale and purchase of commercial properties with Li Peihu, or pay the amount of CNY1,617,200.00 for the properties as agreed in the contract. As at 31 December 2020, the proceedings had not yet been heard.

(4) Huishang Bank Fuyang Branch applied to the court on 7 September 2020 for the payment of liquidated damages of CNY6,950,600 by High Speed Real Estate Group Fuyang Development Co., Ltd. for late delivery of properties. 27 November 2020, the court ruled as follows after examination: the Company completed the procedures for delivery of properties within 45 days after receiving the ruling.

(5) Anhui Shengrui Real Estate Consultant Company Limited filed a lawsuit with the court on 23 September 2020 for the payment of commission of CNY944,900 and late payment of late payment fee of CNY135,400 by High Speed Property Group Fuyang Development Company Limited, totalling CNY1,080,300. As at 31 December 2020, the matter was still in the process of trial.

(6) On 14 August 2019 Jiangsu Dezhong Industrial Development Company Limited v. Chuzhou Huishang City Investment Development Company Limited for the return of the outstanding amount of CNY26,900,000 and interest of CNY3,405,000. 28 November 2019 judgment was entered against Chuzhou Huishang City Investment Development Company Limited for the payment of the outstanding amount of CNY26,900,000 within 15 days and for bearing from 23 April 2017 interest at 6.00% per annum until the date of payment, and bear litigation costs and security costs of CNY198,300,000. The Company filed an appeal and on 22 April 2020 the case was remanded for retrial, on 29 September 2020 the first instance hearing was held on remand and on 28 December 2020 the first instance judgment was rendered that the case repay the principal amount of CNY26.9 million and interest (from 23 April 2017) and bear litigation costs of CNY198,302.00. As at 31 December 2020, Chuzhou Huishang City Investment Development Company Limited had filed an appeal.

(7) On 2 January 2020, Chuzhou Huishang City Investment Development Co., Ltd. sued the original shareholders (Anhui Huishang Group Chuang Yuan Decoration Engineering Co., Ltd., Anhui Haiyang Property Investment Co., Ltd., Jiangsu Dezhong Industrial Development Co., Ltd. and Nanjing Su Zhe Investment Development Co., Ltd.), claiming: (1) the four original shareholders jointly and severally indemnify the plaintiff for losses of CNY6,588,626.38 and for costs incurred from (1) the four original shareholders jointly and severally compensate the plaintiff for the loss of 6,588,626.38

yuan and pay interest from the date of the plaintiff's lawsuit in accordance with the People's Bank of China's benchmark interest rate for similar loans of the same period to the time of payment; (2) the four original shareholders jointly pay the plaintiff 3,956,400 yuan for breach of contract; (3) the costs of the lawsuit shall be borne by each defendant. Judgment of the second instance on 22 October 2020: the original ruling was reversed and the Hefei Railway Transport Court was instructed to retry the case. As at 31 December 2020, the litigation matter had not yet been adjudicated.

(8) On 8 April 2019, Peng Chuanzhong v. Nantong Four Construction Group Company Limited, High-speed Real Estate Group Liuan Company Limited and Peng Chuanzhong in a construction contract dispute, applying for payment of CNY22,243,400 for the construction work, with High-speed Real Estate Group Liuan Company Limited being liable within the scope of the outstanding payment for the construction work, the first instance ruling dismissed the plaintiff's suit on 4 December 2019. On March 19, 2020, Peng Chuanzhong filed an appeal, and on May 28, 2020, the second instance ruled that the first instance ruling was revoked and remanded for a new trial. As at 31 December 2020, the litigation matter was not yet adjudicated.

(9) On 27 June 2017, Xia Baofeng sued Anhui Chaohu Development and Investment Company Limited, Anhui No. 1 Construction Engineering Company Limited and Li Changwu as co-defendants to the Chaohu Municipal People's Court in the name of the actual builder of the project. The three defendants were sued to jointly pay the project amount and interest on late payment, return the project deposit, compensate for damages, etc. The total subject matter of the lawsuit was CNY28,557,590.80, and to bear the litigation costs of the case. 19 August 2019, the first trial ruled that the defendant Li Changwu paid the project amount of CNY2,247,057.20 within ten days of the judgment coming into effect, bearing the interest rate of the loan for the same period on 13 June 2017 Ltd. shall be jointly and severally liable, Anhui Province Chaohu Development Investment Co., Ltd. shall be liable for payment within the amount of CNY2,247,057.20 owed for the project, and Li Changwu shall return Xia Baofeng's deposit of CNY2,000,000. Ltd. appealed and received the second instance judgment on 16 December 2020: 1) Li Changwu returned the deposit of 2,000,000 yuan within 10 days after the judgment came into effect, paid 5,221,637.71 yuan for the outstanding project amount and interest at the same loan rate since 13 June 2017, 2) Anhui First Construction Engineering Co. Ltd. shall be liable for payment to Xia Baofeng within the amount of CNY 5,221,637.71 owed to Li Changwu for the project, and Anhui Chaohu Development and Investment Co., Ltd. shall be liable for payment to Xia Baofeng within the amount of CNY 5,221,637.71 owed to Anhui No. 1 Construction for the project, 3) reject other litigation requests of Xia Baofeng, and 4) the acceptance fee of the second trial of CNY 35,505 shall be borne by Anhui Chaohu Development and Investment Co. As at 31 December 2020, the matter of the retrial application is being prepared.

(10) July 18, 2018 Li Changwu v. Anhui Province First Construction Engineering Co., Ltd. to pay the project amount of 12,877,711.35 yuan and pay interest on late payment at 4 times the interest rate of bank loans for the same period from December 10, 2013; request Anhui Province First Construction Engineering Co., Ltd. to pay the plaintiff's advance of the license fee, personnel wages, etc. totaling

700,000 yuan; request Ltd. to be jointly and severally liable for the first request within the amount due for the works; the costs of the litigation shall be borne by the two defendants. 6 November 2020 judgment at first instance: 1) the defendant Anhui Province First Construction Engineering Co. (from December 20, 2013 to August 20, 2019, interest calculated according to the central bank loan interest rate for the same period, from August 21, 2019 after the interest to the date of payment calculated according to LEP); 2) the defendant Anhui Province Chaohu Development Investment Co. (3) to reject the plaintiff's other claims. The parties all appealed, and Anhui Chaohu Development and Investment Co., Ltd. submitted a letter of appeal on 20 November 2020, requesting to set aside the second item of the judgment. As at 31 December 2020, the litigation matter was awaiting notification of the court hearing by the court of second instance.

(11) On 25 August 2020, Zhongan Huali Construction Group Co., Ltd. filed an application for arbitration: Anhui Chaohu Development and Investment Co., Ltd. to compensate for the loss of stoppage of work, loss of delay in commencement of work, loss of late payment for construction work and expected profit from the demolished villa area in a total amount of CNY18,744,469.00. As at 31 December 2020, the parties to the arbitration matter reconciled the corresponding amounts of the stoppage loss items and no final arbitration had been conducted.

(12) On 11 October 2019, Shanghai Xindi Investment Co., Ltd. sued for (1) an order in accordance with law to confirm the invalidity of the "Letter of Notice of Cancellation" issued by Shanghai New Angao Investment Co., Ltd. to the Plaintiff on 26 July 2019; (2) an order in accordance with law to confirm the "Commercial Property of Shanghai Angao Oriental Residence Project" signed between the Plaintiff and Shanghai New Angao Investment Co. Ltd. dated 1 December 2018 and the "Shanghai Angao Oriental Residence Project Commercial Property "Underwriting plus Premium Share" Sales Cooperation Contract" and the "Shanghai Angao Oriental Residence Project Commercial Property "Underwriting plus Premium Share" Sales Cooperation Contract Supplementary Agreement" signed on 15 January 2019 were terminated on 10 September 2019; (3) to order the plaintiff and Shanghai New Angao Investment Co. On 18 February 2020, the Court of First Instance ruled that: (1) the contract between the parties was terminated on 10 September 2019; (2) liquidated damages of CNY14,176,000 were to be paid within 10 days of the entry into force of this judgment; and (3) other claims were rejected. The lawsuit request. The costs of the case are CNY163,291.00, with Xindi bearing CNY120,000.00 and Shanghai bearing CNY43,291.00. The case is being executed and no property information has been found so far. 21 September 2020 ruled to end this execution. 5 November 2020 applied to Shanghai Railway Transport Court for bankruptcy of Xindi Company, pending acceptance.

3.The main litigation matters of the Company's subsidiary, Anhui Yida Expressway Service Area Management Co., Ltd.:

According to the Written judgment of first instance [2019] Anhui No. 0207 Court Civil first trial No. 5289 of Wuhu Jiuyiang District People's Court, the judgment is as follows: Anhui Yida Expressway Service Area Management Co., Ltd., was ordered to refund to the plaintiff Anhui Fibo Investment the

construction costs of CNY3,598,180.98 plus interest on late payment. Now Anhui Yida Expressway Service Area Management Co., Ltd., is appealing.

4.The pending lawsuits of Company's subsidiary, Anhui Jinggong Construction Group Co., Ltd. are as follows:

No	Case number	Case reason	The counterparty	The amount involved (in CNY10,000)	Progress of the case	Note
1	[2019] Anhui No.0103 Court Civil first trial No.760	Sale and Purchase contract dispute	Hefei Jiqun trading Co., Ltd.	215.40	No liability	Sued
2	[2019] Anhui No.0111 Court Civil first trial No.1052	Sale and Purchase contract dispute	Lujiang Shuangjia building company	36.80	Mediation, no liability	Sued
3	[2019] Anhui No.0603 Court Civil first trial No.553	Private lending dispute	Kuang Wenbo	184.00	Judgment entered, no liability	Sued
4	[2019] Dulao People Arbitration No.27	Labor dispute	Wang Depeng	11.00	Sutra paid CNY110,000	Sued
5	[2019] Anhui No.0603 Court Civil first trial No.618	Construction contract dispute	Guo Dengfeng	300.00	In the first trial, no judgment	Sued
6	[2019] Anhui No. 1126 Court Civil first trial No.852	Contract Disputes	Qing Yangmu Management and Greening Centre	95.00	Second trial withdrawn, no liability	Sued
7	[2019] Anhui Arbitration No.128-131	Labour Disputes	Li Zhiwen and 4 others	30.00	Settled by mediation, CNY28,000 paid	Sued
8	[2019] (Dind) Lao People Arbitration No. 102	Labour Disputes	Li Enqun	95.00	Mediation, actual contractor paid	Sued
9	[2019] Jiangxi No.0982 Court Civil first trial No. 1644	Labour Disputes	With Wang Shijie and 11 others	11.00	No liability	Prosec -ution
10	[2019] Jiangxi No.0982 Court Civil first trial No.1370	Contract Disputes	Yan Yuanqing	107.00	No liability for payment	Sued
11	(2019) Anhui [2019] Anhui No. 1126 Court Civil first trial No.2355	Contract Disputes	Hu Donggen	80.20	Mediation concluded, paid	Sued
12	[2019] Anhui No,0302 Court Civil first trial No.920	Contract Disputes	Jin'ao Concrete Company	94.00	Mediation closed, paid	Sued
13	[2019] Chuzhou Arbitration No.26	Contract Disputes	Shanghai Kaile Construction Co., Ltd.	128.00	Mediation closed, paid	Sued

No	Case number	Case reason	The counterparty	The amount involved (in CNY10,000)	Progress of the case	Note
14	[2019] Anhui No. 1502 Court Civil first trial No.3990	Construction contract dispute	Pan Junfa	696.30	Court to be held	Prosec -ution
15	[2019] Jiangxi No.0102 Court Civil first trial No.5903	Sale and Purchase contract dispute	Nanchang Lianbo Co., Ltd.	695.30	No decision at first instance	Sued
16	[2019] Anhui No.0121 Court Civil first trial No.2840	Construction contract dispute	Xinhua Printing Co., Ltd.	2,928.70	No liability	Third party
17	[2019] Jiangxi No.0982 Court Civil first trial No. 1914	Sale and Purchase contract dispute	Shunda Cement Co., Ltd.	40.50	Paid	Sued
18	[2019] Anhui No.0602 Court Civil first trial No.1881	Construction contract dispute	Zhang Yanxi	19.70	In the second trial	Sued
19	[2019] Jiangxi No.0982 Court Civil first trial No.2346	Sale and Purchase contract dispute	Jiangxi Nanlan Enterprise Group	18.99	Paid	Sued
20	[2019] Anhui No. 1126 Court Civil first trial No.3541	Construction contract dispute	XiaZhilun	142.20	Settled in mediation, paid	Sued
21	[2018] Anhui No. 1503 Court Civil first trial No.5349	Construction contract dispute	Sun Jiyin	310.00	In the second trial	Sued
Total				6,239.09		

In addition to the above, as of December 31, 2020. the Company has no other significant contingencies to be disclosed.

X. Events after the balance sheet date

On 30 July 2020, the General Meeting of the Company resolved to participate in the fixed issue of shares of Huishang Bank, and the Company then signed the Share Subscription Agreement with Huishang Bank on 20 August 2020, under which the Company explicitly subscribed 176 million shares of Huishang Bank at a price of CNY5.703 per share for a total price of CNY100,378,000. on 16 November 2020, the China Banking On 16 November 2020, the Anhui Regulatory Bureau of the China Banking and Insurance Regulatory Commission approved the above subscription (Anhui Banking and Insurance Regulatory [2020] No. 274), and the Company paid the subscription price for the above directed issue of shares on 30 December 2020.

On 4 January 2021, the registration of the shares subscribed by the Company was completed at the Shenzhen Branch of China Securities Depository and Clearing Corporation, and the Company's shareholding in Huishang Bank increased from 4.26% to 5%.

In addition to the above, as of December 31, 2020,the Company has no other events after the balance sheet date to be disclosed.

XI. Relation and transaction between related parties

1.Information about the parent company of the Company

The Company is actually controlled by Anhui State-owned Assets Supervision and Administration Commission.

2.Subsidiaries of the Company

Details of the subsidiaries please refer to Notes 7Business combination and consolidated financial statements.

3.Joint ventures and associates

Details of significant joint ventures and associates please refer to Notes 8 Long-term equity investment.

4.Related party

(1) Related party transactions

Type of transaction	Related parties	Relationship	Amount for the current period	The proportion to the similar transactions (%)	Outstanding amount	Bad debt provision on outstanding amount	Pricing policy
1. Goods purchased or services received							
Exploration, measurement	Anhui Comprehensive Transport Institute Co., Ltd.	Associate	31,420,921.70	2.07			Agreed price
2.Goods sales or services provided							
Road network operation service	Anhui Guolu Expressway Co., Ltd.	Associate	2,921,953.28	0.02			Agreed price
Road network operation service	Anhui Bengming Expressway Development Co., Ltd.	Associate	2,129,366.32	0.01			Agreed price
3.Others							
Rental	Anhui Traffic Merchants Fund Management Co., Ltd.	Other related party	99,942.84	0.06			Agreed price
Rental	Anhui Traffic Goldstone Fund Management Co., Ltd.	Other related party	99,942.84	0.06			Agreed price
Tenancy	Xuancheng Traffic Investment Co., Ltd.	Other related party	500,000.00	0.74			Agreed price

(2) Associated Guarantees

As secured party:

Guarantor	Amount	Guarantee effective date	Guarantee expiry date	Whether the guarantee has been fulfilled
Xuancheng Traffic Investment Co., Ltd.	30,000,000.00	2012/4/28	2025/11/1	No
Xuancheng Traffic Investment Co., Ltd.	50,000,000.00	2012/10/19	2025/11/1	No
Xuancheng Traffic Investment Co., Ltd.	15,000,000.00	2014/7/1	2025/11/1	No
Xuancheng Traffic Investment Co., Ltd.	18,510,000.00	2015/11/20	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	9,390,000.00	2015/11/30	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	10,120,000.00	2015/12/21	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	5,380,000.00	2016/2/3	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	8,080,000.00	2016/3/28	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	6,840,000.00	2016/7/28	2035/9/29	No
Xuancheng Traffic Investment Co., Ltd.	38,290,000.00	2018/2/1	2035/9/29	No

(3) Amount due to/from related parties

Related parties	Items receivable	Closing balance	Provision for bad debt
Sinopec Sales Limited Anhui Petroleum Branch	Prepayments	81,831,437.18	
Anhui Comprehensive Traffic Research Institute Co.	Accounts receivable	100,000.00	5,000.00
Anhui Bengming Expressway Development Co.	Contract assets	23,428,800.00	1,354,786.67

(Continued)

Related parties	Payable Items	Closing balance
Anhui Comprehensive Transportation Research Institute Co.	Accounts Payable	61,484,399.50
Sinopec Sales Co., Ltd.	Dividends payable	20,926,598.34
Anhui Traffic Goldstone Fund Management Co., Ltd.	Receipts in advance	17,490.00
Cccc Third Highway Engineering Co., Ltd.	Long-term payables	193,200,000.00
Xuancheng City Transportation Investment Co.	Long-term payables	173,793,567.74
Langxi County Transportation Construction Development Co.	Long-term payables	60,000,000.00
Anhui Bengming Expressway Development Co.	Other payables	8,523,898.45
Anhui Guolu Expressway Co.	Other payables	6,378,198.54
Anhui Province Comprehensive Traffic Research Institute Co.	Other payable	3,000,000.00
Lujin (China) Infrastructure Co.	Other payable	674,019.00

XII. Notes of main financial statement items of the Company

Major items in the parent company's statements

1. Accounts receivables

Types	Closing balance			Opening balance		
	Book balance	Proportion (%)	Provision for bad debt	Book balance	Proportion (%)	Provision for bad debt
Accounts receivable with significant single amounts and for which bad debt provision are drawn individually						
Accounts receivable for which bad debt provision are drawn according to combination of credit risk characteristics	284,244,413.39	100.00		452,776,460.43	100.00	
Accounts receivable with insignificant single amounts and for which bad debt provision are drawn individually						
Total	284,244,413.39	100.00		452,776,460.43	100.00	

(1) Accounts receivable for which bad debts are provided according to combination of credit risk characteristics.

1)Accounts receivable with provision for bad debt according to other portfolio basis.

Combination name	Closing balance			Opening balance		
	Book balance	Proportion (%)	Provision for bad debt	Book balance	Proportion (%)	Provision for bad debt
Related parties combination	284,244,413.39			452,776,460.43		
Risk-free group						
Total	284,244,413.39			452,776,460.43		

(2)Details of the top 5 debtors with largest closing balances

Name of debtor	Book balance	Proportion (%)	Provision for bad debt
Anhui Provincial Expressway Network Operation Co.	282,836,140.59	99.50	
Anhui Yida Expressway Service Area Operation and Management Co.	1,408,272.80	0.50	
Total	284,244,413.39	100.00	

2. Other receivables

Items	Closing balance	Opening balance
Interest receivable		
Dividends receivable	81,001,932.22	
Other receivables	10,179,511,825.65	9,022,395,685.28
Total	10,260,513,757.87	9,022,395,685.28

Dividends receivable

Items	Closing balance	Opening balance	Reason for failure to collect	Whether impaired and basis for judgment
Dividends receivable aged within 1 year	81,001,932.22			
Including: 1. Huishang Bank Limited Dividend., Ltd.	81,001,932.22		Not yet paid	Recovered after the period
Total	81,001,932.22			

Other receivables

Types	Closing balance			
	Book balance		Provision for bad debt	
	Amount	Proportion (%)	Amount	Proportion (%)
Other receivable with significant single amounts and for which bad debt provision are drawn individually	15,919,909.00	0.15	15,919,909.00	100.00
Other receivable for which bad debt provision are drawn according to combination of credit risk characteristics	10,317,122,752.08	99.84	137,610,926.43	1.33
Other receivable with insignificant single amounts and for which bad debt provision are drawn individually	514,748.00	0.01	514,748.00	100.00
Total	10,333,557,409.08	100.00	154,045,583.43	

(Continued)

Types	Opening balance			
	Book balance		Provision for bad debt	
	Amount	Proportion(%)	Amount	Proportion (%)
Other receivable with significant single amounts and for which bad debt provision are drawn individually	15,919,909.00	0.17	15,919,909.00	100.00
Other receivable for which bad debt provision are drawn according to combination of credit risk characteristics	9,161,270,953.18	99.82	138,875,267.90	1.52

Types	Opening balance			
	Book balance		Provision for bad debt	
	Amount	Proportion(%)	Amount	Proportion (%)
Other receivable with insignificant single amounts and for which bad debt provision are drawn individually	514,748.00	0.01	514,748.00	100.00
Total	9,177,705,610.18	100.00	155,309,924.90	

(1) Other accounts receivable with significant single amounts and for which bad debt provision are drawn individually

Debtor name	Book balance	Provision for bad debt	Aging	Proportion (%)	Reason for provision
Expressway Detachment Directly Under Traffic Police Force of Anhui Provincial Public Security Department	9,300,000.00	9,300,000.00	More than 5 years	100.00	Can not be recovered
Anhui High Speed Logistics Co.	4,196,312.00	4,196,312.00	1-2years	100.00	Can not be recovered
Anhui Yanjiang Expressway Co.	1,294,472.00	1,294,472.00	More than 5 years	100.00	Can not be recovered
Anhui Province Hehuai Fu Expressway Co.	1,129,125.00	1,129,125.00	More than 5 years	100.00	Can not be recovered
Total	15,919,909.00	15,919,909.00			

(2) Other accounts receivable for which bad debt provision are drawn according to combination of credit risk characteristics.

Aging	Closing balance			Opening balance		
	Book balance		provision for bad debt	Book balance		provision for bad debt
	Amount	Proportion (%)		Amount	Proportion (%)	
Within 1 year (including 1 year)	1,119,123.41	0.79	55,956.17	11,234,020.63	6.98	561,701.03
1-2 years (including 2 years)	769,241.51	0.54	76,924.15	7,405,662.27	4.60	740,566.23
2-3 years (including 3 years)	415,989.06	0.29	83,197.81	1,031,999.23	0.64	206,399.85
More than 3 years	139,518,005.36	98.38	137,394,848.30	141,231,685.16	87.78	137,366,600.79
Total	141,822,359.34	100.00	137,610,926.43	160,903,367.29	100.00	138,875,267.90

Other accounts receivable with provision for bad debt conducted according to other portfolio basis

Combination name	Closing balance			Opening balance		
	Book balance	Proportion (%)	provision for bad debt	Book balance	Proportion (%)	provision for bad debt
Related parties combination	10,175,300,392.74			9,000,367,585.89		
Total	10,175,300,392.74			9,000,367,585.89		

(3) Other receivables with insignificant single amounts and for which bad debts are provided individually

Debtor name	Book balance	Provision for bad debt	Aging	Proportion (%)	Reason for provision
Anhui Liu Qian Expressway Co.	514,748.00	514,748.00	More than 5 years	100,00	Can not be recovered
Total	514,748.00	514,748.00			

(4) Details of the top 5 debtors with largest closing balances of other receivables

Debtor name	Nature	Book balance	Aging	Proportion (%)	provision for bad debt
Anhui Anlian Expressway Co.	Current account	2,541,143,293.21	Within 1 year	24.59	
Anhui Anqing Yangtze River Highway Bridge Co.	Current account	1,767,923,275.29	Within 1 year	17.11	
Anhui Yangji Expressway Co.	Current account	2,626,275,133.57	Within 1 year	25.42	
Anhui Wu Yan Expressway Co.	Current account	816,402,860.23	Within 1 year	7.90	
Anhui Li-Guang Expressway Co.	Current account	792,513,337.43	Within 1 year	7.67	
Total		8,544,257,899.73		82.69	

3. Long-term equity investment

(1) Long-term equity investment classification

Items	Opening balance	Increase in current period	Decrease in current period	Closing balance
Investment in subsidiaries	15,713,647,966.25	1,146,613,558.59	701,529.98	16,859,559,994.86
Investment in joint ventures				
Investment in associated enterprises	3,481,844,590.74	169,995,842.13	149,199,349.63	3,502,641,083.24
Sub-total	19,195,492,556.99	1,316,609,400.72	149,900,879.61	20,362,201,078.10
Less: Provision for impairment of long-term equity investments	301,099,516.33	533,071,182.29		834,170,698.62
Total	18,894,393,040.66	783,538,218.43	149,900,879.61	19,528,030,379.48

(2) Details of long-term equity investment

Investee unit	Invest cost	Opening balance	Increase or decrease of current period			
			Additional investment	Decrease in investment	Profit and loss on investment recognized in the equity method	Adjustment of other comprehensive income
Total	20,019,484,922.94	19,195,492,556.99	1,146,613,558.59	701,529.98	169,995,842.13	
I. Associated enterprises	16,867,814,922.94	15,713,647,966.25	1,146,613,558.59	701,529.98		
Anhui Wantong Expressway Co., Ltd.	959,876,379.62	959,876,379.62				
Anhui Anlian Expressway Co., Ltd.	892,441,500.00	892,441,500.00				
Anhui Wuyan Expressway Co., Ltd.	70,000,000.00	70,000,000.00				
Anhui Anqing Changjiang River Highway Bridge Co., Ltd.	483,000,000.00	483,000,000.00				
Anhui Expressway Media Co., Ltd.	25,500,000.00	25,500,000.00				
Anhui Highway Construction Co., Ltd.	533,676,089.55	533,676,089.55				
Anhui Yida Expressway Service Area Management Co., Ltd.	79,243,778.64	79,243,778.64				
Anhui Yangji Expressway Co., Ltd.	270,000,000.00	270,000,000.00				
Anhui Expressway Real Estate Group Co., Ltd.	3,498,520,364.30	3,498,520,364.30				
Anhui Expressway Logistics Co., Ltd.						
Anhui Expressway Petrochemical Co., Ltd	2,128,669,745.27	2,128,669,745.27				
Hefei Wantong Microfinance Co., Ltd.	45,000,000.00	45,000,000.00				
Anhui Liguang Expressway Co., Ltd.	80,000,000.00	80,000,000.00				
Anhui Wangqian Expressway Co., Ltd.	60,000,000.00	60,000,000.00				
Anhui Expressway Financial Leasing Co., Ltd.	212,446,136.00	212,446,136.00				
Anhui Transportation Holding Group (Hongkong) Co., Ltd.	161,068,220.00	161,068,220.00				

Investee unit	Invest cost	Opening balance	Increase or decrease of current period			
			Additional investment	Decrease in investment	Profit and loss on investment recognized in the equity method	Adjustment of other comprehensive income
Anhui Jiefubeng Expressway Management Co., Ltd.	8,700,000.00	8,700,000.00				
Anhui Transportation Holding Group Lujiang Expressway Management Co.,Ltd	500,000.00	500,000.00				
Anhui Machao Expressway Co.,Ltd.	247,827,040.07	248,528,570.05		701,529.98		
Anhui Transportation Holding Group Suzhou Expressway Management Co., Ltd.						
Anhui Xuming Expressway Management Co., Ltd.	500,000.00	500,000.00				
Anhui Transportation Group Co., Ltd.	93,025,085.37	93,025,085.37				
AnhuiTransport Consulting & Design Institute Co., Ltd.	191,102,700.00	191,102,700.00				
Anhui Qixing Property Management Co., Ltd.	50,573,693.05	50,573,693.05				
Anhui Xunjie Logistics Co., Ltd.	196,832,169.70	180,346,925.18	15,332,169.70			
Anhui Jinggong Construction Group Co., Ltd.	161,473,650.63	131,590,408.48	22,781,388.89			
Anhui Ningxuanhang Expressway Investment Co., Ltd.	862,280,041.00	862,280,041.00				
Beijing Anlian Real Estate Development Co., Ltd.	70,000,000.00	70,000,000.00				
Anhui Expressway Network Operation Co., Ltd.	26,058,024.57	26,058,024.57				
AnhuiTransportation Capital Investment Management	3,820,500,305.17	3,633,000,305.17	187,500,000.00			
Anhui Transportation Bomeng Highway Development Limited	51,000,000.00	51,000,000.00				

Investee unit	Invest cost	Opening balance	Increase or decrease of current period			
			Additional investment	Decrease in investment	Profit and loss on investment recognized in the equity method	Adjustment of other comprehensive income
Anhui Hezong Expressway Co., Ltd.	188,000,000.00	188,000,000.00				
Anhui Yuehuang Expressway Co.,Ltd.	467,000,000.00	467,000,000.00				
Anhui Transportation Holding Information Industry Co.,Ltd.	24,000,000.00	12,000,000.00	12,000,000.00			
Anhui Transportation Holding Construction Management Co. Ltd.	10,000,000.00		10,000,000.00			
Anhui Province Helu Expressway Co. Ltd.	630,000,000.00		630,000,000.00			
Anhui Wuhe Expressway Co.Ltd.	269,000,000.00		269,000,000.00			
ILJoint ventures	3,151,670,000.00	3,481,844,590.74			169,995,842.13	
Anhui Guolu Expressway Co., Ltd.	114,000,000.00	244,312,293.49			33,610,611.77	
Wanjiang Financial Leasing Co., Ltd.	55,800,000.00	134,586,585.72			88,044,718.13	
Anhui Bengming Expressway Development Co., Ltd.	2,981,870,000.00	3,102,945,711.53			48,340,512.23	

(Continued)

Investee unit	Increase or decrease of current period				Closing balance	Closing balance of the provision for impairment
	Other equity change	Dividends or profits declared to be paid	Provision for impairment	Other		
Total		-149,199,349.63	533,071,182.29		20,362,201,078.10	834,170,698.62
I. Associated enterprises					16,859,559,994.86	
Anhui Wantong Expressway Co., Ltd.					959,876,379.62	
Anhui Anlian Expressway Co., Ltd.					892,441,500.00	
Anhui Wuyan Expressway Co., Ltd.					70,000,000.00	
Anhui Anqing Changjiang River Highway Bridge Co., Ltd.					483,000,000.00	
Anhui Expressway Media Co., Ltd.					25,500,000.00	

Investee unit	Increase or decrease of current period				Closing balance	Closing balance of the provision for impairment
	Other equity change	Dividends or profits declared to be paid	Provision for impairment	Other		
Anhui Highway Construction Co., Ltd.					533,676,089.55	
Anhui Yida Expressway Service Area Management Co., Ltd.					79,243,778.64	
Anhui Yangji Expressway Co., Ltd.					270,000,000.00	
Anhui Expressway Real Estate Group Co., Ltd.					3,498,520,364.30	
Anhui Expressway Logistics Co., Ltd.						
Anhui Expressway Petrochemical Co., Ltd					2,128,669,745.27	
Hefei Wantong Microfinance Co., Ltd.					45,000,000.00	
Anhui Liguang Expressway Co., Ltd.					80,000,000.00	
Anhui Wangqian Expressway Co., Ltd.					60,000,000.00	
Anhui Expressway Financial Leasing Co., Ltd.					212,446,136.00	
Anhui Transportation Holding Group (Hongkong) Co., Ltd.					161,068,220.00	
Anhui Jiefubeng Expressway Management Co., Ltd.					8,700,000.00	
Anhui Transportation Holding Group Lujiang Expressway Management Co.,Ltd					500,000.00	
Anhui Machao Expressway Co.,Ltd.					247,827,040.07	
Anhui Transportation Holding Group Suzhou Expressway Management Co., Ltd.						
Anhui Xuming Expressway Management Co., Ltd.					500,000.00	
Anhui Transportation Group Co., Ltd.					93,025,085.37	
AnhuiTransport Consulting & Design Institute Co., Ltd.					191,102,700.00	

Investee unit	Increase or decrease of current period				Closing balance	Closing balance of the provision for impairment
	Other equity change	Dividends or profits declared to be paid	Provision for impairment	Other		
Anhui Qixing Property Management Co., Ltd.					50,573,693.05	
Anhui Xunjie Logistics Co., Ltd.					195,679,094.88	
Anhui Jinggong Construction Group Co., Ltd.					154,371,797.37	
Anhui Ningxuanhang Expressway Investment Co., Ltd.					862,280,041.00	
Beijing Anlian Real Estate Development Co., Ltd.					70,000,000.00	
Anhui Expressway Network Operation Co., Ltd.					26,058,024.57	
AnhuiTransportation Capital Investment Management					3,820,500,305.17	
Anhui Transportation Bomeng Highway Development Limited					51,000,000.00	
Anhui Hezong Expressway Co., Ltd.					188,000,000.00	
Anhui Yuehuang Expressway Co.,Ltd.					467,000,000.00	
AnhuiTransportation Capital Investment Management					24,000,000.00	
Anhui Transportation Bomeng Highway Development Limited					10,000,000.00	
Anhui Province Helu Expressway Co. Ltd.					630,000,000.00	
Anhui Wuhe Expressway Co.Ltd.					269,000,000.00	
ILJoint ventures		-149,199,349.63	533,071,182.29		3,502,641,083.24	834,170,698.62
Anhui Guolu Expressway Co., Ltd.		-32,239,349.63			245,683,555.63	
Wanjiang Financial Leasing Co., Ltd.		-116,960,000.00			105,671,303.85	
Anhui Bengming Expressway Development Co., Ltd.			533,071,182.29		3,151,286,223.76	834,170,698.62

(3) Key financial information on significant joint ventures

See Note VIII. Note.14 Long-term equity investments for details.

4. Operating income and operating costs

Items	Amount for the current period		Amount for the prior period	
	Income	Cost	Income	Cost
1. Subtotal of income of main business	12,083,265,435.87	7,984,484,512.38	14,321,257,072.07	7,394,404,942.40
Road and bridge operations	12,083,265,435.87	7,984,484,512.38	14,321,257,072.07	7,394,404,942.40
2. Subtotal of income of other businesses	383,094,981.86	77,608,602.08	310,911,567.57	107,388,996.56
rental business	167,017,991.07	44,001,313.25	163,941,431.20	29,999,591.98
Salvage operations	57,478,608.18		2,924,708.55	
Others	158,598,382.61	33,607,288.83	144,045,427.82	77,389,404.58
Total	12,466,360,417.73	8,062,093,114.46	14,632,168,639.64	7,501,793,938.96

5. Investment income

Sources of investment income	Amount for the current period	Amount for the prior period
Income from long-term equity investments calculated by cost method	169,995,842.13	290,224,160.76
Income from long-term equity investments calculated by equity method		-228,024.30
Investment income from disposal of long-term equity investment	81,001,932.22	28,892,408.94
Investment income from available-for-sale financial assets	357,719,690.90	343,053,974.55
Total	608,717,465.25	661,942,519.95

6. Supplementary information to the statement of cash flows

Reconciliation of net profit to cash flow from operating activities

Supplementary information	Amount for the current period	Amount for the prior period
1. Reconciliation of net profit to cash flows from operating activities：		
Net profit	210,985,483.53	2,164,848,540.80
Plus: Preparation for the impairment of assets	531,355,123.42	747,116,288.03
Impairment losses on credit assets		
Depreciation of fixed assets and others	5,869,912,276.23	4,738,690,766.96
Depreciation of right-to-use assets		
Amortization of intangible assets	26,873,334.41	2,718,929.84
Amortization of long-term deferred expenses	2,426,332.68	2,278,288.00
Losses on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	-67,807,576.00	-1,873,845.20

Supplementary information	Amount for the current period	Amount for the prior period
Losses on write-off of fixed assets ("-" for gains)	17,754.35	78,714,124.18
Losses from changes in fair value ("-" for gains)		
Financial expenses (“-” for income)	4,463,116,175.12	4,500,553,068.86
Investments losses ("-" for gains)	-608,717,465.25	-661,942,519.95
Decreases in the deferred income tax assets (“-” for increases)	848,158.47	-101,611,090.10
Increases in the deferred income tax liabilities (“-” for decreases)	333,316,192.99	137,887,284.67
Decreases in inventories (“-” for increases)	842,408.98	2,571,607.38
Decreases in operating payables (“-” for increases)	-1,938,230,023.13	-953,136,034.73
Increases in operating payables (“-” for decreases)	1,384,739,932.75	1,253,209,325.90
Others		
Net cash flows from operating activities	10,209,678,108.55	11,910,024,734.64
2. Significant investment and financing activities		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under financial lease		
3.Net change of cash and cash equivalents:		
Closing balance of cash	5,051,418,162.23	3,881,174,931.79
Less: Initial balance of cash	3,881,174,931.79	3,533,197,822.21
Add: Closing balance of cash equivalents		
Less: Initial balance of cash equivalents		
Net increased amount of cash and cash equivalents	1,170,243,230.44	347,977,109.58

XIII. Other contents that should be disclosed according to relevant financial and accounting rules

The Company has no other matters need to be disclosed during the reporting period.

XVI. Approval of financial statements

The financial statements for the year were approved for presentation by the Board of Directors of the Company.

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