江蘇寧滬高速公路股份有限公司

JIANGSU EXPRESSWAY COMPANY LIMITED

(Established in the People's Republic of China as a joint-stock limited company)

(Stock Code: 00177)

PRELIMINARY ANNOUNCEMENT FOR UNAUDITED 2019 ANNUAL RESULTS

The contents of this announcement are disclosed pursuant to Rule 13.49(3) of the Hong Kong Listing Rules. The financial statements and notes in this annual results preliminary announcement are unaudited.

I. IMPORTANT NOTICE

1.1 The Board of directors, the supervisory committee and the directors, supervisors and senior management of Jiangsu Expressway Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") warrant that there are no false representations or misleading statements contained in, or material omissions from, this announcement; and jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

1.2 Absence of Directors

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

1.3 The financial statements and notes in this annual results preliminary announcement are unaudited. The audit committee of the Company has reviewed and confirmed the preliminary results announcement for the year ended 31 December 2019. The annual financial statements of the Company has been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC and is in compliance with the disclosure requirements under the Hong Kong Companies Ordinance and the Hong Kong Listing Rules.

According to the audit plan for implementation of Rules 13.49 (1) and (2) of the Hong Kong Listing Rules formulated by the Company and the auditors, the Company should have completed the relevant audit within six weeks after the Spring Festival holiday, and subsequently hold the meeting of the Audit Committee and the Board meeting of the Company. Prior to the Spring Festival holiday (17 January 2020), the Company issued the notice for the Board meeting to be held on 20 March 2020 to approve the annual financial report of the Company.

After the outbreak of novel coronavirus pneumonia, the Chinese government extended the Spring Festival holiday to 9 February 2019. However, it has continued to remain the restrictions on travel and delays in resuming work. As a result, some members of the Company and the auditors could not carry out their work as originally planned. Although the Company requires the auditors to expedite the completion of the audit procedures as soon as practicable, some third-parties have only resumed their operation recently, the audit confirmation request letters issued by the auditors have been failed to be received and confirmed by third parties on time due to blocked postal delivery.

The Company has communicated closely with those third parties and hope to receive their confirmation letters as soon as possible. However, since the relevant confirmation has not been received, there are still some items for which the audit process to be completed in the financial statements of the Company. The financial information that has yet to complete the audit process includes items of accounts payable and cash.

Assuming the audit process may be completed on or before 15 April 2020, the earliest time for the Board meeting to review and approve the audited financial statements will be 24 April 2020.

Further announcement will be made by the Company in accordance with the Hong Kong Listing Rules.

1.4 Company profile

Stock Abbreviation	寧滬高速 (A Shares)	Jiangsu Expressway (H shares)	JEXYY (ADR)
Stock Code	600377	0177	477373104
Listing Stock Exchange	Shanghai Stock Exchange	The Stock Exchange of Hong Kong Limited	United States

	Secretary to the Board	**Representatives of Securities Affairs**
Name	Yao Yongjia	Tu Jun and Lou Qing
Telephone Number	8625-8446 9332	8625-84362700-301835, 301838
Fax Number	8625-8420 7788	8625-8446 6643
E-mail Address	jsnh@jsexpressway.com	

1.5 Unless otherwise specified, the financial figures involved in this announcement are expressed in RMB.

1.6 For the items and company abbreviation involved in this announcement, please refer to Section XI of this announcement.

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

II. PROFIT DISTRIBUTION PLAN

As at the date of this preliminary results announcement, the Board of the Company has not reviewed and discussed the profit distribution plan. After Deloitte Touche Tohmatsu Certified Public Accountants LLP issues the financial statements for the year ended 31 December 2019 with its auditor's report, the Company will further hold a Board meeting to review the profit distribution plan for the Reporting Period.

III. PRINCIPAL BUSINESSES OR OVERVIEW OF PRODUCTS DURING THE REPORTING PERIOD

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

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

In addition, the Group is also actively exploring and venturing into other new business fields, including financial, quasi-financial, real estate development and industrial area, aiming to further enhance profitability and achieve sustainable development of the Group. As at 31 December 2019, the Company owned five wholly-owned subsidiaries, four non-wholly-owned subsidiaries and participated in eleven joint ventures by shares[Note1], with total assets of approximately RMB55,625 million and net assets of approximately RMB32,683 million.

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

IV. SUMMARY OF MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS

Unit: Yuan Currency: RMB

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

	The end of 2019	The end of 2018	Increase/decrease at the end of the Reporting Period as compared to the end of the previous year (%)	The end of 2017	The end of 2016	The end of 2015
Net assets attributable to the shareholders of the Company	**28,546,983,607**	26,137,197,732	9.22	23,520,283,963	22,209,756,185	20,476,159,276
Total liabilities	**22,942,211,489**	18,808,871,891	21.98	16,637,560,626	13,340,716,540	15,289,867,555
Total assets	**55,625,048,625**	48,162,728,833	15.49	42,532,491,238	36,282,573,529	36,476,039,663

V. MAJOR FINANCIAL DATA FOR 2019 BY QUARTERS

Unit: Yuan Currency: RMB

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

VI. SHARE CAPITAL AND SHAREHOLDERS

6.1 Shareholders of ordinary shares and shareholding of the top ten shareholders

Total number of shareholders as at the Reporting Period (Number of shareholders of H Shares: ：419 (inclusive))	24,072	Total number of ordinary shareholders as at the end of last month before the date of disclosure of the annual report(Number of shareholders of H Shares: ：419 (inclusive))	33,322

Shareholdings of top ten shareholders

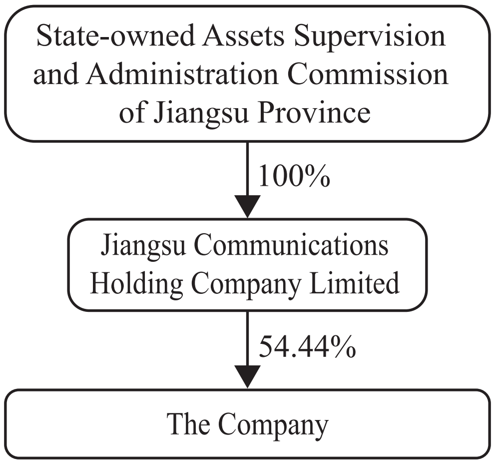
Name of shareholder (full name)	Change during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage	Number of shares with sales restrictions held	Pledged or frozen		
					Status of shares	Number	Type of shareholder
			(%)				
Jiangsu Communications Holding Company Limited	0	2,742,578,825	54.44	0	Nil	–	State-owned legal person
China Merchants Expressway Network &Technology Holdings Co., Ltd.	0	589,059,077	11.69	0	Nil	–	State-owned legal person
BlackRock Inc.	12,794,177	147,373,994	2.93	0	Unknown	–	Foreign legal person
Mitsubishi UFJ Financial Group Inc.	123,202,971	123,202,971	2.45	0	Unknown	–	Foreign legal person
JPMorgan Chase & Co.	(22,771,406)	106,537,872	2.11	0	Unknown	–	Foreign legal person
Citigroup Inc.	12,596	61,445,317	1.22	0	Unknown	–	Foreign legal person
Huitianfu Fund Management Co., Ltd.-Social Security Fund 1103 Portfolio (匯添富基金管理股份有限公司－社保基金1103組合)	46,000,026	46,000,026	0.91	0	Unknown	–	Others
Guotai Junan Securities Company Limited	(35,651,103)	39,870,436	0.79	0	Unknown	–	Others
Jiantou Zhongxin Asset Management Co., Ltd.	0	21,410,000	0.42	0	Unknown	–	State-owned legal person
China Pacific Life Insurance Co., Ltd. – CPLI Stock Dividend Product (Shou Zi Ying) Entrusted Investment (Yangtze River Pension) (中國太平洋人壽股票紅利型產品(壽自營)委託投資(長江養老))	(116,416)	12,500,000	0.25	0	Unknown	–	Others

Shareholdings of top ten shareholders without being imposed on sales restrictions

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

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

6.2 Flowchart of the shareholding and the controlling relationship between the Company and the de facto controller



VII. MANAGEMENT DISCUSSION AND ANALYSIS

7.1 Business Review

I. Management Discussion and Analysis

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

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

Road and bridge operations as the principal businesses were firmly established and assets efficiency was improved. Firstly, for the planning on the principal business, it invested in Longtan Bridge, another cross-river channel project led by the Group after Wufengshan Channel and it will further enhance the advantage of the Group in the cross-river channel sector after the project bas been put into operation.

It established Yangtze River Management Company, completed the functional integration of five road and bridge companies, including Yangtze Bridge Company, and implemented integrated management, which reduced the operation and management costs and expanded the advantages in regional size. It implemented the development concepts with "international horizon and domestic leadership", established Ninghu International Company, a subsidiary, to participate in the acquisition of overseas road and bridge assets through the establishment of a consortium and gain experiences for the "Going Global" strategy of the Group. **Secondly,** for the construction of projects. the construction of Wufengshan Toll Bridge, Yichang Expressway and Changyi Expressway were under smooth progress. As of the end of 2019, 73.26%, 76.21% and 50.11% of the total investments for the projects were completed, receptively, and they will become new growth points in the profit of the Group in the following one to two years. **Thirdly,** it was for the operation of service areas. As of the end of 2019, the "3+3" plan for upgrading and transformation of service areas along Shanghai-Nanjing Expressway has been fully completed. The daily visits to service areas along Shanghai-Nanjing Expressway increased 26.09% year on year after they were put into operation. The stable flow can bring potential economic benefits and lay a solid foundation for further boosting commercial development by the Group. It effectively improved the bidding on procurement of petroleum products and strengthened the market competition mechanism, thus effectively improving the gross profit margin of sales of petroleum products by 2.13 percentage points.

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

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

Reform and innovation was deepened and brand effect was boosted. Firstly, it developed the famous brands of service areas. During the Reporting Period, the "dual improvement" transformation work of service areas along Shanghai-Nanjing Expressway has been fully completed and the operation of these service areas is known as Jiangsu model. Yangchenghu Service Area is awarded the "Most

Beautiful Service Area with the Garden Culture" by China Highway & Transportation Society, which built an excellent brand image and social image for the Group, won the deep trust of consumers and enhanced the drivers for sustainable development. **Secondly,** it developed the safety brand of Shanghai-Nanjing Expressway. The Company successfully passed the annual review on standardized safe production conducted by the Ministry of Transport and has met Level-I of the standardized safe production for three consecutive years. It accepted the special tour inspection on safety by the provincial authorities with outstanding safety performance and was highly recognized. **Thirdly,** it developed the intelligent brand of Shanghai-Nanjing Expressway. Following closely the pace of the times of"Internet +", the Company actively studied the scenario-based application of 5G technology in expressways and implemented panoramic AR, intelligent parking guidance and intelligent comprehensive monitoring programs, completing the 5G network coverage over the Yangchenghu and Huanglishu being two pilot service areas. In the construction of Wufengshan Toll Bridge, it conducted overall planning and design to build an expressway in the future.

(I) Toll road and bridge operations

1. Analysis of business and operational environment

(1) Impact of the macroeconomic environment

In 2019, under the major background with complicated and severe international environment, the global economic growth slowed down, the protectionism in trading rose and the competition in various industries was further intensified. Facing the complicated international and domestic environments, China strengthened counter-cyclic adjustments in macro policies and the economic operation maintained an overall development trend of stable operation with progress. In 2019, the gross domestic product reached RMB99,086.5 billion, representing an increase of 6.1% over the previous year calculated at a comparable price, achieving the expected growth target of 6% to 6.5%. China's economic growth was remarkably higher than the global economic growth and ranked the first among economies with the total economy of over USD1,000 billion. It contributed about 30% of the world economic growth, and remarked the major contributor to the world economic growth. During the Reporting Period, the gross regional product in the Jiangsu Province reached RMB9,963.15 billion, representing an increase of 6.1%

over the previous year calculated at a comparable price. Its comprehensive strength was consistently enhanced with the total economy reaching a new high. It achieved stable improvement in development quality and made solid steps in high-quality development. **(Information source: governmental statistics information website)**

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

(2) Development of demands for transportation

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

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

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

(3) Changes in competition pattern

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

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

(4) The impact of the policies on toll roads

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

2. Operation and management measures

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

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

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

Advanced expressway maintenance in a scientific way and promoted smooth traffic with quality. The Company adhered to the concept of maintenance throughout the life span and preventive maintenance and continued to advance active and intelligent maintenance to improve the road use and performance. It improved the quality of roads and bridges through accurate maintenance.

Despite the pressure of heavy traffic, bridges of Category I and Category II remained to be 100% and the rate of excellent roads and expressways remained to be 100%. MQI and PQI, the two major indexes of maintenance quality, were 97.06 and 95.80, respectively, which were higher as compared to those of last year. The Company improved the efficiency through concentrated maintenance. It conducted concentrated mat coat overhauls in the Shuofang-East Bridge section and with the scientific organization and precise control on super-high-traffic sections. The Company spent 6 working days only to complete the maintenance workload that normally took 28 working days on average without interrupting traffic for the first time, which benefited the public to the greatest extent. It broke through bottlenecks in resources through "intelligent expansion" and it took the lead to try the re-allocation of lane resources in China. It expanded the width of emergency lanes to 3.5m for travelling and changed four lanes into five lanes without increasing land occupation, which overcame the restrictions of resources and enhanced the traffic capacity of roads.

3. *Business performance and analysis of project operation*

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

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

4. Business Development

(1) Actively promoting the construction of projects in progress

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

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

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

(3) Establishment of Yangtze River Management Company

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

(II) Operation of ancillary services

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

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

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

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

(III) Business of real estate development and sales

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

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

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

(IV) Other businesses

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

7.2 Financial analysis

1. Analysis of principal businesses

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

Unit: Yuan   Currency: RMB

Item	**Amount in the Reporting Period**	Amount in the corresponding period last year	Changes *(%)*
Operating revenue	**10,078,181,219**	9,969,011,165	1.10
Operating costs	**4,576,009,545**	4,574,394,775	0.04
Selling expenses	**35,971,797**	37,740,441	(4.69)
Administrative expenses	**227,595,890**	211,774,236	7.47
Financial expenses	**464,164,014**	524,560,684	(11.51)
Business taxes and surtaxes	**126,990,737**	168,977,540	(24.85)
Credit impairment losses	**(96,973)**	(33,670)	188.01
Gain on changes in fair value	**71,295,344**	158,299,349	(54.96)
Investment income	**886,313,896**	1,056,795,788	(16.13)
Non-operating income	**32,336,184**	21,943,624	47.36
Losses from disposal of assets	**(70,252,066)**	(7,661,280)	816.98
Other income	**7,257,959**	1,974,866	267.52
Non-operating expenses	**52,532,596**	30,241,723	73.71
Net cash flow from operating activities	**5,763,283,624**	5,715,489,507	0.84
Net cash flow from investing activities	**(7,391,606,310)**	(4,773,577,639)	54.84
Net cash flow from financing activities	**1,562,605,900**	(689,543,647)	(326.61)

(1) Principal businesses classified by industries and regions

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

Principal businesses classified by industries and regions

Unit: Yuan Currency: RMB

Principal operating activities classified by industries

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

Principal operating activities classified by regions

By regions	Operating revenue	Operating costs	Gross profit margin *(%)*	Change in operating revenue over the corresponding period of last year *(%)*	Change in operating costs over the corresponding period of last year *(%)*	Change in gross profit margin over the corresponding period of last year *(%)*
Jiangsu Province	**10,078,181,218.81**	**4,576,009,544.69**	**54.59**	1.10	0.04	Increased by 0.48 percentage point

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

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

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

(2) *Analysis of costs*

Components of costs

Unit: Yuan Currency：RMB

By Industries							
By industries	Components of costs	Amount for the Reporting Period	Percentage in total costs for the Reporting Period *(%)*	Amount for the same period last year	Percentage in total costs or the same period last year *(%)*	Changes in percentage of the amount for the Reporting Period compared with the same period last year *(%)*	Explanation of the situation
Toll road operations		**2,876,262,069.44**	**62.86**	2,614,094,988.32	57.14	10.03	–
–	**Depreciation and amortization**	**1,420,364,799.11**	**31.04**	1,327,322,713.24	29.02	7.01	
–	**Costs on maintenance**	**531,109,367.09**	**11.61**	362,811,697.17	7.93	46.39	Mainly due to the intensive maintenance of the pavement of some sections of the Shanghai-Nanjing Expressway and the overhaul of Guangjing Xicheng Expressway and a year-on-year increase in the costs of road maintenance as a result of a comprehensive renovation of the facilities and greening along the expressways during the Reporting Period.
–	**Costs on system maintenance**	**35,594,808.23**	**0.78**	78,688,580.13	1.72	(54.76)	Mainly due to the year-on-year decrease in costs on system maintenance as a result of the withdrawal of provincial toll stations and the delayed implementation of some system maintenance projects.
–	**Costs on toll collection**	**169,742,752.56**	**3.71**	162,159,922.23	3.54	4.68	Mainly due to the increase in toll revenue during the Reporting Period, the corresponding road network management fees increased year-on-year, resulting in a year-on-year increase in costs on toll collection.
–	**Labour costs**	**719,450,342.43**	**15.72**	683,112,076.26	14.93	5.32	Due to the rigid growth of labor costs and other reasons, the labor costs of toll road business increased year-on-year during the Reporting Period.
Ancillary service businesses	**-**	**1,242,077,560.33**	**27.14**	1,361,765,776.44	29.77	(8.79)	
–	**Raw materials**	**890,135,140.61**	**19.45**	1,027,318,343.10	22.46	(13.35)	Mainly due to the year-on-year decrease in procurement cost of raw materials as a result of the decrease in the sales volume of petroleum products and the completion of renting out all service areas during the Reporting Period.

By Industries

By industries	Components of costs	Amount for the Reporting Period	Percentage in total costs for the Reporting Period (%)	Amount for the same period last year	Percentage in total costs or the same period last year (%)	Changes in percentage of the amount for the Reporting Period compared with the same period last year (%)	Explanation of the situation
–	**Depreciation and amortization**	**53,963,009.67**	**1.18**	49,992,320.21	1.09	7.94	
–	**Labour costs**	**202,248,843.80**	**4.42**	208,866,531.43	4.57	(3.17)	Mainly due to the year-on-year decrease in labour costs for ancillary service businesses as a result of the renting out of all service areas and arrangement of personnel during the Reporting Period.
–	**Other costs**	**95,730,566.25**	**2.09**	75,588,581.70	1.65	26.65	Mainly due to the year-on-year increase in the cost of maintenance and property management for upgrading and renovation of the service areas during the Reporting Period.
Property sales businesses	**–**	**432,465,133.96**	**9.45**	573,087,119.86	12.53	(24.54)	During the Reporting Period, the scale of delivery and transfer of real estate projects decreased year-on-year, resulting in a year-on-year decrease in the cost of property sales business.
Other businesses	**–**	**25,204,780.96**	**0.55**	25,446,890.62	0.56	(0.95)	

(3) Expenses

1 Administrative expenses

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

2 Financial expenses

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

3 Selling expenses

During the Reporting Period, the Group's aggregate selling expenses were approximately RMB35,972,000, representing a year-on-year decrease of approximately 4.69%. The year-on-year decrease in selling expenses was mainly due to the decrease in accordance with the requirements of the new leasing standards, the rental fee for the subsidiary's real estate project sales office was not included in the sales expenses and commission fee for the agent of real estate sales of South Nanjing New City project during the Reporting Period.

4 Taxes and surcharges

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

5 Income tax

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

(4) Cash flow

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

(5) *Gain on changes in fair value*

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

(6) *Investment income*

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

(7) *Other income*

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

(8) Non-operating income and expenses

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

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

2. Assets and Liabilities

As of 31 December 2019, items of assets and liabilities of the Group are as follows:

Unit: RMB

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year	Explanation of the situation
Cash and cash equivalents	**503,443,740**	**0.91**	649,761,591	1.35	(22.52)	Mainly due to the payment of construction of project by Changyi Expressway Company and Yichang Expressway, subsidiaries of the Company, during the Reporting Period.
Notes receivable	**-**	**-**	1,681,265	–	(100)	Mainly due to the bank acceptances recovered during the Reporting Period.
Accounts receivable	**224,285,158**	**0.40**	321,158,727	0.67	(30.16)	Mainly due to the decrease in toll receivable at the end of the Reporting Period as compared to the beginning of the period.
Other receivables	**51,199,900**	**0.09**	37,833,951	0.08	35.33	Mainly due to the real estate subsidiary's housing loan mortgage deposit and owner's maintenance fund increased at the end of Reporting Period as compared to the beginning of the period.
Other current assets	**379,340,961**	**0.68**	130,656,171	0.27	190.34	Mainly due to the increase in the Group's prepaid VAT and taxes and fees related to pre-sales of real estate at the end of the Reporting Period as compared to the beginning of the period.

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period *(%)*	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period *(%)*	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year	Explanation of the situation
Other equity instruments investment	**5,655,468,613**	**10.17**	3,035,293,680	6.3	86.32	Mainly due to the increase in the book value of the other equity instruments investment recognized at fair value by the Group and the additional subscription for the asset management scheme of Fuanda Fund and other equity instruments investment during the Reporting Period.
Right-of-use assets	**637,434**	**–**	–	–	–	The Company confirmed the right-of-use assets and lease liabilities in respect of related leases during the lease terms according to the Accounting Standards for Business Enterprises No. 21.
Long-term equity investment	**6,939,251,519**	**12.48**	5,702,454,036	11.84	21.69	Mainly due to the investment in the Finance Company and investment income contributed by associated companies recognized.
Construction in progress	**14,501,734,495**	**26.07**	10,087,826,331	20.95	43.75	Mainly due to the investment in construction of road and bridge projects in progress.
Long-term prepaid expenses	**11,418,644**	**0.02**	1,654,145	–	590.30	Mainly due to the increase in fees on housing decoration projects prepaid during the Reporting Period.
Short-term borrowings	**1,970,000,000**	**3.54**	1,580,000,000	3.28	24.68	Mainly due to new bank borrowings of subsidiaries during the Reporting Period.
Receipts in advance	**10,698,899**	**0.02**	73,454,895	0.15	(85.43)	Mainly due to the written-off on the cancelled asset losses from the Ninglian road and the corresponding disposal of the transfer payment of Ninglian road operating rights in the previous year during the Reporting Period.
Contract liabilities	**1,134,150,940**	**2.04**	962,200,983	2	17.87	Mainly due to the increase in pre-sales of real estate projects at the end of the Reporting Period as compared to the beginning of the period.
Other payables	**363,781,901**	**0.65**	270,459,371	0.56	34.51	Mainly due to the increase in interest payable of enterprise bonds, temporary earnest money from housing purchase and service zone lease margin at the end of the Reporting Period as compared to the beginning of the period.

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year	Explanation of the situation
Non-current liabilities due within one year	**3,061,120,233**	**5.50**	381,700,433	0.79	701.97	Mainly due to the adjustment of RMB3 billion of medium-term notes due within one year to non-current liabilities due within one year during the Reporting Period.
Other current liabilities	**5,092,083,749**	**9.15**	2,212,191,672	4.59	130.18	Mainly due to the super short-term commercial paper newly issued during the Reporting Period, resulting in increase in the balance as compared to the beginning of the period.
Bonds payable	**997,460,934**	**1.79**	3,980,548,108	8.26	(74.94)	Mainly due to the adjustment of RMB3 billion of medium-term notes due within one year to non-current liabilities due within one year during the Reporting Period.
Provisions	**30,211,591**	**0.05**	461,700	–	6,443.55	Mainly due to the provision of liquidated damages on the delayed delivery of the South Nanjing New City project during the Reporting Period.
Deferred income tax liabilities	**416,613,872**	**0.75**	250,660,721	0.52	66.21	Mainly due to the adjustment of other comprehensive income based on the fair value of other equity instruments held by the Group, and the adjustment to the deferred income tax liabilities accordingly during the Reporting Period.
Other comprehensive income	**1,291,748,071**	**2.32**	837,827,667	1.74	54.18	Mainly due to the adjustment of other comprehensive income based on the fair value of other equity instruments held by the Group during the Reporting Period.
Total assets	**55,625,048,625**	**100**	48,162,728,833	100	15.49	
Total gearing ratio	**41.24%**	**–**	39.05%	–	2.19	
Net gearing ratio	**70.20%**	**–**	64.08%	–	6.12	

Other explanations

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

(1) Capital expenditures

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

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

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

(2) Capital structure and solvency

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

(3) Financial strategy and financing arrangement

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

(4) Credit policy

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

(5) Contingencies

As a common practice in the real estate industry, Ninghu Property Company and Hanwei Company, subsidiaries of the Group, provide several guarantees in connection with mortgage loans granted to buyers of commodity housing properties. The guarantee obligation shall begin from the effective date of a guarantee contract and cease when the registration of mortgage in respect of a purchased properties is completed and the Building Right Encumbrances Certificate is submitted to banks for enforcement. As at 31 December 2019, the outstanding guarantees amounted to approximately RMB483,970,963 (31 December 2018: RMB1,035,648,168).

(6) Foreign exchange risks

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

(7) Reserves

Unit: Yuan Currency: RMB

	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	General risk provision	Undistributed profit	Total equity interests attributable to shareholders of the Company
As at 1 January 2018	5,037,747,500	10,428,388,235	380,908,923	3,273,492,299		4,399,747,006	23,520,283,963
Profit for the year	–	–	–	–		4,376,603,925	4,376,603,925
Reduction of owners' capital	–	–	–	–		–	–
Total amount of comprehensive income	–	–	456,918,744	–		–	456,918,744
Profit distributed	–	–	–	137,701,986		(137,701,986)	0
Dividends distributed	–	–	–	–		(2,216,608,900)	(2,216,608,900)
As at 31 December 2018	5,037,747,500	10,428,388,235	837,827,667	3,411,194,285		6,422,040,045	26,137,197,732
As at 1 January 2019	5,037,747,500	10,428,388,235	837,827,667	3,411,194,285		6,422,040,045	26,137,197,732
Profit for the year	–	–	–	–		4,199,704,372	4,199,704,372
Other capital reserve	–	73,524,949	–	–		–	73,524,949
Total amount of comprehensive income	–	–	453,920,404	–		–	453,920,404
Profit distributed	–	–	–	139,972,716		(139,972,715)	–
Appropriation to general risk provision	–	–	–	–	141,892	(141,892)	–
Dividends distributed	–	–	–	–		(2,317,363,850)	(2,317,363,850)
As at 31 December 2019	5,037,747,500	10,501,913,184	1,291,748,071	3,551,167,000	141,892	8,164,265,960	28,546,983,607

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

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

3. *Analysis of investment*

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

(1) Material equity investments

Subscription for CDB Kai Yuan Phase II Fund

Upon approval by the board of directors of the Company, Ninghu Investment Company has subscribed for a total of RMB1,200,000,000 units in CDB Kai Yuan Phase II Fund. During the Reporting Period, Ninghu Investment Company made a capital contribution of approximately RMB123,199,000. As at the end of the Reporting Period, Ninghu Investment Company has made an aggregate capital contribution of RMB919,531,000.

Investment in Real Estate Parent Fund Phase II

On 12 April 2019, the eighth meeting of the ninth session of the board of directors of the Company considered and approved the participation by Ninghu Investment Company, a wholly-owned subsidiary of the Company, in the establishment of the Real Estate Parent Fund Phase II initiated by Luode Fund Company, with the total size of the fund no more than RMB1,000,000,000, in which Ninghu Investment Company will make capital contribution of no more than RMB300,000,000; other partners and teams will invest no more than RMB700,000,000. For details of the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 13 April 2019 and on the website of the Stock Exchange (www.hkexnews.hk) on 12 April 2019, respectively.

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

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

Establishment of Yangtze River Management Company

On 26 April 2019, the ninth meeting of the ninth session of the board of directors of the Company considered and approved the capital contribution of RMB50,000,000 for the establishment of Yangtze River Management Company, which is mainly responsible for the operation and management of certain road and bridge projects in southern Jiangsu. Through promoting the construction of centralized management platform for the operation of roads and bridges in the road network of southern Jiangsu, the Company achieved the regional operation of roads and bridges to enhance operational efficiency and realized economies of scale by making use of the strengths of the Group. For details of the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 27 April 2019 and on the website of the Stock Exchange (www.hkexnews.hk) on 26 April 2019, respectively.

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

Investment in Finance Company

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

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

Increase in outstanding shares in Bank of Jiangsu Company

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

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

Establishment of Ninghu International Company

On 23 December 2019, the fourteenth meeting of the ninth session of the board of directors of the Company considered and approved the Company to make a capital contribution in an amount of no more than USD130,000,000 to establish Ninghu International Company, a wholly-owned subsidiary of the Company, in the Hong Kong Special Administrative Region of the People's Republic of China as the platform for the Company to participate in the acquisition of overseas assets through a Chinese-funded consortium. For details of the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 24 December 2019 and on the website of the Stock Exchange (www.hkexnews.hk) on 23 December 2019, respectively.

(2) *Material non-equity investments*

Accelerating the progress of road and bridge projects under construction

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

Additional subscription of asset management scheme of Fuanda Fund

In order to fully leverage the efficiency and benefits of using the Company's own funds, the Company, after approval at the fourth meeting of the ninth session of the board of directors of the Company on 26 October 2018, entered into the Contract for Asset Management in relation to Fuanda–Fuxiang No. 15 Equity-Based Asset Management Scheme with Fuanda Fund and Bank of Jiangsu, whereby the Company, as the settlor, shall make a capital contribution of no more than RMB1,000,000,000, the term of such asset management scheme shall be no more than 4 years. In 2018, the Company has filed the record with the China Securities Investment Fund Association (中國證券投資基金業協會). On 12 April 2019, as approved at the eighth meeting of the ninth session of the board of directors of the Company, the Company would continue to use its internal resources to invest in "Fuanda-Fuxiang No. 15 Equity-Based Asset Management Scheme" set up by Fuanda Fund, whereby the Company shall make an additional capital contribution of no more than RMB1,000,000,000, the term of such asset management scheme shall be no more than 4 years. For details of additional subscription of the investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 13 April 2019 and on the website of the Stock Exchange (www.hkexnews.hk) on 12 April 2019, respectively.

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

Investment in Longtan Bridge Company

On 26 April 2019, the ninth meeting of the ninth session of the board of directors of the Company considered and approved the investment by the Company in the Longtan Cross-river Channel Project with a capital contribution of not more than RMB1,400,000,000. Longtan Cross-river Channel as an important component of the new outer ring of Nanjing, connects Shanghai-Nanjing Expressway, Shanghai-Shaanxi Expressway and a number of other important expressways, and links Longtan Port with Nanjing Lukou International Airport. Thus, the project enjoys relatively obvious geographical advantages. From a strategic perspective, investing in this project will further expand the Company's principal businesses in toll road and bridge operations, give full play to the Company's advantages in its scale of regional road network operation and management, and further enhance the Company's share in the regional road network, which is of great significance for maintaining the Company's leading position in the road network of southern Jiangsu and cross-river bridge projects. For details of the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange (www.sse.com.cn) on 27 April 2019 and on the website of the Stock Exchange (www.hkexnews.hk) on 26 April 2019, respectively.

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

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

As at the end of the Reporting Period, the Company had made an accumulative investment of RMB371,077,000 to Longtan Bridge Company.

(3) Financial assets measured at fair value

Unit: Yuan Currency: RMB

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

During the Reporting Period, Ninghu Investment Company, a subsidiary of the Company, continued to hold Fuanda Advantageous Growth Fund purchased in 2011, in which approximately 10,000,000 units were available in total with a net value of approximately RMB15,081,000 at the beginning of the Reporting Period. Investment cost amounted to approximately RMB9,999,000. Its fair value increased by approximately RMB7,809,000 and its cumulative fair value increased by approximately RMB12,890,000 during the Reporting Period. During the Reporting Period, Ninghu Investment Company continued to engage in gold bullion investment commenced in 2014 at an investment cost of approximately RMB15,710,000 with a net value being approximately RMB17,007,000 at the beginning of the Reporting Period, and sold approximately RMB5,237,000 of the gold with an investment income of approximately RMB541,000 during the Reporting Period. At the end of the Reporting Period, its net value was approximately RMB13,695,000. Its fair value increased by approximately RMB1,924,000 while its cumulative fair value increased by approximately RMB3,221,000 during the Reporting Period. During the Reporting Period, Ninghu Investment Company continued to hold Luode Parent Fund subscribed for in 2016 at an investment cost of RMB150,000,000 with a net value of approximately RMB178,087,000 at the beginning of the Reporting Period, and it recovered principal amount of investment of RMB150,000,000 during the Reporting Period with an investment income of RMB12,729,000. At the end of the Reporting Period, its net value amounted to approximately RMB38,414,000. Its fair value increased by approximately RMB10,327,000 and its cumulative fair value increased by approximately RMB38,414,000 during the Reporting Period. During the Reporting Period, Ninghu Investment Company continued to hold CDB Kai Yuan Phase II Fund subscribed for in 2016 at an investment cost of RMB796,332,000 with its net value of approximately RMB933,328,000 at the beginning of the Reporting Period, and it increased the principal amount of investment of RMB123,199,000 during the Reporting Period. At the end of the Reporting Period, its net value was approximately RMB1,107,666,000. Its fair value increased by approximately RMB51,139,000 while its cumulative fair value increased by approximately RMB188,135,000 during the Reporting Period. During the Reporting Period, Ninghu Investment Company participated in Real Estate Investment FOF Second Issue initiated and established by Luode Fund Company at an investment cost of RMB300,000,000. At the end of the Reporting Period, its net value was approximately RMB300,096,000. Its fair value increased by approximately RMB96,000 during the Reporting Period.

7.3 Development strategies of the Company

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

7.4 Operational Plan

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

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

   The significant effects from novel coronavirus outbreak and the adjustments to expressway toll policies at the beginning of 2020 caused relatively large impact on the transportation and logistics industry. Facing the changes in the operation environment, the board of directors of the Group actively seeks resolution measures and responding solutions to create better revenue for the Group. **Firstly,** expanding sources of revenue and reduces costs to mitigate the effects of toll-free travels. It will strengthen the operation of the principal business, explore resources along roads and bridges and vigorously and steadily expand operation areas to increase investment income and diversified revenue. It will optimize cost control and improve the management efficiency through delicacy management; and reduce operating costs through reducing the procurement cost, controlling office expenses, streamlining management departments, reducing travelling expenses, controlling various administrative expenses as well as other measures. **Secondly,** to pay timely attention to and actively follows developments in tolling policies, studies the effects of policy adjustments to the long-term development and short-term operation of the Group and stipulates counter-measures to become fully prepared correspondingly. It closely follows the promulgation of relevant compensation policies, fully studies and appreciates the policies as well as makes full and satisfactory use of these policies with consideration of actual conditions of the Group. **Thirdly,** to conduct researches on differentiated tolls. For purposes of guidance towards balanced traffic distribution and adjustment of travelling arrangements and choice of routes of vehicles, it explores the use of price leverage and adoption of various differentiated toll collection modes according to different time sessions, road sections, regions and vehicle types in order to improve the traffic circulation and operation efficiency of road networks. **Fourthly,** to conduct on-site management on the adjustment of tolling methods. It strengthens the maintenance and improvement of systems and will quickly complete resumption of toll collection immediately after the end of the epidemic based on the unified deployment of the Ministry of Transport. It establishes a professional self-maintenance team and improves the self-maintenance ratio of electromechanical systems. It also implements various inspection methods and improves the inspection management efficiency to achieve "full collection of charges against those should be charged and full exemptions of charges against those should be waived".

(2) Developing long-term policies and accumulating new momentum

The Group makes tremendous effort to push forward reforms and development and consistently promotes corporate transformation and upgrading through multi-level capital operations. **Firstly,** to improve quality while maintaining stability and further focus on principal businesses. It continues to strengthen principal businesses and create long-lasting sources of profits for the Group; orderly advances the construction of Wufengshan Toll Bridge, Longtan Bridge and other projects in progress to achieve investment returns as soon as possible; leverages the advantages of listing platforms, seizes opportunities in the integrated development of the Yangtze River Delta and the new-round planning on expressway network in Jiangsu Province and preferentially selects quality road and bridge projects with favorable economic benefits; advances the toll road and bridge projects in Turkey and energetically seeks opportunities to acquire overseas quality projects to explore the international development of the Group; further promotes the integration of operation and management functions of road and bridge projects with the Yangtze River Management Company as the driver and makes the most of synergy advantages and scale effects to achieve high-quality management. **Secondly,** profit-making while maintaining stability and investment planning. It optimizes the asset structure and layout of the Group;

preferentially selects investment targets in the financial sector and increases the income ratio from financial equities to procure financial investments as accelerators to the development of the Group; explores the commercial factoring business as well as expands the financing and advance payment businesses by leveraging the platform of the Factoring Company to promote the increase of the vitality of full industrial chains. **Thirdly,** seeking progress while maintaining stability and expanding ancillary businesses. It explores the operation models of service areas to improve service quality; fosters professional petroleum products management teams, conducts sales of petroleum products in service areas, seizes initiatives on procurement price inquires and builds stable sources of profits through reasonable price negotiations; advances the construction of service areas with high standards, exploits ancillary transportation facilities and improves service quality to seek benefits in commercial operation. It prudently responds to periodic exposure on real estates, speeds up in de-stocking of existing home inventories while efficiently promoting the progress of existing projects to accelerate capital turnover; investigates utilization status of lands of the Group and advances the development and utilization of idle land resources along expressways to achieve breakthroughs in economics derived from expressways and create more revenue for the Company.

(3) *Upholding the way to lead and unleashing new potentials*

As a public road operation group, it always attaches the utmost importance to guaranteeing road safety and smooth traffic among all duties and consistently enhances its operation management standards. **Firstly,** focusing on high-level maintenance and building quality expressways. It practices the concepts on whole-life cycles and preventive maintenance and boosts the improvement of both road conditions and management to ensure zero deduction in three indicators on national inspections, full improvement of road environment and improved road surface performance indicators amidst stability despite worsened natural decays. **Secondly,** focusing on responding to heavy traffic and building smooth expressways. Based on the requirements on achieving the target of "eliminating traffic jams, hazards and dangers", the Company advances the furtherance of the implementation of extending heavy traffic management and control projects. Through matching lanes and vehicle types, intelligent information disclosure, using emergency lanes and other technological means, it boosts the traffic capacity of over-saturated road sections. **Thirdly,** focusing on the demonstration of 5G coverage and building intelligent expressways. With

Yangcheng Lake and Huanglishu, two 5G pilot service areas,as blueprints, it advances the full 5G coverage over the mainline of Shanghai-Nanjing Expressway in stages and explores the demonstration application to provide technical support to ensure smooth road traffic. It strives to convert the Jiangsu section of Shanghai-Nanjing Expressway into the first intelligent expressway with 5G coverage demonstration in the province and gradually extend it to other road areas of the Group. **Fourthly,** focusing on brand establishment and building pleasant expressways. It actively carries out the "Jiangsu Expressway • Jasmine Flower" operation brand building campaign which achieved positive results in brand building promotion and further improves the counter services of Shanghai-Nanjing Expressway.

(4) Taking practical measures and creating new drivers

The Group adheres to the principle of compliance and considers talents and safety as its roots and foundation. It consistently advances the modernization of the corporate governance system and governance capacity to enhance the development resilience and momentum of the enterprise. **Firstly,** building the compliance management system. It gradually established a massive compliance management system with comprehensiveness, complete policies and standard procedures which highlights investment and financing, bidding and procurement, contract management and other key areas and conducted prior prevention and control and interim regulation to practically prevent material risks and ensure effective operation of compliance management. **Secondly,** improving the establishment of talent teams. It intensified efforts to foster young carders, improved the entry and exit mechanism of talent pools, cultivated international business talents and strengthened the support for modernized management talents of the Group to promote the continued high-quality development of the Group. **Thirdly,** enhancing safety operation management. Focusing on the "three complete"targets, namely complete prevention and control of risks, complete elimination and inspection of potential hazards and complete reduction of accidents, it continues to carry out safe operation; implements the accountability system on safe operation for all staff and urges external parties learning about and fully performing their responsibilities; conducts more frequent safety inspections and normalizes random inspection systems; conducts competitions on operation safety among all staff under the guidance ideology of achieving long-term management of operation safety to improve the safe operation skills standards of all staff.

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

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

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

On the basis of fully leveraging its own capital, the Group timely adjusted its financing strategies based on the financing condition of the capital market so as to satisfy its own operation and development needs, while further optimizing its debt structure and reducing capital risks. As at the date of the disclosure of this report, the preparation for issuance of corporate bonds of RMB8 billion by the Group has been initiated. Meanwhile, it is actively exploring various types of financing methods such as convertible debts and overseas debts. Selecting the right financing products for the Group will not only provide the Group with sufficient and efficient funds for its present stage of development, but also make advanced arrangements for its future development strategies. The Group signed credit facilities contracts with banks but has not yet utilized the facilities. The value of borrowings with a term of credit facilities of over one year was approximately RMB27,340 million. The value of the ultra-short-term financing products which have been registered with the National Association of Financial Market Institutional Investors (中國銀行間市場交易商協會) with a registration term of more than one year but have not been issued were approximately RMB240 million. The credit line will be sufficient for supporting capital expenditure, debt roll-over and business development of the Group. If other capital expenditure is required under special cases, the Group will adjust its financing plan based on the size of expenditure and the actual cash flow condition.

VIII. MATTERS CONCERNING THE FINANCIAL STATEMENTS

8.1 Analysis by the Company on the reasons and impact on the changes in accounting policies and accounting estimates

New Lease Standards

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

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

The Group as lessee

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

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

- The same discount rate was applied to the leases with similar characteristics in measuring the lease liabilities;

- The measurement of right-of-use assets did not include initial direct costs.

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

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

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

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

RMB

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

The Company

The new leasing standards have no impact on the financial statements of the Company as at 1 January 2019.

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

RMB

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

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

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

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

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

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

The Group as lessor

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

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

The Format of Financial Statements of General Enterprises

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

8.2 There were no corrections of material accounting errors during the Reporting Period.

IX. OTHERS

9.1 Purchase, sale and redemption of shares of the Company

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

9.2 Pre-emptive right

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

9.3 Public float

According to public information and as far as the directors are aware, the board of directors is of the view that the public float of the Company as at 31 March 2020 (as the latest practicable date before the date of this report) complied with the requirements of the Hong Kong Listing Rules.

9.4 Shareholders' waiver or consent to dividend arrangements

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

9.5 Model Code for Securities Transactions by Directors

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

9.6 Corporate Governance Code

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

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

9.7 Audit Committee

The audit committee of the Company has reviewed and confirmed the preliminary results announcement for the year ended 31 December 2019. The annual financial statements of the Company has been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC and is in compliance with the disclosure requirements under the Hong Kong Companies Ordinance and the Hong Kong Listing Rules. The financial information as stated in the preliminary results is unaudited.

9.8 Remuneration Policy

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

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

9.9 Training Programmes

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

Training fees incurred during the Reporting Period amounted to approximately RMB7,725,900. The number of staff attendances was around 7,100, including all levels of staff ranging from junior front-line operation staff members to the senior management.

During the reporting period, the Group closely considered development goals, talent needs and the status of staff and teams, and respectively formulated multi-dimensional, echelon-wise comprehensive literacy and competency training programs for staff, including senior management, middle-level and supervisors, newly-appointed managers and junior young skeleton employees. The secondary units of the company considered aspects such as production needs and job position requirements to formulate more detailed training programs, such as skill upgrading and work innovation, and implement training in accordance with actual conditions to form a better complement to the Group's training solutions.

Employee training during the reporting period includes: Firstly, active participation in the training programs of Communications Holding and industry competent departments, arrangement of operation level staff of the Group to participate in the "Entrepreneurs Visit Huawei" themed training in batches in order to learn innovative ideas and management concepts of Huawei; arrangement of person-in-charge of the human resources department to participate in human resources practice improvement classes of Tsinghua University; arrangement of professional and technical staff in engineering, operations, finance and other positions to participate in professional training with emphasis to enhance professional capabilities and professionalism of employees; arrangement of certification training for safety management personnel and special operations personnel to keep the certification rate of those holding offices at 100%; Secondly, establishment of "Jasmine Book Fragrance • Young Employee Training Course", and selection and recruitment of 83 outstanding employees of operation positions under the age of 35 with bachelor's degrees by way of "personal self-recommendation + organization recommendation", and commencement of monthly general training such as management thinking and management psychology according to the principles of "easy to difficult, simple to complex" to lay foundation for personal growth of employees; Thirdly, commencement of competency training for middle-level personnel and newly-appointed personnel, to guide trainee's thinking through scenario-based, progressive sand table simulation training, and improve training effectiveness; Fourthly, commencement of special trainings in toll inspection, tackling toll avoidance and prevention of toll evasion and mechanical and electrical maintenance in consideration of the transformation of the national highway tolling model, to analyse the "exceptional condition" circumstances under the new tolling model and study corresponding handling methods, maintain the strictness of the tolling policy during the transition period and the stable operation of the electromechanical system; Fifthly, commencement of active psychological construction training for front-line employees focusing on the theme of "where do people go" of Communications Holding in order to help employees eliminate their doubts, master the key points of personal emotion management, be good at treating problems with rational thinking, establish practicable personal career planning, and maintain the stability of workforce. At the same time, various secondary units carry out targeted and themed training based on reality, such as employee team development training, tolling etiquette training, training on handling cars using "green passage", quality management and control training and hindrance clearance equipment maintenance training; as well as carry out service brand training, service area operation training, chef skills training, gas station safety training, etc. Systematic training has enhanced awareness and capabilities of employees and ensured high-quality corporate development.

During the reporting period, the training work of the Group as a whole is well-oriented, focused and obviously effective. From uprooting, transformation, and pursuit of practical results, a loyal and multi-professional talent team is built through accurate use of efforts, profound exploration and differentiated implementation of strategies. It further improves the Group's talent echelon empowerment and construction, reserves momentum and provides talent support for the sustainable and rapid development of the Group.

9.10 Outsourcing of labour

Total working hours of outsourced labour	1 year
Total remuneration paid to outsourced labour	RMB38,970,800

9.11 Other significant events

Toll fee exemption for toll roads during the period of prevention and control of the novel coronavirus pneumonia disease

According to the Notice on Toll Fee Exemption for Toll Roads during the Period of Prevention and Control of the Novel Coronavirus Pneumonia Disease, the toll fee exemption takes effect from 0:00 a.m. on 17 February 2020 to the end of the prevention and control over the novel coronavirus pneumonia disease for all toll roads throughout the nation. The toll fee exemption applies to all toll roads (including toll bridges and tunnels) constructed pursuant to approval granted under the Highway Law of the People's Republic of China and the Regulations on the Administration of Toll Roads of the PRC; the subjects of toll fee exemption are all vehicles legally travel through toll roads.

Change of the Chairman of the board of directors and the convener of the Strategy Committee of the board of directors and director

On 2 March 2020, Mr. Gu Dejun applied to resign from the positions as the Chairman of the board of directors, the convener of the Strategy Committee of the board of directors and a director due to job reassignment. Upon resignation, Mr. Gu Dejun will cease to hold any positions of the Company.

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

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

Change of Senior Management

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

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

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

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

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

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

X. UNAUDITED FINANCIAL STATEMENTS (PREPARED UNDER THE PRC ACCOUNTING STANDARDS)

2019 financial data unaudited

10.1 Consolidated Balance Sheet

As at 31 December 2019

Unit: RMB

Item	31 December 2019	31 December 2018	Item	31 December 2019	31 December 2018
Current Assets:			**Current Liabilities:**		
Cash and bank balances	**503,443,740**	649,761,591	Short-term borrowings	**1,970,000,000**	1,580,000,000
Held-for-trading financial assets	**676,935,185**	683,326,861	Accounts payable	**1,262,414,820**	1,090,607,320
Notes receivable	**–**	1,681,265	Receipts in advance	**10,698,899**	73,454,895
Accounts receivable	**224,285,158**	321,158,727	Contract liabilities	**1,134,150,940**	962,200,983
Prepayments	**26,865,058**	29,060,041	Employee benefits payable	**1,563,120**	2,917,980
Other receivables	**51,199,900**	37,833,951	Taxes payable	**225,458,836**	271,704,890
Inventories	**4,164,567,305**	4,045,555,776	Other payables	**363,781,901**	270,459,371
Other current assets	**379,340,961**	130,656,171	Non-current liabilities due within one year	**3,061,120,233**	381,700,433
			Other current liabilities	**5,092,083,749**	2,212,191,672
Total Current Assets	**6,026,637,307**	5,899,034,383	**Total Current Liabilities**	**13,121,272,497**	6,845,237,544
Non-current Assets:			**Non-current Liabilities:**		
Investments in other equity instruments	**5,655,468,613**	3,035,293,680	Long-term borrowings	**8,335,475,444**	7,688,853,902
Other non-current financial assets	**1,446,175,745**	1,111,415,422	Bonds payable	**997,460,934**	3,980,548,108
Long-term equity investments	**6,939,251,519**	5,702,454,036	Deferred income	**41,177,151**	43,109,916
Investment properties	**18,394,460**	19,207,033	Provisions	**30,211,591**	461,700
Fixed assets	**1,907,362,714**	1,814,133,323	Deferred tax liabilities	**416,613,872**	250,660,721
Construction in progress	**14,501,734,495**	10,087,826,331	Total non-current liabilities	**9,820,938,992**	11,963,634,347
Intangible assets	**18,927,999,471**	20,280,055,629	Total liabilities	**22,942,211,489**	18,808,871,891
Right-of-use assets	**637,434**	–	**Shareholders' equity:**		
Long-term prepaid expenses	**11,418,644**	1,654,145	Share capital	**5,037,747,500**	5,037,747,500
Deferred tax assets	**175,012,654**	197,447,059	Capital reserve	**10,501,913,184**	10,428,388,235
Other non-current assets	**14,955,570**	14,207,792	Other comprehensive income	**1,291,748,071**	837,827,667
			Surplus reserve	**3,551,167,000**	3,411,194,285
			General risk provision	**141,891**	–
			Retained profits	**8,164,265,960**	6,422,040,045
			Total shareholders 'equity attributable to equity holders of the Company	**28,546,983,607**	26,137,197,732
			Minority interests	**4,135,853,528**	3,216,659,210
Total Non-current Assets	**49,598,411,318**	42,263,694,450	**Total shareholders' equity**	**32,682,837,135**	29,353,856,942
Total assets	**55,625,048,625**	48,162,728,833	**Total liabilities and shareholders' equity**	**55,625,048,625**	48,162,728,833

10.2 Consolidated Income Statement

For the year ended 31 December 2019

RMB

Item	Amount for the current year	Amount for the prior year
I. Total operating income	**10,078,181,219**	9,969,011,165
Including: Operating income	**10,078,181,219**	9,969,011,165
Less: Total operating costs	**5,430,731,984**	5,517,447,676
Including: Operating costs	**4,576,009,545**	4,574,394,775
Taxes and levies	**126,990,737**	168,977,540
Selling expenses	**35,971,797**	37,740,441
Administrative expenses	**227,595,890**	211,774,236
Financial expenses	**464,164,014**	524,560,684
Including: Interest expenses	**462,160,619**	499,232,330
Interest income	**9,466,560**	8,735,205
Add: Other gains	**7,257,959**	1,974,866
Investment income	**886,313,896**	1,056,795,788
Including: Income from investments in associates and joint ventures	**649,050,249**	575,193,240
Gains from changes in fair value	**71,295,344**	158,299,349
Credit impairment losses	**(96,973)**	(33,670)
Losses from disposal of assets	**(70,252,066)**	(7,661,280)
II. Operating profit	**5,541,967,394**	5,660,938,542
Add: Non-operating income	**32,336,184**	21,943,624
Less: Non-operating expenses	**52,532,596**	30,241,723
III. Total profit	**5,521,770,982**	5,652,640,443
Less: Income tax expenses	**1,221,286,273**	1,176,929,505

Item	**Amount for the current year**	Amount for the prior year
IV. Net profit	**4,300,484,709**	4,475,710,938
(I) Categorized by the nature of continuing operation:		
1. Net profit from continuing operations	**4,300,484,709**	4,475,710,938
2. Net profit from discontinued operations	**–**	–
(II) Categorized by ownership:		
1. Net profit (loss) attributable to owners of the Company	**4,199,704,372**	4,376,603,925
2. Profit or loss attributable to minority interests	**100,780,337**	99,107,013
V. Other comprehensive income, net of tax	**453,657,154**	550,433,418
Other comprehensive income attributable to owners of the Company, net of tax	**453,920,404**	456,918,744
(I) Other comprehensive income that cannot be reclassified to profit or loss	**453,920,404**	456,918,744
1. Other comprehensive income that cannot be reclassified into profit or loss under the equity method	**54,156,058**	155,637,001
2. Changes in fair value of investments in other equity instruments	**399,764,347**	301,281,743
(II) Other comprehensive income that will be reclassified to profit or loss	–	–
1. Other comprehensive income that will be reclassified to profit or loss under the equity method		
Other comprehensive income attributable to minority interests, net of tax	**(263,250)**	93,514,674
VI. Total comprehensive income	**4,754,141,863**	5,026,144,355
Total comprehensive income attributable to owners of the Company	**4,653,624,776**	4,833,522,669
Total comprehensive income attributable to minority interests	**100,517,087**	192,621,687
VII. Earnings per share		
(I) Basic earnings per share	**0.8336**	0.8688
(II) Diluted earnings per share	**N/A**	N/A

10.3 Consolidated Cash Flow Statement

For the year ended 31 December 2019

RMB

Item	**Amount for the current year**	Amount for the prior year
I. Cash Flows from Operating Activities:		
Cash receipts from the sale of goods and the rendering of services	**10,740,094,572**	10,133,907,008
Other cash receipts relating to operating activities	**98,906,672**	43,992,102
Sub-total of cash inflows from operating activities	**10,839,001,244**	10,177,899,110
Cash payments for goods purchased and services received	**2,093,494,300**	1,827,537,984
Cash payments to and on behalf of employees	**1,030,417,772**	991,255,808
Payments of various types of taxes	**1,891,349,359**	1,462,051,892
Other cash payments relating to operating activities	**60,456,189**	181,563,919
Sub-total of cash outflows from operating activities	**5,075,717,620**	4,462,409,604
Net Cash Flow from Operating Activities	**5,763,283,624**	5,715,489,507
II. Cash Flows from Investing Activities:		
Cash receipts from disposals and recovery of investments	**8,594,275,554**	4,789,670,000
Cash receipts from investment income	**438,197,635**	362,612,674
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	**7,446,202**	10,045,608
Other cash receipts relating to investing activities	**-**	369,000,000
Sub-total of cash inflows from investing activities	**9,039,919,392**	5,531,328,282
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	**4,849,870,041**	3,545,159,221
Cash payments to acquire investments	**11,581,655,661**	6,102,874,079
Net cash payments for acquisitions of subsidiaries and other business units	**–**	176,872,621
Other cash payments relating to investing activities	**–**	480,000,000
Sub-total of cash outflows from investing activities	**16,431,525,702**	10,304,905,921
Net Cash Flow from Investing Activities	**(7,391,606,310)**	(4,773,577,639)

Item	Amount for the current year	Amount for the prior year
III. Cash Flows from Financing Activities:		
Cash receipts from capital contributions	**834,062,829**	664,482,752
Including: cash receipts from capital contributions from minority owners of subsidiaries	**834,062,829**	664,482,752
Cash receipts from borrowings	**5,208,116,000**	9,137,000,000
Cash receipts from issue of bonds	**7,260,000,000**	5,200,000,000
Sub-total of cash inflows from financing activities	**13,302,178,829**	15,001,482,752
Cash repayments of borrowings	**8,985,750,460**	12,784,979,797
Cash payments for distribution of dividends or profits or settlement of interest expenses	**2,739,766,874**	2,889,845,891
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	**15,385,598**	15,091,878
Other cash payments relating to financing activities	**14,055,595**	16,200,711
Sub-total of cash outflows from financing activities	**11,739,572,929**	15,691,026,399
Net Cash Flow generated from Financing Activities	**1,562,605,900**	(689,543,647)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	**–**	–
V. Net Increase (Decrease) in Cash and Cash Equivalents	**(65,716,786)**	252,368,221
Add: Opening balance of Cash and Cash Equivalents	**515,126,922**	262,758,700
VI. Closing Balance of Cash and Cash Equivalents	**449,410,136**	515,126,921

10.4 Notes to Items in the Financial Statements：

1. Operating income and operating costs

RMB

Item	Amount recognized in the current year Operating income	Operating costs	Amount recognized in the prior year Operating income	Operating costs
Principal businesses	**9,180,829,535**	**4,118,339,630**	8,902,441,391	3,975,860,765
Including: Shanghai-Nanjing Expressway	**5,230,727,737**	**1,641,739,059**	5,004,610,182	1,511,763,092
Nanjing-Lianyungang Expressway and Nanjing-Nantong Expressway	**-**	**-**	11,994,024	2,100,154
Guangjing Expressway and Xicheng Expressway	**960,563,084**	**372,000,884**	920,821,006	286,408,735
Ningchang Expressway and Zhenli Expressway	**1,194,100,593**	**586,436,161**	1,153,861,875	586,641,984
Xiyi Expressway	**371,123,857**	**223,423,376**	355,490,993	207,827,573
Zhendan Expressway	**76,560,202**	**52,662,590**	13,707,738	19,353,451
Ancillary services	**1,347,754,063**	**1,242,077,560**	1,441,955,573	1,361,765,776
Real estate development	**825,216,617**	**432,465,134**	1,004,453,761	573,087,120
Advertising and others	**72,135,067**	**25,204,781**	62,116,014	25,446,891
Total	**10,078,181,219**	**4,576,009,545**	9,969,011,165	4,574,394,775

2. *Income tax expenses*

(1) *Table of income tax expenses*

RMB

Item	**Amount recognized in the current year**	Amount recognized in the prior year
Current tax expenses	**1,168,510,335**	1,017,580,620
Deferred tax expenses	**55,220,523**	159,222,232
Differences in annual filing for the prior years	**(2,444,585)**	126,654
Total	**1,221,286,273**	1,176,929,506

No provision for Hong Kong Profits tax has been made as the income neither arises, nor is derived from Hong Kong.

(2) *Reconciliation of income tax expenses to the accounting profit is as follows*

RMB

Item	**Amount recognized in the current year**	Amount recognized in the prior year
Accounting profit	**5,521,770,982**	5,652,640,443
Income tax expenses calculated at 25% (prior year: 25%)	**1,379,647,632**	1,413,160,111
Effect of cost, expenses and loss that are not deductible for tax purposes	**20,157,230**	24,795,129
Effect of tax-free income	**(191,112,061)**	(270,188,596)
Effect of using deductible losses of previously unrecognized deferred tax assets	**–**	–
Effect of deductible temporary differences and deductible losses of unrecognized deferred tax assets for the current period	**11,030,211**	5,083,298
Adjustment to provision of prior years' tax	**(2,444,585)**	126,654
Allocation of income tax for investments in joint ventures	**4,007,846**	3,952,909
Total	**1,221,286,273**	1,176,929,506

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

		RMB
Item	**2019**	2018
Staff costs (Include: directors' emoluments)	**868,265,628**	830,337,361
Basic endowment insurance and annuity payment	**151,444,390**	151,354,519
Total staff costs	**1,019,710,018**	981,691,880
Audit fee	**3,200,000**	3,200,000
Depreciation and amortization (Included in operating costs and administrative expenses)	**1,505,863,530**	1,400,638,725
Losses on disposal of non-current assets	**70,252,066**	7,661,280
Amortization of land use rights (Included in operating costs and administrative expenses)	**64,658,223**	64,658,223
Cost of inventories recognized as an expense	**1,376,148,701**	1,683,328,034

4. Breakdown of non-recurring profit or loss

	RMB
Item	**Amount**
Gains on disposal of non-current assets	70,252,066
Government grants recognized in profit or loss for the current period	(7,264,195)
Gains from changes in fair values of held-for-trading financial investments, profit on disposal of held-for-trading and available-for-sale financial investments	(102,581,022)
Profit or loss from fair value of net identifiable assets of investees attributed to the company when investment costs for acquisition of subsidiaries, associates and joint ventures are less than that acquired investments	(18,200,215)
Other non-operating income or expenses other than the above	38,402,864
Tax effects	4,847,626
Effects of minority interests	1,146,568
Total	(13,396,309)

5. *Return on net assets and earnings per share ("EPS")*

The return on net assets and EPS have been prepared by Jiangsu Expressway Co., Ltd in accordance with Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revised 2010) issued by China Securities Regulatory Commission.

Profit for the Reporting Period	**Weighted average return on net assets** *(%)*	**EPS** Basic EPS	**EPS** Diluted EPS
Net profit attributable to ordinary shareholders of the Company	15.89	0.8336	N/A
Net profit after deduction of non-recurring profits or losses	15.84	0.8310	N/A

6. *Calculation process of basic earnings per share and diluted earnings per share*

For the purpose of calculating basic earnings per share, net profit for the current year attributable to ordinary shareholders is as follows:

RMB

	Amount recognized in the current year	Amount recognized in the prior year
Net profit for the current year attributable to ordinary shareholders	**4,199,704,372**	4,376,603,925
Including: Net profit from continuing operations	**4,199,704,372**	4,376,603,925

For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares and its calculation process is as follows:

RMB

	Amount recognized in the current year	Amount recognized in the prior year
Number of ordinary shares outstanding at the beginning of year	**5,037,747,500**	5,037,747,500
Add: Weighted average number of ordinary shares issued during the year	**–**	–
Less: Weighted average number of ordinary shares repurchased during the year	**–**	–
Number of ordinary shares outstanding at the end of year	**5,037,747,500**	5,037,747,500

Earnings per share

RMB

	Amount recognized in the current year	Amount recognized in the prior year
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	**0.8336**	0.8688
Diluted earnings per share *(Note)*	**N/A**	N/A
Calculated based on net profit from continuing operations attributable to shareholders of the Company:		
Basic earnings per share	**0.8336**	0.8688
Diluted earnings per share *(Note)*	**N/A**	N/A

Note: As at 31 December 2019, there were no dilutive potential ordinary shares issued by the Group.

7. ***Notes receivable and accounts receivable***

RMB

Item	**2019.12.31**	2018.12.31
Notes receivable	**–**	1,681,265
Accounts receivable	**224,285,158**	321,158,727
Total	**224,285,158**	322,839,992

7.1 Notes receivable

i Disclosure of notes receivable by categories:

RMB

Category	**31 December 2019**	31 December 2018
Bank acceptances	**–**	1,681,264.79

ii The Group has no pledged notes receivable at the end of the year.

iii There is no endorsed or discounted notes receivable that is not yet due at the end of the year.

iv There is no notes receivable transferred to accounts receivable due to the default of the drawers.

7.2 Accounts receivable

i Disclosure of accounts receivable by aging:

RMB

Aging	31 December 2019 Amount	Proportion (%)	Provision for credit impairment	Book value
Within 1 year	219,377,833.86	97.01	159,723.23	219,218,110.63
More than 1 year but not exceeding 2 years	5,067,046.99	2.24	–	5,067,046.99
More than 3 years	1,699,980.00	0.75	1,699,980.00	–
Total	226,144,860.85	100.00	1,859,703.23	224,285,157.62

ii Disclosed according to the classification of bad debt provision method:

RMB

Category	31 December 2019 Amount	Proportion (%)	Provision for credit impairment	Proportion (%)	Book value
All accounts receivable formed by transactions regulated by standards for revenue	159,262,688.80	70.43	1,859,703.23	100.00	157,402,985.57
Lease receivable	66,882,172.05	29.57	–	–	66,882,172.05
Total	226,144,860.85	100.00	1,859,703.23	100.00	224,285,157.62

Category	Amount	Proportion	31 December 2018 Provision for credit impairment	Proportion	Book value
		(%)		*(%)*	
All accounts receivable formed by transactions regulated by standards for revenue	323,058,841.49	100.00	1,900,114.68	100.00	321,158,726.81
Total	323,058,841.49	100.00	1,900,114.68	100.00	321,158,726.81

iii Provision for credit impairment

RMB

Provision for credit impairment	**Not credit-impaired Lifetime expected credit loss**	**Credit-impaired Lifetime expected credit loss**	**Total**
Balance as at 1 January 2019	200,134.68	1,699,980.00	1,900,114.68
Provisions	1,772.99	130,000.00	131,772.99
Reversals	(42,184.44)	–	(42,184.44)
Transfer-out upon derecognition of financial assets	–	(130,000.00)	(130,000.00)
Balance as at 31 December 2019	159,723.23	1,699,980.00	1,859,703.23

iv Top five entities with the largest balances of accounts receivable

RMB

Name of entity	Amount	Provision for credit impairment	Proportion of total accounts receivable *(%)*
Jiangsu Expressway Network Operation and Management Co., Ltd. ("Network Operation Company")	105,525,209.30	–	46.66
Jiaxing City Kaitong Investment Co., Ltd.	34,233,046.56	–	15.14
Dinuo Fangmaoshan Business Management Co., Ltd.	13,150,478.56	–	5.82
Jiangsu Expressway Petroleum Development Co., Ltd. ("Jiangsu Petroleum Company")	11,387,692.48	–	5.04
Jiangsu Zhiyun Technology Development Co., Ltd.	8,290,003.14	–	3.67
Total	172,586,430.04	–	76.32

v Other explanations

Majority toll road and ancillary services income are settled by cash, others are settled by receipts in advance. The accounts receivable mainly represent the receivables due from other toll operation companies by toll network internal income reallocation.

8. *Other receivables*

RMB

Item	*Note*	**31 December 2019**	31 December 2018
Dividends receivable	(1)	**4,989,960.00**	4,989,960.00
Others	(2)	**46,209,939.50**	32,843,990.83
Total		**51,199,899.50**	37,833,950.83

(1) *Dividends receivable*

RMB

Item	**31 December 2019**	31 December 2018
Jiangsu Kuailu Motor Transport Co., Ltd. ("Kuailu Company")	**4,989,960.00**	4,989,960.00

(2) *Others*

i Disclosure of other receivables by aging:

RMB

Aging	**31 December 2019**			
	Amount	**Proportion** *(%)*	**Provision for credit impairment**	**Book value**
Within 1 year	24,465,317.56	39.37	46,892.82	24,418,424.74
More than 1 year but not exceeding 2 years	11,934,291.08	19.21	57,882.60	11,876,408.48
More than 2 years but not exceeding 3 years	874,758.76	1.41	11,121.08	863,637.68
More than 3 years	24,864,987.37	40.01	15,813,518.77	9,051,468.60
Total	62,139,354.77	100.00	15,929,415.27	46,209,939.50

ii Disclosure of other receivables by nature

RMB

Nature	**31 December 2019**	31 December 2018
Amounts of investment clearance	**15,812,140.02**	15,812,140.02
Landlord maintenance funds	**12,637,931.05**	4,568,903.35
Project funds borrowed in advance	**11,528,425.90**	12,461,078.50
Petty cash	**4,968,493.24**	5,047,959.54
Mortgage deposits for housing fund loan	**3,950,000.00**	1,012,000.00
Others	**13,242,364.56**	9,863,940.25
Total	**62,139,354.77**	48,766,021.66

iii Analysis of provision for credit impairment

RMB

Provision for credit impairment	**Stage I** 12-month expected credit losses	**Stage II** Lifetime expected credit loss (Not credit impaired)	**Stage III** Lifetime expected credit loss (Credit impaired)	**Total**
Balance as at 1 January 2019	109,890.81	–	15,812,140.02	15,922,030.83
Provisions	8,286.51	–	–	8,286.51
Reversal	(902.07)	–	–	(902.07)
Balance as at 31 December 2019	117,275.25	–	15,812,140.02	15,929,415.27

iv Top five entities with the largest balances of other receivables:

RMB

Name of entity	**Nature of other receivables**	**Amount**	**Aging**	**Proportion of the amount to total other receivables** *(%)*	**Provision for credit impairment**
Jiangsu Yixing Highway Administration Department	Amount of investment clearance	15,812,140.02	Over 3 years	25.45	15,812,140.02
China Construction Eighth Engineering Division Corp. Ltd.	Project funds borrowed in advance	9,010,664.30	Over 3 years	14.50	–
Suzhou Housing Property Guarantee Co., Ltd.	Deposit	2,842,000.00	Within 1 year	4.57	–
Jiangsu Assets and Equity Exchange	Others	2,000,000.00	Within 1 year	3.22	–
Nanjing Jin Zhong Jian Curtain Decoration Co., Ltd.	Project funds borrowed in advance	1,723,356.10	1–2 years	2.77	–
Total		31,388,160.42		50.51	**15,812,140.02**

9. Prepayments

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

RMB

Aging	**31 December 2019** **Amount**	**Proportion** *(%)*	31 December 2018 Amount	Proportion *(%)*
Within 1 year	**10,349,713.39**	**38.52**	23,999,526.75	82.59
More than 1 year but not exceeding 2 years	**13,775,744.80**	**51.28**	5,060,514.40	17.41
More than 2 years but not exceeding 3 years	**2,739,600.00**	**10.20**	–	–
Total	**26,865,058.19**	**100.00**	29,060,041.15	100.00

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

RMB

Name of entity	Amount	Proportion of the amount to the total prepayments *(%)*
State Grid Jiangsu Electric Power Co., Ltd. Kunshan Power Supply Company	10,096,544.37	37.58
Jiangsu Expressway Information Engineering Co., Ltd.	3,550,000.00	13.21
Suzhou Water Supply Co., Ltd.	2,439,600.00	9.08
Kunshan Litong Natural Gas Co.,Ltd	1,441,800.00	5.37
Jiangsu Hailing Intelligent System Technology Co.,Ltd	1,102,384.19	4.10
Total	18,630,328.56	69.35

10. Accounts payable

(1) Details of accounts payable are as follows

RMB

Item	31 December 2019	31 December 2018
Construction payable	**675,826,132.27**	544,016,630.41
Construction payable for real estate project	**495,168,721.84**	363,766,072.68
Purchase of petroleum payable	**7,591,687.90**	11,980,779.34
Toll road fee payable	**23,751,404.00**	40,988,472.00
Deposit payable for rent	**–**	58,930,660.90
Others	**60,076,873.53**	70,924,704.76
Total	**1,262,414,819.54**	1,090,607,320.09

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

RMB

Item	31 December 2019	31 December 2018
Within 1 year	**956,748,644.72**	793,933,626.37
More than 1 year but not exceeding 2 years	**208,579,349.74**	183,051,224.57
More than 2 years but not exceeding 3 years	**25,156,000.45**	77,563,871.28
More than 3 years	**71,930,824.63**	36,058,597.87
Total	**1,262,414,819.54**	1,090,607,320.09

(3) Significant accounts payable aging more than one year as at 31 December 2019:

RMB

Item	31 December 2019	Reasons for outstanding or not carrying forward
Construction payable	**181,872,857.52**	Long settlement procedure of the project
Construction payable for real estate project	**82,380,355.05**	Long settlement procedure of the real estate project
Total	**264,253,212.57**	

11. Receipts in advance

(1) Receipts in advance are shown as follows:

RMB

Item	31 December 2019	31 December 2018
Rental deposit received in advance	**9,088,946.35**	14,195,126.89
The transfer payment of Ninglian road operating rights received in advance	**–**	57,700,000.00
Others	**1,609,952.69**	1,559,767.55
Total	**10,698,899.04**	73,454,894.44

(2) The aging analysis of receipts in advance is as follows:

RMB

Aging	31 December 2019		31 December 2018	
	RMB	*%*	*RMB*	*%*
Within 1 year	**7,331,042.70**	**68.52**	73,454,894.44	100.00
More than 1 year but not exceeding 2 years	**3,367,856.34**	**31.48**	–	–
Total	**10,698,899.04**	**100.00**	73,454,894.44	100.00

12. Contract liabilities

RMB

Item	31 December 2019	31 December 2018
Advertising release fee in advance	**326,140.20**	6,090,951.06
Sales of property in advance	**1,133,824,799.81**	956,110,031.94
Total	**1,134,150,940.01**	962,200,983.00

Notes:

(1) Qualitative and quantitative analysis on contract liabilities

Revenue relative to advertising is recognized during a period, though customers have prepaid the advertising price in part or in whole. The Company recognizes the advertising payments initially received as a contractual liability and carries forward as revenue during the advertising period.

According to the contract, the income of real estate development can be confirmed until the relevant property procedures have been completed and transferred to the customers. The sales payment is recognized as contract liabilities at the time of the transaction and is converted into income when the relevant property procedures have been completed and transferred to the customer.

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

The amount of the contract liabilities in the beginning of the year is RMB224,104,557.52, which has been recognized as income in the current year. Including advance sales contract liabilities of RMB218,113,449.00 and advertising release contract liabilities of RMB5,991,108.52.

Note: Based on judgement of "Accounting Standards for Business Enterprises No. 14 – Revenue", the Group transferred advance receipts from advertising and real estate development businesses from receipts in advance to contract liabilities.

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

RMB

Project	31 December 2018	**31 December 2019**	Completion date	Proportion of advance sale *(%)*
Baohua Hongyan Community B1 Tongchengshijia Project	3,789,900.00	**1,457,142.86**	April 2014	76.23
Baohua Hongyan Community B2 Tongchengshijia Project	11,886,511.00	**38,181,733.33**	November 2016	87.12
Huaqiao Urban Core C4 Tongcheng Hongqiao Mansion	180,537.14	**–**	August 2012	96.61
Huaqiao Urban Core C3 Langqiao Jiayuan	19,752,807.00	**84,568,102.75**	December 2019	28.26
Suzhou Qingyuan	38,226,000.00	**32,843,809.52**	December 2013	45.40
Suzhou Nanmen Road G25 Project - Phase I	102,730,059.00	**8,722,321.90**	January 2018	85.64

Project	31 December 2018	**31 December 2019**	**Completion date**	**Proportion of advance sale** *(%)*
Huaqiao Urban Core C7 Pujiang Mansions	41,728,172.00	**–**	June 2014	8.38
Hanrui Center	737,816,045.80	**968,051,689.45**	June 2020	34.65
Total	956,110,031.94	**1,133,824,799.81**		

13. *Other payables*

Item	*Note*	**31 December 2019**	31 December 2018
Interest payable	(1)	**102,733,456.92**	93,089,892.97
Dividends payable	(2)	**97,197,529.87**	88,979,103.17
Others	(3)	**163,850,914.15**	88,390,374.99
Total		**363,781,900.94**	270,459,371.13

(1) Interest payable

RMB

Item	**31 December 2019**	31 December 2018
Interest payable of long-term borrowings with interest payable by installments and principal payable on maturity	**10,422,650.60**	29,927,133.29
Interest payable of enterprise bonds	**89,602,310.48**	59,682,739.68
Interest payable of short-term borrowings	**2,708,495.84**	3,480,020.00
Total	**102,733,456.92**	93,089,892.97

There are no interest payable overdue but not yet repaid.

(2) Dividends payable

RMB

Item	**31 December 2019**	31 December 2018
Ordinary shares dividends	**97,197,529.87**	88,979,103.17
Total	**97,197,529.87**	88,979,103.17

Note: the balance of dividends payable over 1 years is RMB88,979,103.17, which is not yet received by investors.

(3) Others

i Details of other payables are as follows:

RMB

Item	**31 December 2019**	31 December 2018
Payable of daily procurement in service area	**4,582,251.27**	2,895,993.16
Amount of ETC prepaid cards collected on behalf of the internetwork settlement center	**698,115.00**	2,517,643.00
Construction quality warrantee fee payable	**17,318,102.41**	15,088,319.18
Earnest money of acquisition of properties	**68,230,696.38**	40,962,777.55
Lease deposit of service zone	**31,571,000.00**	–
Others	**41,450,749.09**	26,925,642.10
Total	**163,850,914.15**	88,390,374.99

ii No significant other payables aged more than one year.

14. Segment reporting

(1) Determining basis and accounting policy of reporting segment

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into 12 operating segments. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance. On the basis of the operating segment, the Group determines 13 reporting segments (2018: 12) based on the standard with which the Group's management determines resources allocation and performance assessment, including Shanghai-Nanjing Expressway, Guangjing Expressway and Xicheng Expressway, Xiyi Expressway and Wuxi Huantaihu Expressway, Ningchang Expressway and Zhenli Expressway, Zhendan Expressway, Wufengshan Expressway, Changyi Expressway and Yichang Expressway, Longtan Bridge, Ancillary services (including petrol, food and retail in service zone along the expressways), Real estate development and Advertising and others.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

(2) Financial information of reporting segment

RMB

	Shanghai-Nanjing Expressway		Nanjing-Lianyungang Highway		Guangjing Expressway and Xicheng Expressway		Xiyi Expressway and Wuxi Huantaihu Expressway		Changyi Expressway		Yichang Expressway		Ningchang Expressway and Zhenli Expressway	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
Operating income	5,230,727,737	5,004,610,182		11,994,024	960,563,084	920,821,006	371,123,857	355,490,993		–		–	1,194,100,593	1,153,861,875
Operating costs	1,641,739,059	1,511,763,092		2,100,154	372,000,884	286,408,735	223,423,376	207,827,573		–		–	586,436,161	586,641,984
Including: Amortization of toll roads operation rights	613,821,368	576,929,338		–	116,191,846	113,927,066	108,741,727	102,599,649		–		–	399,594,200	385,108,795
Costs of petrol and other goods sold in service zones	–	–		–	–	–	–	–		–		–	–	–
Segment operating profit (loss)	3,588,988,677	3,492,847,090		9,893,870	588,562,200	634,412,271	147,700,481	147,663,421		–		–	607,664,432	567,219,891
Reconciling items:														
Less: Taxes and levies	18,830,620	18,015,301		44,474	3,458,027	3,314,956	1,336,046	1,279,768		–		–	4,298,762	4,153,903
Selling expenses	–	–		–	–	–	–	–		–		–	–	–
Administrative expenses	73,295,558	73,185,129		–	–	–	–	–		–		–	–	–
Financial expenses	–	–		–	–	–	–	–		–		–	–	–
Add: Other income	5,239,608	–		–	–	–		–		–		–	1,945,040	1,974,866
Invest income	–	–		–	–	–	–	–		–		–	–	–
Gains or losses from changes in fair value	–	–		–	–	–	–	–		–		–	–	–
Credit impairment losses		–		–	–	–		–		–		–		–
Assets impairment losses	–	–		–	–	–	–	–		–		–	–	–
Gains(losses) from disposal of assets	–65,199,121	–		–	(2,065,742)	–		–		–		–	–3,006,085	–
Operating profit	3,436,902,987	3,401,646,660		9,849,397	583,038,431	631,097,315	146,364,435	146,383,653		–		–	602,304,625	565,040,854
Non-operating income	–	–		–	–	–	–	–		–		–	–	–
Non-operating expenses	–	–		–	–	–	–	–		–		–	–	–
Total profit	3,436,902,987	3,401,646,660		9,849,397	583,038,431	631,097,315	146,364,435	146,383,653		–		–	602,304,625	565,040,854
Income tax expenses	–	–		–	–	–	–	–		–		–	–	–
Net profit	3,436,902,987	3,401,646,660		9,849,397	583,038,431	631,097,315	146,364,435	146,383,653		–		–	602,304,625	565,040,854
Total segment assets	10,246,479,107	10,840,577,288		–	1,087,880,523	1,145,788,474	1,816,728,568	1,925,378,105	2,962,772,540	2,630,887,757	2,340,293,304	2,316,770,251	5,273,673,911	5,667,292,931
Total segment liabilities	–	–		–	–	–		–		–		–		–
Supplementary information:				–		–		–		–		–		–
Depreciation and amortization	705,243,115	663,282,660		–	252,938,871	134,004,634	–	111,661,660		–		–	414,223,607	399,267,389
Interest income	–	–		–	–	–	–	–		–		–	–	–
Interest expense	–	–		–	–	–	–	–		–		–	–	–
Investment income from long–term equity investment under equity method	–	–		–	–	–	–	–		–		–	–	–
Non-current assets other than long-term equity investments	10,246,479,107	10,840,577,288		–	1,087,880,523	1,145,788,474	1,816,728,568	1,925,378,105	2,962,772,540	2,630,887,757	2,340,293,304	2,316,770,251	5,273,673,911	5,667,292,931
Capital expenditure	277,121,709	95,923,223		–	152,255,854	60,008,827	–	–	838,411,724	572,417,707	573,579,200	337,897,944	52,522,857	62,766,329
Including: Expenditure arising from construction in progress	262,336,722	73,576,006		–	134,103,707	36,501,266		–	838,411,724	572,417,707	573,579,200	337,897,944	42,971,205	55,746,301
Expenditure arising from purchase of fixed assets	14,784,988	22,347,216		–	17,881,957	22,641,881		–		–		–	9,551,652	7,020,028
Expenditure arising from purchase of intangible asset	–	–			270,190	865,680		–		–	–			

(2) Financial information of reporting segment (Continued)

RMB

	Zhendan Expressway		Wufengshan Bridge		Longtan Bridge		Ancillary services		Real estate development		Advertising and others		Unallocated items		Total	
	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year	Current year	Prior year
Operating income	**76,560,202**	13,707,738		**-**	-	-	**1,347,754,063**	1,441,955,573	**825,216,617**	1,004,453,761	**72,135,067**	62,116,014	**-**	-	**10,078,181,219**	9,969,011,165
Operating costs	**52,662,590**	19,353,451		**-**	-	-	**1,242,077,560**	1,361,765,776	**432,465,134**	573,087,120	**25,204,781**	25,446,891	**-**	-	**4,576,009,545**	4,574,394,775
Including: Amortization of toll roads operation rights	**35,885,493**	7,303,602		**-**	-	-	-	-	**-**	-	-	-	**-**	-	**1,274,234,634**	1,185,868,451
Costs of petrol and other goods sold in service zones	-	-		**-**	-	-	**881,212,423**	1,005,885,794	**-**	-	-	-	**-**	-	**881,212,423**	1,005,885,794
Segment operating profit (loss)	**23,897,612**	(5,645,713)		**-**	-	-	**105,676,503**	80,189,797	**392,751,483**	431,366,641	**46,930,286**	36,669,123	**-**	-	**5,502,171,674**	5,394,616,390
Reconciling items:					-											
Less: Taxes and levies	**275,617**	49,348		**-**		-	**33,881,659**	34,226,745	**62,690,810**	105,737,467	**2,219,196**	2,155,579	**-**	-	**126,990,737**	168,977,540
Selling expenses	-	-		**-**	-	-	-	-	**35,281,256**	37,043,904	**690,541**	696,537	**-**	-	**35,971,797**	37,740,441
Administrative expenses	-	-		**-**	-	-	-	-	**-**	-	-	-	**154,300,332**	138,589,107	**227,595,890**	211,774,236
Financial expenses	-	-		**-**	-	-	-	-	**-**	-	-	-	**464,164,014**	524,560,684	**464,164,014**	524,560,684
Add: Other income	-	-		**-**	-	-	-	-	**23,023**	-		-	**50,288**	-	**7,257,959**	1,974,866
Invest income	-	-		**-**	-	-	-	-	**-**	-	-	-	**886,313,896**	1,056,795,788	**886,313,896**	1,056,795,788
Gains or losses form changes in fair values	-	-		**-**	-	-	-	-	**-**	-	-	-	**71,295,344**	158,299,349	**71,295,344**	158,299,349
Credit impairment losses	-	-		**-**	-	-	-	-	**-**	-	-	-	**(96,973)**	(33,670)	**(96,973)**	(33,670)
Asset impairment losses	-	-		**-**	-	-		-	**-**	-	-	-				
Gains(losses) from disposal of assets	-	-		**-**	-			-	136	-	-	-	**18,746**	(7,661,280)	**(70,252,066)**	(7,661,280)
Operating profit	**23,621,996**	(5,695,061)		**-**		-	**71,794,843**	45,963,051	**294,802,575**	288,585,270	**44,020,549**	33,817,007	**339,116,954**	544,250,396	**5,541,967,394**	5,660,938,542
Non-operating income	-	-		**-**	-	-	-	-	**-**	-	-	-	**32,336,184**	21,943,624	**32,336,184**	21,943,624
Non-operating expenses	-	-		**-**	-	-	-	-	**-**	-	-	-	**52,532,596**	30,241,723	**52,532,596**	30,241,723
Total profit	**23,621,996**	(5,695,061)		**-**	-	-	**71,794,843**	45,963,051	**294,802,575**	288,585,270	**44,020,549**	33,817,007	**318,920,542**	535,952,298	**5,521,770,982**	5,652,640,443
Income tax expenses	-	-		**-**	-	-	-	-	**-**	-	-	-	**1,221,286,273**	1,176,929,506	**1,221,286,273**	1,176,929,506
Net profit	**23,621,996**	(5,695,061)		**-**	-	-	**71,794,843**	45,963,051	**294,802,575**	288,585,270	**44,020,549**	33,817,007	**(902,365,732)**	(640,977,208)	**4,300,484,709**	4,475,710,938
Total segment assets	**1,540,003,035**	1,736,755,559	**9,228,360,377**	6,611,547,034	**427,246,516**		**377,244,975**	315,131,022	**4,417,920,935**	3,053,456,897	**1,833,345,564**	1,236,712,882	**14,073,099,270**	10,682,430,632	**55,625,048,625**	48,162,728,832
Total segment liabilities	-	-	**-**	-	**-**	-	-	-	**-**	-	-	-	**22,942,211,489**	18,808,871,891	**22,942,211,489**	18,808,871,891
Supplementary information:																
Depreciation and amortization	**47,794,653**	10,148,934		-			54,724,547	**49,760,949**	585,600	**326,450**	7,083,883	**6,337,334**	**87,927,476**	90,506,938	**1,570,521,753**	1,465,296,948
Interest income	-	-	**-**	-	**-**	-	-	-	**-**	-	-	-	**9,466,560**	8,735,205	**9,466,560**	8,735,205
Interest expense				-	**-**		-	-	**-**	-	-	-	**462,160,619**	499,232,330	**462,160,619**	499,232,330
Investment income from long-term equity investment under equity method	-	-	**-**	-	**-**	-	-	-	**-**	-	-	-	**649,050,249**	575,193,240	**649,050,249**	575,193,240
Non-current assets other than long-term equity investments	**1,540,003,035**	1,736,755,559	**9,228,360,377**	6,611,547,034	**427,246,516**		377,244,975	**315,131,022**	96,184,864	**59,150,252**	1,639,329,155	**1,153,625,294**	5,622,962,923	**2,158,336,447**	42,659,159,799	**36,561,240,414**
Capital expenditure	**14,147,515**	459,133,160	**2,530,709,930**	1,935,131,504	**371,077,086**		42,152,237	**17,634,128**	1,542,231	**906,109**	1,351,389	**3,340,289**	28,941,505	**-**	4,883,813,238	**3,545,159,220**
Including: Expenditure arising from construction in progress	**11,557,593**	453,844,120	**2,530,709,930**	1,935,131,504	**371,077,086**		37,188,282	**11,639,852**	1,141,505	**636,714**	1,316,038	**3,295,248**	28,941,505	**-**	4,833,334,496	**3,480,686,662**
Expenditure arising from purchase of fixed assets	**2,589,922**	5,289,040	**-**	-			4,963,955	5,994,277	**400,726**	269,396	**35,351**	45,041	**-**	-	**50,208,551**	63,606,878
Expenditure arising from purchase of intangible asset	**-**		**-**			-	-	-	**-**	-	-	-	**-**		270,190	**865,680**

Segment profit represents the gross profit earned by each segment without allocation of finance costs, investment income, profit or loss from changes in fair value. This is the measure reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performances and allocating resources between segments, assets are allocated to segments other than available-for-sale financial assets, long-term equity investment, held-for-trading financial assets and cash and bank balances etc., while segment liabilities are not allocated to segments

(3) External revenue by geographical area of source and non-current assets by geographical location

All income and assets of the Group are from/located in Jiangsu province.

(4) Degree of reliance on major customers

The principle activities are toll roads operation and ancillary services along toll roads etc., therefore, there is no reliance on specific customers

15. Dividends

As of the date of this preliminary results announcement, the Company's board of directors have not considered and discussed the profit distribution arrangements. The Company will convene a meeting of board of directors to consider the profit distribution arrangements for the Reporting Period upon Deloitte Touche Tohmatsu Certified Public Accountants LLP has issued the financial statements and audit report for the Company for the year ended 31 December 2019.

XI. DEFINITIONS

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

Company	Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司)
Group	the Company and its subsidiaries
Controlling Shareholder or Communications Holding	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)
China Merchants Expressway Network	China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司), formerly known as China Merchants Huajian Highway Investments Company Limited (招商局華建公路投資有限公司)
Nichang Zhenli Company	Jiangsu Ningchang Zhenli Expressway Co., Ltd. (江蘇寧常鎮溧高速公路有限公司)
Ninghu International Company	Jiangsu Ninghu International (Hong Kong) Limited (江蘇寧滬國際(香港)有限公司)
Yangtze River Management Company	Jiangsu Yangtze Expressway Management Co., Ltd. (江蘇揚子江高速通道管理有限公司)
Ninghu Investment Company	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)
Ninghu Property Company	Jiangsu Ninghu Property Co., Ltd. (江蘇寧滬置業有限責任公司)
Hanwei Company	Nanjing Hanwei Property Development Co., Ltd. (南京瀚威房地產開發有限公司)
Guangjing Xicheng Company	Jiangsu Guangjing Xicheng Expressway Co., Ltd. (江蘇廣靖錫澄高速公路有限責任公司)

Zhendan Company	Jiangsu Zhendan Expressway Co., Ltd. (江蘇鎮丹高速公路有限公司)
Wufengshan Bridge Company	Jiangsu Wufengshan Bridge Co., Ltd. (江蘇五峰山大橋有限公司)
Longtan Bridge Company	Jiangsu Longtan Bridge Co., Ltd. (江蘇龍潭大橋有限公司)
Xiexin Company	Jiangsu Xiexin Ninghu Natural Gas Co., Ltd. (江蘇協鑫寧滬天然氣有限公司)
Kuailu Company	Jiangsu Kuailu Vehicle Transportation Co., Ltd. (江蘇快鹿汽車運輸股份有限公司)
Suzhou Expressway Company	Suzhou Expressway Management Co., Ltd. (蘇州市高速公路管理有限公司)
Yangtze Bridge Company	Jiangsu Yangtze Bridge Co., Ltd. (江蘇揚子大橋股份有限公司)
Finance Company	Jiangsu Communications Holdings Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)
Media Company	Jiangsu Communications Culture Media Co., Ltd. (江蘇交通文化傳媒有限公司)
Xiandai Road & Bridge Company	Jiangsu Xiandai Road & Bridge Co., Ltd. (江蘇現代路橋有限責任公司)
Lianwang Company	Jiangsu Expressway Lianwang Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)
Bank of Jiangsu Company	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)
Factoring Company	Ninghu Commercial Factoring (Guangzhou) Co., Ltd. (寧滬商業保理(廣州)有限公司)

Luode Fund Company	Jiangsu Luode Equity Investment Fund Management Co., Ltd. (江蘇洛德股權投資基金管理有限公司)
Yichang Company	Jiangsu Yichang Expressway Co., Ltd. (江蘇宜長高速公路有限公司)
Changyi Company	Jiangsu Changyi Expressway Co., Ltd. (江蘇常宜高速公路有限公司)
Nanlin Hotel Company	Suzhou Nanlin Hotel Co., Ltd. (蘇州南林飯店有限責任公司)
Yanjiang Company	Jiangsu Yanjiang Expressway Co., Ltd. (江蘇沿江高速公路有限公司)
Jiangsu Lease Company	Jiangsu Financial Lease Co., Ltd. (江蘇金融租賃股份有限公司)
Tongxingbao Company	Jiangsu Tongxingbao Traffic Intelligent Technology Co., Ltd. (江蘇通行寶智慧交通科技有限公司)
Railway Group Company	Jiangsu Railway Group Limited (江蘇省鐵路集團有限公司)(formerly known as Jiangsu Railway Investment & Development Co., Ltd. (江蘇鐵路投資發展有限公司))
Jinghu Company	Jiangsu Jingfu Expressway Co., Ltd. (江蘇京滬高速公路有限公司)
Runyang Bridge Company	Jiangsu Runyang Bridge Development Co., Ltd. (江蘇潤揚大橋發展有限責任公司)
Suhuaiyan Company	Jiangsu Suhuaiyang Expressway Management Co., Ltd. (江蘇宿淮鹽高速公路管理有限公司)
Expressway Petrol Company	Jiangsu Expressway Petrol Development Co., Ltd. (江蘇高速公路石油發展有限公司)
Far East Shipping Company	Jiangsu Far East Shipping Co., Ltd. (江蘇遠東海運有限公司)

Expressway Information Company	Jiangsu Expressway Information Engineering Co., Ltd. (江蘇高速公路資訊工程有限公司)
Engineering Maintenance Company	Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. (江蘇高速公路工程養護技術有限公司)
Taixing Oil Products Company	Taixing Hechang Oil Products Sales Co., Ltd. (泰興市和暢油品銷售有限公司)
Orient Operation and Management Company	Jiangsu Orient Expressway Operation and Management Co., Ltd. (江蘇東方高速公路經營管理有限公司)
Orient Road & Bridge Company	Jiangsu Orient Road & Bridge Construction Maintenance Co., Ltd. (江蘇東方路橋建設養護有限公司)
Highway Center	Highway Development Center of Transportation Department of Jiangsu Province (江蘇省交通運輸廳公路事業發展中心)
Expressway Management Center	Expressway Operation and Management Center Department of Jiangsu Province (江蘇省高速公路經營管理中心)
Ninghang Company	Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司)
Husuzhe Company	Jiangsu Husuzhe Expressway Co., Ltd. (江蘇滬蘇浙高速公路有限公司)
Huatong Engineering	Jiangsu Huatong Engineering Testing Co., Ltd. (江蘇華通工程檢測有限公司)
Sutong Bridge Company	Jiangsu Sutong Bridge Co., Ltd. (江蘇蘇通大橋有限責任公司)
Xinhua Media	Jiangsu Xinhua Newspaper Media Group Co., Ltd. (江蘇新華報業傳媒集團有限公司)

Fuanda Fund	Fuanda Fund Management Co., Ltd. (富安達基金管理有限公司)
Engineering Testing Company	Sundian Engineering Testing Co., Ltd. (現代工程檢測有限公司)
Micro Video Company	Nanjing Micro Video Technology Company Limited (南京感動科技有限公司)
Hanrui Center	Plot No. 2 Complex Project located in the central business district of new city in the south of Nanjing
Shanghai-Nanjing Expressway	Jiangsu Section of Shanghai-Nanjing Expressway
GuangJing Expressway	The north connection of Jiangyin Yangtze Bridge, Guangjing-Jinjiang Section
Xicheng Expressway	The south connection of Jiangyin Yangtze Bridge, Jiangyin-Wuxi Section
Jiangyin Bridge	Jiangyin Yangtze Bridge
Sujiahang Expressway	Jiangsu Section of Suzhou-Jiaxing-Hangzhou Expressway
Yanjiang Expressway	Changzhou-Taicang Expressway
Changjia Expressway	Kunshan-Wujiang Section of Changshu-Jiaxing Expressway
Zhendan Expressway	Zhenjiang-Danyang Expressway
Ningchang Expressway	Lishui Guizhang Hub-South of Changzhou Interchange Expressway
Zhenli Expressway	Dantu Hub-Liyang Qianma Hub Expressway
Xiyi Expressway	Northern Wuxi-Yixing West Dock Hub Expressway
Wuxi Huantaihu Expressway	Wuxi Shuofang Hub-Wuxi Nanquan Interchange Expressway

Sujiayong Expressway	Suzhou-Jiaxing-Ningbo Expressway
Wufengshan Bridge	Wufengshan Bridge and North-South Approach Expressways Project
Changyi Expressway	Changzhou-Yixing Expressway
Yichang Expressway	Jiangsu Section of Yixing-Changxing Expressway
ICA Company	ICA IC İÇTAŞ ASTALDI Üçüncü Boğaz Köprüsü ve Kuzey Marmara Otoyolu Yatırım ve İşletme A.Ş.
Consortium	a consortium as a special purpose vehicle in Hong Kong jointly established China Merchants Expressway Network, China Merchants Union, Zhejiang Fuhangyong, the Company, Sichuan Expressway and Anhui Expressway and their respective wholly-owned subsidiaries in Hong Kong
China Merchants Union	CMU, China Merchants Union (BVI) Limited
Zhejiang Expressway	Zhejiang Expressway Co., Ltd.
Sichuan Expressway	Sichuan Expressway Co., Ltd.
Anhui Expressway	Anhui Expressway Co., Ltd.
Reporting Period	the period of one year from 1 January 2019 to 31 December 2019
year-on-year	as compared with the same period of 2018
CSRC	China Securities Regulatory Commission
SFC	The Securities and Futures Commission of Hong Kong

SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
A Shares	RMB-denominated ordinary shares issued by the Company and listed on the SSE
H Shares	overseas-listed foreign shares issued by the Company and listed on the Stock Exchange
ADR	Level-1 depositary receipts of the Company listed and traded in the over-the-counter market of the United States
Listing Rules	Listing Rules of the SSE and/or Hong Kong Listing Rules
Listing Rules of SSE	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
Sujiahang Company	Suzhou Sujiahang Expressway Co., Ltd. (蘇州蘇嘉杭高速公路有限公司)
Real Estate Parent Fund Phase II	Phase II of Real Estate Investment Parent Fund (房地產投資母基金二期)
PRC Accounting Standards	Accounting Standards for Business Enterprises and relevant Provisions promulgated by the Ministry of Finance of the People's Republic of China
Deloitte, Auditors	Deloitte Touche Tohmatsu Certified Public accountants LLP (Special General Partnership)
Corporate Governance Code	the Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules
Longtan Bridge	Jiangsu Longtan Bridge (江蘇龍潭大橋)
Luode Dening	Nanjing Luode Dening Real Estate Investment Partnership (Limited Partnership) (南京洛德德寧房地產投資合夥企業(有限合夥))

CDB Kai Yuan Phase II Fund	Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership)
Zhongbei Zhiyuan	Nanjing Luode Zhongbei Zhiyuan Equity Investment Partnership (Limited Partnership) (南京洛德中北致遠股權投資合夥企業(有限合夥))

By Order of the Board
Yao Yongjia
Secretary to the Board

Nanjing, the PRC, 31 March 2020

*As at the date of this announcement, the Directors of the Company are: Sun Xibin, Yao Yongjia, Chen Yanli, Chen Yongbing, Wu Xinhua, Hu Yu, Ma Chung Lai, Lawrence, Zhang Zhuting *, Chen Liang *, Lin Hui *, Zhou Shudong *, Liu Xiaoxing**

* *Independent Non-executive Directors*