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**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)**

**2020 INTERIM RESULTS PRELIMINARY ANNOUNCEMENT**

The content of this announcement in sections 1, 3, 5 and 6 is disclosed pursuant to Rule 13.49(6) and paragraph 46 of Appendix 16 of the Hong Kong Listing Rules.

The other information is disclosed pursuant to the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

**1. IMPORTANT NOTICE**

- 1.1** This interim results preliminary announcement is extracted from the full text of interim report. Investors who wish to understand the details on the operating results, financial position and future development plan of the Company should carefully read the full text of interim report on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)), the website of The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.jsexpressway.com](http://www.jsexpressway.com)) and such media designated by China Securities Regulatory Commission.
- 1.2** The board of Directors, the supervisory committee, and the directors, supervisors and senior management of the Company warrant the truthfulness, accuracy and completeness of the contents of this interim report and there is no false representation in, misleading statement in, and material omission from, this report and they jointly and severally accept legal responsibility for such contents.

### 1.3 Absent Directors

<b>Position held by absent director</b>	<b>Name of absent director</b>	<b>Reasons for absence</b>	<b>Name of proxy</b>
Director	Mr. Wu Xinhua	Business	Mr. Yao Yongjia
Director	Ms. Hu Yu	Business	Mr. Yao Yongjia
Director	Mr. Ma Chung Lai, Lawrence	Business	Mr. Yao Yongjia
Director	Mr. Zhang Zhuting	Business	Mr. Lin Hui
Director	Mr. Zhou Shudong	Business	Mr. Chen Liang

1.4 This interim results preliminary announcement is unaudited. The Audit Committee consists of three independent non-executive directors and one non-executive director. The Audit Committee convened a meeting on 20 August 2020 to consider and review the interim results preliminary announcement and interim financial statements of the Group and to submit its observations and recommendations to the board of Directors. The Audit Committee considers that the Company's interim results preliminary announcement and interim financial statements for 2020 are in compliance with the applicable accounting standards and have been properly disclosed by the Company.

## 2. BASIC INFORMATION OF THE COMPANY

### 2.1 Company information

<b>Class of shares</b>	<b>Information on the Company's shares</b>			<b>Previous stock abbreviation</b>
	<b>Listing stock exchange</b>	<b>Stock abbreviation</b>	<b>Stock code</b>	
A Shares	Shanghai Stock Exchange	寧滬高速	600377	–
H Shares	The Stock Exchange of Hong Kong Limited	Jiangsu Express	00177	–
ADR	United States	JEXYY	477373104	–

  

<b>Contact persons and contact methods</b>	<b>Secretary to the Board</b>	<b>Representatives of securities affairs</b>
Name	Yao Yongjia	Tu Jun and Lou Qing
Telephone	8625–84362700–301835	8625–84362700–301838
Business address	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC	6 Xianlin Avenue, Nanjing, Jiangsu Province, the PRC
Email	jsnh@jsexpwy.com	

## 2.2 Key financial data of the Company

*Unit: Yuan Currency: RMB*

	<b>As at the end of the Reporting Period</b>	As at the end of the previous year	Increase/decrease at the end of the Reporting Period as compared to the end of the previous year (%)
Total assets	<b>58,378,917,728.48</b>	55,625,048,624.75	4.95
Net assets attributable to the shareholders of the Company	<b>25,927,524,625.17</b>	28,546,983,607.15	-9.18
	<b>The Reporting Period (January–June)</b>	Corresponding period of the previous year	Increase/decrease in the Reporting Period as compared to the corresponding period of the previous year (%)
Net cash flow from operating activities	<b>895,329,150.48</b>	2,927,496,390.90	-69.42
Operating revenue	<b>2,668,351,072.50</b>	4,835,457,868.83	-44.82
Net profit attributable to the shareholders of the Company	<b>485,637,446.44</b>	2,281,609,028.13	-78.72
Net profit attributable to the shareholders of the Company net of non-recurring profit or loss	<b>419,417,173.47</b>	2,266,132,472.27	-81.49
Weighted average return on net assets (%)	<b>1.71</b>	8.28	Decreased by 6.57 percentage points
Basic earnings per share ( <i>Yuan/share</i> )	<b>0.0964</b>	0.4529	-78.71
Diluted earnings per share ( <i>Yuan/share</i> )	<b>N/A</b>	N/A	N/A

*Note:* The figures under the “As at the end of the previous year” were audited, and other figures were unaudited.

## 2.3 Shareholdings of top ten Shareholders

*Unit: Share*

Total number of shareholders as at the end of the Reporting Period (including 421 holders of H Shares)	29,392
Total number of preference shareholders with voting rights restored as at the end of the Reporting Period	0

Name of shareholder	Type of shareholder	Shareholdings of top ten Shareholders		Numbers of shares held subject to selling restrictions	Shares pledged or frozen
		Shareholding percentage (%)	Numbers of shares held		
Jiangsu Communications Holding Company Limited	State-owned legal person	54.44	2,742,578,825	-	Nil
China Merchants Expressway Network & Technology Holdings Co., Ltd.	State-owned legal person	11.69	589,059,077	-	Nil
BlackRock Inc.	Foreign legal person	3.14	158,338,523	-	Unknown
Mitsubishi UFJ Financial Group Inc.	Foreign legal person	2.61	131,568,517	-	Unknown
JPMorgan Chase&Co.	Foreign legal person	2.38	119,807,927	-	Unknown
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)	Others	1.39	70,000,000	-	Unknown
Citigroup Inc.	Foreign legal person	1.26	63,343,239	-	Unknown
Jiantou Zhongxin Asset Management Co.,Ltd.	State-owned legal person	0.42	21,410,000	-	Unknown
CPLI Stock Dividend Product (Shou ZiYing)(中國太平洋人壽股票紅利型產品(壽自營))	Others	0.25	12,500,000	-	Unknown
National Social Security Fund 114 portfolio (全國社保基金一一四組合))	Others	0.19	9,632,923	-	Unknown
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				

**2.4 Total number of preference shareholders as at the end of the Reporting Period and shareholdings of top ten preference shareholders**

Applicable  Not Applicable

**2.5 Change of controlling shareholders or de facto controllers**

Applicable  Not Applicable

**2.6 Outstanding and overdue but unpaid corporate debt**

Applicable  Not Applicable

**3 DISCUSSION AND ANALYSIS OF THE OPERATION**

**3.1 Discussion and Analysis of the Operation of the Company during the Reporting Period**

**1. *Business overview***

As of the end of June 2020, total assets of the Company amounted to RMB58,379 million and net assets attributable to shareholders of the Company amounted to RMB25,928 million. During the Reporting Period, the Company realized operating profit of RMB2,668 million, total profits of RMB658 million, net profit attributable to shareholders of the Company of RMB486 million and earnings per share of RMB0.0964. The operating net cash flow amounted to RMB895 million and the weighted average return on net assets was 1.71%.

**2. *Toll road and bridge business***

**(1) *Business performance and analysis of project operation***

During the Reporting Period, affected by the novel coronavirus epidemic and the policy on toll-free travel, the Group recorded toll revenue of approximately RMB1,777,601,000, representing a year-on-year decrease of approximately 52.97% and representing approximately 66.62% of the total operating revenue of the Group. In particular, Shanghai-Nanjing Expressway recorded an average daily traffic volume of 99,200 vehicles, representing a year-on-year decrease of approximately 2.17%, and an average daily toll revenue of approximately RMB6,463,040 (average daily toll revenue, including that of the toll-free period), representing a year-on-year decrease of approximately 53.99%.

The traffic volume of other road and bridge projects operated by the Group including Zhenli Expressway, Wuxi Huantaihu Expressway and Changjia 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.

(2) *Business development*

(i) Actively advancing the construction of road and bridge projects under construction

During the Reporting Period, the Group continued to efficiently advance the construction of road and bridge projects under construction in an orderly way. During the Reporting Period, Wufengshan Bridge Project incurred an investment of RMB1,038 million, with cumulated investment of RMB10,045 million as of the end of June 2020, representing 81.70% of the total investment of the project, and it is expected to be completed in 2021. Changyi Expressway Project incurred an investment of RMB436 million, with cumulated investment of RMB3,331 million as of the end of June 2020, representing 87.67% of the total investment of the project; Yichang Expressway Project incurred an investment of RMB738 million, with cumulated investment of RMB2,732 million as of the end of June 2020, representing 68.68% of the total investment of the project; and Longtan Bridge Project incurred an investment of RMB945 million, with cumulated investment of RMB1,316 million as of the end of June 2020, representing 21.05% of the total investment of the project.

(ii) The Toll road and bridge projects in Turkey

During the Reporting Period, the Group accelerated the investment progress of the acquisitions in relation to the toll road and bridge projects in Turkey, and the relevant approval procedures are being processed.

### **3. *Operation of ancillary services***

Ancillary services of the Group mainly include lease of service areas, sale of petroleum products and other related operations provided at the service areas along the expressway. During the Reporting Period, the Group realized revenue of approximately RMB611,872,000 from ancillary services, representing a year-on-year increase of approximately 0.15%. In particular, sales revenue of petroleum products was approximately RMB495,285,000, representing approximately 80.95% of the total revenue from ancillary services, representing a year-on-year increase of approximately 1.18%; rental income from service areas amounted to approximately RMB102,161,000; and other income was approximately RMB14,426,000.

During the Reporting Period, due to the impact of the novel coronavirus outbreak, the road network traffic continued to decline in the initial period, resulting in a decrease in sales of petroleum products. However, with the implementation of the national policy on toll-free travel, the traffic volume of trucks and passenger vehicles on expressway network was quickly recovered, and the sales of petroleum products subsequently increased, making up for the adverse impact of the previous sales of petroleum products. During the Reporting Period, the Group actively introduced competition mechanisms and managed to secure more profit margins through actively carrying out negotiations with petroleum suppliers. In the first half of 2020, the gross profit and gross profit margin of petroleum products operation of the Group increased by 45.67 percentage points and 6.10 percentage points as compared with the first half of 2019, respectively, and drove the gross profit margin of ancillary services business operation increased by approximately 4.39 percentage points year-on-year.

### **4. *Business of property development and sales***

In the first half of 2020, the “houses are for living in other than speculation” was the main principle of the property market regulation. The impact of the novel coronavirus outbreak had a significant impact on the Group’s income from its property business. During the Reporting Period, the Group seized the market sales window period to actively increase efforts in de-stocking.

During the Reporting Period, the pre-sale area of commodity housing of Ninghu Properties Company was 5,995.22 square meters, and the pre-sale revenue of RMB176,088,000 was realized, representing a year-on-year decrease of 68.33% and 63.60%, respectively. Affected by the epidemic, there was a year-on-year decrease in the delivery scale of housing. From January to June, a total of 93 units were delivered, with sales revenue carried forward amounting to approximately RMB239,599,000, representing a decrease of 41.82% as compared with the corresponding period of the previous year. The net profit after tax realized was approximately RMB54,620,000, representing a year-on-year decrease of approximately 49.05%.

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 first half of 2020, 26 units of commodity housing (apartments) were signed contracts with a pre-sale area of 1,526.06 square meters, achieving pre-sale revenue of RMB38,047,000. Approximately 50% of shops have completed negotiations on potential leasing.

#### **5. *Other businesses***

Other businesses of the Group mainly comprised of the advertising businesses of certain subsidiaries, management services provided by Yangtze River Management Company and property services provided by Ninghu Properties Company. During the Reporting Period, the Group realized revenue from other businesses of approximately RMB39,280,000, representing a year-on-year increase of approximately 18.57% and which is mainly attributable to the year-on-year increase in revenue from commission operation and management services.



## 3.2 Analysis of principal businesses

### 1. Table of analysis on changes in relevant items in the financial statements

Unit: Yuan Currency: RMB

Item	Reporting Period	Corresponding period of the previous year	Changes (%)
Operating income	<b>2,668,351,072.50</b>	4,835,457,868.83	-44.82
Operating costs	<b>1,859,290,222.19</b>	1,955,644,387.14	-4.93
Selling expenses	<b>8,977,337.47</b>	18,630,332.26	-51.81
Administrative expenses	<b>73,831,410.68</b>	85,673,931.47	-13.82
Financial expenses	<b>256,387,221.40</b>	226,517,238.35	13.19
Net cash flow from operating activities	<b>895,329,150.48</b>	2,927,496,390.90	-69.42
Net cash flow from investing activities	<b>-3,291,196,408.42</b>	-3,203,647,193.79	2.73
Net cash flow from financing activities	<b>2,275,283,608.14</b>	290,135,764.89	684.21
Tax and surcharge	<b>39,258,353.21</b>	55,403,316.19	-29.14
Gain on change in fair value	<b>50,461,176.80</b>	21,207,890.81	137.94
Investment income	<b>147,761,973.92</b>	478,199,640.69	-69.10
Other income	<b>9,387,442.24</b>	2,612,095.39	259.38
Non-Operating revenue	<b>29,557,223.53</b>	1,608,479.04	1,737.59
Income tax	<b>173,933,369.86</b>	651,267,942.06	-73.29
Other comprehensive income, net of tax	<b><u>-809,582,328.42</u></b>	<b><u>531,287,650.30</u></b>	<b><u>-252.38</u></b>

Note: The figures in the table were unaudited.

#### Explanations on the reasons for the change of operating income:

A year-on-year significant decrease in the Group's toll revenue was mainly due to the impact of the COVID-19 and the policy on toll-free travel during the Reporting Period; the scale of delivery and transfer of property business were less than that of the corresponding period of the previous year as a result of the COVID-19, and the delivery and the income of property business decreased year-on-year, resulting in a year-on-year decrease in operating income.

**Explanations on the reasons for the changes of operating costs:** A year-on-year decrease in operating costs was mainly due to the scale of delivery and transfer of real estate projects during the Reporting Period were less than that of the corresponding period of the previous year as a result of the impact of the COVID-19, and the costs of property sales business decreased year-on-year.

**Explanations on the reasons for the changes in selling expenses:** A year-on-year decrease in selling expenses was mainly due to the decrease in advertisement and promotion fee and commission fee for agent of real estate sales of Ninghu Properties Company and Hanwei Company during the Reporting Period as a result of the impact of the COVID-19.

**Explanations on the reasons for the changes in administrative expenses:** A year-on-year decrease in administrative expenses was mainly due to the strengthening of budget management and strict expenses control by the Group to reduce the impact of the COVID-19 during the Reporting Period.

**Explanations on the reasons for the changes in financial expenses:** During the Reporting Period, the comprehensive loan costs of the Group's capitalization of interest-bearing debts decreased as compared with the corresponding period of the previous year, however, a year-on-year increase in financial expenses was mainly due to the increased scale of interest-bearing debts of the Group as compared with the corresponding period of the previous year as a result of the impact of the COVID-19 and the policy on toll-free travel.

**Explanations on the reasons for the changes in R&D expenses:** None.

**Explanations on the reasons for the changes in net cash flow from operating activities:** A year-on-year significant decrease in the net cash flow from operating activities was mainly due to a year-on-year decrease in toll revenue and revenue from pre-sales of property projects as a result of the impact of the COVID-19 and the policy on toll-free travel during the Reporting Period.

**Explanations on the reasons for the changes in net cash flow from investing activities:** A year-on-year increase in the net cash outflow from investing activities was mainly due to a year-on-year increase in the investment in the construction of road and bridge projects under construction and net cash outflow from the purchase of wealth management products during the Reporting Period.

**Explanations on the reasons for the changes in net cash flow from financing activities:** A year-on-year significant increase in the net cash flow from financing activities was mainly due to a year-on-year increase in net cash inflow from the Group's borrowings as a result of the impact of the COVID-19 and the policy on toll-free travel during the Reporting Period.

**Explanations on the reasons for the changes in tax and surcharge:** A year-on-year decrease in provisions of tax and surcharge was mainly due to the fact that the operating revenue of the Group was lower than that of the corresponding period of the previous year.

**Explanations on the reasons for the changes in gain on change in fair value:** Mainly due to the year-on-year increase in the fair value of other non-current financial assets held by Ninghu Investment Company, a subsidiary of the Company during the Reporting Period.

**Explanations on the reasons for the changes in investment income:** Mainly due to the impact of the COVID-19 and the policy on toll-free travel during the Reporting Period, certain associates which have a larger proportion of their business engaged in road and bridge sector incurred operating losses.

**Explanations on the reasons for the changes in other income:** Mainly due to the inclusion of deductible portion into other income as a result of the implementation of national policies, which stipulated that commencing from 1 April 2019, an extra 10% shall be credited against deductible input VAT, in line with the policy for deduction of tax amount payable.

**Explanations on the reasons for the changes in non-operating revenue:** Mainly due to the receipt of pit compensation during the Reporting Period.

**Explanations on the reasons for the changes in income tax:** Mainly due to the year-on-year decrease in the taxable income of the Group as a result of the impact of the COVID-19 and the policy on toll-free travel during the Reporting Period.

**Explanations on the reasons for the changes in other comprehensive income, net of tax:** Mainly due to the decrease in the fair value of other equity instruments investment held by the Group during the Reporting Period, resulting in a year-on-year decrease in other comprehensive income.

**(1) Principal operating activities classified by industries and regions**

*Unit: Yuan Currency: RMB*

By industries	Principal operating activities classified by industries					
	Operating revenue	Operating costs	Gross profit margin (%)	Change in operating revenue over the corresponding period of last year (%)	Change in operating costs over the corresponding period of last year (%)	Change in gross profit margin over the corresponding period of last year (%)
Toll road business	1,777,600,712.74	1,197,035,388.35	32.66	-52.97	0.91	Decreased by 35.95 percentage points
Shanghai-Nanjing Expressway	1,176,273,277.15	643,622,193.65	45.28	-53.74	2.46	Decreased by 30.01 percentage points
Guangjing Expressway and Xicheng Expressway	238,218,656.79	111,470,130.86	53.21	-45.64	-33.86	Decreased by 8.33 percentage points
Ningchang Expressway and Zhenli Expressway	249,559,632.44	317,048,082.41	-27.04	-57.73	18.57	Decreased by 81.75 percentage points
Xiyi Expressway and Wuxi Huantaihu Expressway	93,898,635.01	101,726,699.57	-8.34	-45.92	5.25	Decreased by 52.67 percentage points
Zhendan Expressway	19,650,511.35	23,168,281.86	-17.90	-43.26	-9.23	Decreased by 44.20 percentage points
Ancillary services business	611,871,621.75	525,002,197.70	14.20	0.15	-4.73	Increased by 4.39 percentage points
Property sales business	239,598,650.73	110,236,786.05	53.99	-41.82	-46.38	Increased by 3.91 percentage points
Other businesses	39,280,087.28	27,015,850.09	31.22	18.57	112.95	Decreased by 30.49 percentage points
<b>Total</b>	<b>2,668,351,072.50</b>	<b>1,859,290,222.19</b>	<b>30.32</b>	<b>-44.82</b>	<b>-4.93</b>	<b>Decreased by 29.24 percentage points</b>

*Note:* During the Reporting Period, the operating costs of other businesses increased by 112.95% year-on-year was mainly due to the increase in operating costs of Yangtze River Management Company, which was established on 6 June 2019.

**Principal operating activities classified by industries and products:**  
Nil.

(2) *Analysis of costs*

During the Reporting Period, accumulated operating costs amounted to approximately RMB1,859,290,000, representing a year-on-year decrease of approximately 4.93%. The cost structure of each business category is set out below:

*Unit: Yuan Currency: RMB*

By Industries	Components of costs	Amount for the Reporting Period	By Industries		Proportion of the amount in total costs for the Reporting Period (%)	Amount for the corresponding period of last year	Proportion of the amount in total costs for the corresponding period of last year (%)	Changes in percentage of the amount for the Reporting Period compared with the corresponding period of last year (%)	Explanation
			Proportion of the amount in total costs for the Reporting Period (%)	Amount for the corresponding period of last year					
Toll road operations –		1,197,035,388.35	64.38	1,186,295,935.98	60.66	0.91	–		
–	Depreciation and amortization	745,349,229.43	40.09	722,765,894.88	36.96	3.12			
–	Costs on maintenance	90,000,499.83	4.84	83,907,384.95	4.29	7.26		Mainly due to the centralized maintenance of pavement on certain sections of Nanjing Shanghai 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	4,238,044.31	0.23	7,078,171.66	0.36	-40.13		Mainly due to higher costs on system maintenance as affected by the withdrawal of provincial toll stations in the corresponding period of last year	

By Industries							Changes in percentage of the amount for the Reporting Period compared with the corresponding period of last year	Explanation
By Industries	Components of costs	Amount for the Reporting Period	Proportion of the amount in total costs for the Reporting Period (%)	Amount for the corresponding period of last year	Proportion of the amount in total costs for the corresponding period of last year (%)	year		
-	Costs on toll collection	48,350,275.51	2.60	73,256,312.21	3.75	-34.00	Mainly due to the decrease in toll revenue during the Reporting Period, the corresponding road network management fees decreased year-on-year, and the renovation of toll station areas along the expressway in the corresponding period of last year, resulting in a year-on-year decrease in costs on toll collection.	
-	Labour costs	309,097,339.27	16.62	299,288,172.28	15.30	3.28		
-	Ancillary service businesses	525,002,197.70	28.24	551,071,965.03	28.18	-4.73	-	
-	Raw materials	377,916,696.35	20.33	405,635,189.34	20.74	-6.83	Mainly due to the year-on-year decrease in procurement cost of raw materials as a result of the impact of the COVID-19 and the drop in oil prices during the Reporting Period.	
-	Depreciation and amortization	28,252,899.48	1.52	26,911,715.93	1.38	4.98		
-	Labour costs	81,461,935.33	4.38	83,861,022.12	4.29	-2.86		
-	Other costs	37,370,666.54	2.01	34,664,037.64	1.77	7.81	Mainly due to the year-on-year increase in property management fees in the service area during the Reporting Period.	

By Industries							Changes in percentage of the amount for the Reporting Period compared with the corresponding period of last year (%)	Explanation
By Industries	Components of costs	Amount for the Reporting Period	Proportion of the amount in total costs for the Reporting Period (%)	Amount for the corresponding period of last year	Proportion of the amount in total costs for the corresponding period of last year (%)	Proportion of the amount for the Reporting Period compared with the corresponding period of last year (%)		
Property sales businesses	-	110,236,786.05	5.93	205,590,031.45	10.51	-46.38	During the Reporting Period, there was a year-on-year decrease in the scale of delivery and transfer of real estate projects, resulting in a year-on-year decrease in the cost of property sales business.	
Other businesses	-	27,015,850.09	1.45	12,686,454.68	0.65	112.95	Mainly due to a year-on-year increase in the costs of other business as a result of the increase in the management cost of Yangtze River Management Company and the increase in the scale of the property management concerning the property projects delivered by the subsidiaries during the Reporting Period.	

## 2. Others

(1) *Detailed explanation on major changes in the composition or source of the Company's profit*

Applicable  N/A

(2) *Others*

Applicable  N/A

### 3.3 Explanation on major changes in profits caused by non-principal businesses

Applicable  N/A

### 3.4 Analysis of Assets and Liabilities

Applicable  N/A

#### 1. Assets and Liabilities

Unit: RMB Currency: RMB

Item	Balance at the end of the Reporting Period	Proportion of balance to the total assets as at the end of the Reporting Period (%)	Balance at the end of the previous period	Proportion of balance to the total assets as at the end of the previous period (%)	Percentage change in balance at the end of the Reporting Period as compared to that at the end of the previous period (%)	Explanation on changes
Held-for-trading financial assets	1,765,073,027.10	3.02	676,935,184.62	1.22	160.74	Mainly due to the increase in wealth management products held by the Group at the end of the Reporting Period as compared to the beginning of the period.
Notes receivable	1,997,100.00	0.00	—	0.00	—	Mainly due to the increase in the bank acceptances receivable at the end of the Reporting Period.
Accounts receivable	412,901,378.17	0.71	224,285,157.62	0.40	84.10	Mainly due to the increase in financing factoring balance at the end of the Reporting Period as compared to the beginning of the period.
Prepayments	57,315,472.23	0.10	26,865,058.19	0.05	113.35	Mainly due to the increase in prepayments for petroleum products at the end of the Reporting Period as compared to the beginning of the period.
Other receivables	118,522,734.38	0.20	51,199,899.50	0.09	131.49	Mainly due to the cash dividends declared but not yet paid by associates during the Reporting Period.



Item	Balance at the end of the Reporting Period	Proportion of balance to the total assets as at the end of the Reporting Period (%)	Balance at the end of the previous period	Proportion of balance to the total assets as at the end of the previous period (%)	Percentage change in balance at the end of the Reporting Period as compared to that at the end of the previous period (%)	Explanation on changes
Other current assets	514,936,839.58	0.88	379,340,961.34	0.68	35.75	Mainly due to the increase in the Group's prepaid VAT at the end of the Reporting Period as compared to the beginning of the period
Other equity instruments investment	4,567,964,324.49	7.82	5,655,468,613.24	10.17	-19.23	Mainly due to the decrease in the book value of the other equity instruments investment recognized at fair value by the Group during the Reporting Period.
Construction in progress	17,618,050,406.77	30.18	14,501,734,494.95	26.07	21.49	Mainly due to the investment in construction of road and bridge projects in progress.
Right-of-use assets	2,022,347.44	0.00	637,434.33	0.00	217.26	Mainly due to the increase in the right-of-use assets recognized in accordance with the New Lease Standards during the Reporting Period.
Short-term borrowings	1,380,880,336.29	2.37	1,972,708,495.84	3.55	-30.00	Mainly due to the partial repayment of short-term borrowings during the Reporting Period.
Notes payable	895,000,000	1.53	—	0.00	—	Mainly due to the issuance of bank acceptances by the subsidiaries engaged in the construction of roads and bridges, concerning the payment of construction projects during the Reporting Period.
Accounts payable	1,043,858,654.62	1.79	1,262,414,819.54	2.27	-17.31	Mainly due to the decrease in project payment payable during the Reporting Period.
Other payables	2,591,604,474.14	4.44	261,048,444.02	0.47	892.77	The increase is mainly due to the cash dividends declared but not paid at the end of the Reporting Period.
Non-current liabilities due within one year	4,164,076,736.49	7.13	3,161,145,193.63	5.68	31.73	Mainly due to the adjustment of RMB1 billion of medium-term notes due within one year to non-current liabilities due within one year during the Reporting Period.

Item	Balance at the end of the Reporting Period	Proportion of balance to the total assets as at the end of the Reporting Period (%)	Balance at the end of the previous period	Proportion of balance to the total assets as at the end of the previous period (%)	Percentage change in balance at the end of the Reporting Period as compared to that at the end of the previous period (%)	Explanation on changes
Other current liabilities	6,357,724,161.56	10.89	5,092,083,748.87	9.15	24.86	Mainly due to the ultra short-term notes newly issued during the Reporting Period, resulting in increase in the balance as compared to the beginning of the period.
Long-term borrowings	10,055,235,181.77	17.22	8,335,475,444.12	14.99	20.63	Mainly due to the increase in loans for road and bridge projects under construction during the Reporting Period as compared to the beginning of the period.
Bonds payable	—	0.00	997,460,933.93	1.79	-100.00	Mainly due to the adjustment of RMB1 billion of medium-term notes due within one year to non-current liabilities due within one year during the Reporting Period.
Lease liabilities	1,094,340.47	0.00	—	0.00	—	Mainly due to the lease liabilities recognized in accordance with the New Lease Standards during the Reporting Period
Deferred income tax liabilities	157,788,364.52	0.27	416,613,871.66	0.75	-62.13	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.
Deferred income	128,703,380.91	0.22	41,177,151.42	0.07	212.56	Mainly due to the receipt of subsidies concerning the withdrawal of provincial boundary toll stations during the Reporting Period
Other comprehensive income	504,015,493.00	0.86	1,291,748,071.42	2.32	-60.98	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.

Other explanations

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

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

Applicable  N/A

Unit: Yuan Currency: RMB

Item	Book value as at the end of the Reporting Period	Reasons for restriction
Bank deposits	2,359,744.84	Deposit of mortgage loans to customers
Bank deposits	65,208,534.35	Regulated pre-sale proceeds
Intangible assets	1,813,651,978.68	Pledge of concession rights of toll expressways
<b>Total</b>	<b><u>1,881,220,257.87</u></b>	

**(1) Explanation for restrictions on bank deposits**

At the end of the Reporting Period, other monetary funds of the Group included customers' deposit for mortgage loans of RMB2,360,000 and regulated pre-sale proceeds of RMB65,209,000. The regulated pre-sale proceeds are project funds placed in escrow with banks as required by Nanjing Bureau of Housing and Urban-Rural Development (南京市住房和城乡建设局) for the purpose of facilitating the smooth development of property projects and strengthening the supervision of monetary capital for property development projects. Project capital must be paid in full into banks before applications for construction permits are made. Developers shall release the project deposits by tranches depending on the construction progress. The remaining project deposits shall be released upon the completion of the construction and delivery of the units.

## (2) *Explanation for restrictions on intangible assets*

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

Zhendan Company, a subsidiary of the Group, entered into a loan contract with each of Jiangsu Branch of Communications Bank, Zhongshan South Road Sub-branch of China Construction Bank and Gulou Sub-branch of Postal Saving Bank of China in respect of a total loan amount of RMB139,650,000, RMB600,000,000 and RMB230,000,000, respectively, which were secured by the toll road concession right of Zhendan Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB135,450,000, RMB500,000,000 and RMB97,756,000, respectively.

### 3. Other explanations

Applicable  N/A

#### (1) *Capital expenditures*

In the first half of 2020, the main capital expenditures of the Group are as follows:

<b>Items of Capital Expenditures</b>	<b>Amount (RMB)</b>
Investment in the construction of Wufengshan Toll Bridge	1,037,517,588.84
Investment in the construction of Changyi Expressway	435,634,199.78
Investment in the construction of Yichang Expressway	738,646,549.32
Investment in the construction of Longtan Bridge	945,329,036.06
Equity investment in Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership)	34,269,230.68
Alteration and addition of service areas and toll collection points	16,103,092.99
Software renovation of toll stations	19,287,971.38
Double tank renovation project	2,423,815.28
Other capital expenditures of the Group	54,516,503.35
<b>Total</b>	<b><u><u>3,283,727,987.68</u></u></b>

(2) *Capital structure and solvency*

The Group attached great importance to maintaining a reasonable capital structure and continuously improved its profitability in order to maintain the Group's good credit rating and stable financial position. At the end of the Reporting Period, the total liabilities of the Group amounted to approximately RMB28,064,668,000. The overall gearing ratio of the Group was approximately 48.07% (Note: the calculation basis of the overall gearing ratio: liabilities/total assets), an increase of approximately 6.83 percentage points from the beginning of the period. In view of the Group's stable and abundant operating cash flow and sound capacity of financing and capital management, the management believes that the gearing ratio remained at a safe level at the end of the Reporting Period.

(3) *Financial strategy and financing arrangement*

During the Reporting Period, the Group actively expanded its financing channels, adjusted its debt structure and 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 RMB8,110,000,000 was obtained through direct financing. As at 30 June 2020, the Group's borrowings amounted to RMB11,453,755,000, of which RMB2,274,909,000 were fixed-rate loans. As at the end of the Reporting Period, the balance of interest-bearing liabilities amounted to approximately RMB21,703,755,000, representing an increase of approximately RMB2,370,835,000 as compared with the beginning of the period. In the first half of 2020, the government adhered to the prudent monetary policy, the liquidity was reasonably abundant, the market interest rates were reasonably stable, and the financing costs on the market lowered as compared with the same period of last year. During the Reporting Period, the rate of the consolidated borrowing costs on interest-bearing liabilities of the Group was approximately 3.99%, representing a decrease of approximately 0.43 percentage point year-on-year, approximately 0.73 percentage point lower than the bank lending rate for the same period. During the Reporting Period, the Company's major financing activities included:

Type of financing instrument	Date of issuance	Term	Financing amount <i>RMB'000</i>	Interest rate of issuance %	Prevailing bank benchmark interest rate %	Decreases in financing costs %
Ultra short-term note	8 January 2020	93 days	720,000	2.2	4.35	2.15
Ultra short-term note	9 January 2020	92 days	340,000	2.2	4.35	2.15
Ultra short-term note	10 January 2020	97 days	600,000	2.29	4.35	2.06
Ultra short-term note	10 January 2020	98 days	200,000	2.2	4.35	2.15
Ultra short-term note	3 March 2020	227 days	500,000	2.1	4.35	2.25
Ultra short-term note	1 April 2020	198 days	400,000	2.2	4.35	2.15
Ultra short-term note	8 April 2020	190 days	600,000	1.78	4.35	2.57
Ultra short-term note	8 April 2020	190 days	500,000	1.77	4.35	2.58
Ultra short-term note	15 April 2020	191 days	600,000	1.75	4.35	2.60
Ultra short-term note	15 April 2020	191 days	700,000	1.74	4.35	2.61
Ultra short-term note	26 April 2020	187 days	300,000	1.68	4.35	2.67
Ultra short-term note	6 May 2020	184 days	500,000	1.67	4.35	2.68
Ultra short-term note	13 May 2020	184 days	500,000	1.65	4.35	2.70
Ultra short-term note	13 May 2020	184 days	500,000	1.67	4.35	2.68
Ultra short-term note	20 May 2020	184 days	400,000	1.65	4.35	2.70
Ultra short-term note	20 May 2020	184 days	500,000	1.65	4.35	2.70
Ultra short-term note	27 May 2020	142 days	250,000	1.65	4.35	2.70

#### (4) Credit policy

In order to minimize credit risk, the Group has controlled credit limits, undertaken credit approvals and implemented other control procedures to ensure that necessary follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recovery of its receivables on each balance sheet date to ensure that adequate provisions are made for bad debts. In view of the above, the management 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 Properties Company and Hanwei Company, subsidiaries of the Group, provide joint liabilities 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 30 June 2020, the outstanding guarantees amounted to approximately RMB590,188,000.

The Company has provided a wholly-owned subsidiary, Ninghu Factoring with guarantees for their application for comprehensive credit, with a maximum guarantee balance of RMB810,000,000. The guarantee method is joint liability guarantee, with a guarantee period of one year; as of 30 June 2020, the guarantee balance was approximately RMB110,000,000.

(6) *Entrusted loans*

As at 30 June 2020, the entrusted loans obtained by the Company and its subsidiaries were as follows:

*Unit: Yuan Currency: RMB*

Type	Source of funds	Amount incurred	Unexpired balance	Overdue outstanding amount
Entrusted loans	Internal funds	110,000,000	1,407,000,000	0

*Note:* As of the end of the Reporting Period, the Company's entrusted loan balance was RMB1,407,000,000. In particular, the entrusted loans to Zhendan Company, a controlling subsidiary were RMB21,000,000, and the entrusted loans to Hanwei Company and Ninghu Properties Company, the wholly-owned subsidiaries, were RMB436,000,000 and RMB950,000,000, respectively.

(7) *Foreign exchange risks*

The Group is currently operating its businesses principally in the PRC. There are no material foreign exchange risks as the Group's operating revenue and capital expenditure are all settled in Renminbi except for dividend payments for H Shares and the Group has no investment in foreign currency. The Group obtained a loan of USD9,800,000 from the Spanish Government in 1998 at the interest rate of 2% per annum which the Group will make annual payments in relation to the repayment of the principal and interests and it will become due on 18 July 2027. As at 30 June 2020, the balance of the loan was equivalent to approximately RMB14,909,000, 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.

### 3.5 Analysis of investment

#### 1. *Overall analysis of external investment*

Applicable  N/A

During the Reporting Period, the total amount of external investment of the Group was approximately RMB3,191,397,000, representing a year-on-year increase of approximately 20.97%. The specific projects include investment in the construction of roads and bridges under construction, and investment in Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership).

#### (1) *Material equity investments*

Applicable  N/A



① Investment in Luode Real Estate Investment FOF Second Issue

On 24 April 2020, the twentieth meeting of the ninth session of the board of directors of the Company approved the participation by Ninghu Investment Company, a wholly-owned subsidiary of the Company, in the establishment of the Phase III Parent Real Estate Fund initiated by Luode Fund Company, with total size of the fund no more than RMB1.5 billion, in which Ninghu Investment Company will invest no more than RMB500 million; other partners and teams will invest no more than RMB1,000 million. For details of the above investment project, please refer to the announcements published by the Company on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 25 April 2020 and on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) on 24 April 2020, respectively.

As of the date of this announcement, the relevant investment agreement has been signed on 24 July 2020. For details of the investment agreement, please refer to the relevant announcements published by the Company on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 25 July 2020 and on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) on 24 July 2020, respectively.

(2) *Material non-equity investments*

Applicable  N/A

① Accelerating the progress of road and bridge projects under construction

During the Reporting Period, the Group accelerated the progress of road and bridge projects under construction, of which, RMB1,037,518,000, RMB435,634,000, RMB738,647,000 and RMB945,329,000 were invested in the construction of the Wufengshan Toll Bridge project, Changyi Expressway, Yichang Expressway and Longtan Bridge Project, respectively.

② Subscription for CDB Kai Yuan Phase II Fund

Upon approval by the board of directors of the Company, Ninghu Investment Company has subscribed for a total of RMB1.2 billion units in CDB Kai Yuan Phase II Fund. During the Reporting Period, Ninghu Investment Company made a capital contribution of approximately RMB34,269,000. As at the end of the Reporting Period, Ninghu Investment Company has made an aggregate capital contribution of RMB953,800,000.

(3) *Financial assets measured at fair value*

Applicable  N/A

*Unit: Yuan Currency: RMB*

Item	Initial investment cost	Source of funds	Purchased/Sold	Investment income	Change in fair value
Fund investments	9,999,400.00	Internal funds	-	-	5,070,695.74
Wealth management products	1,732,700,000	Internal funds	-	5,374,015.76	-
Gold investments	10,473,492.09	Internal funds	-7,564,479.66	3,421,316.72	-1,745,020.34
Other non-current financial assets (CDB Kai Yuan Phase II)	919,531,171.55	Internal funds	34,269,230.68	-	47,094,108.45
Other non-current financial assets (Luode Dening)	150,000,000.00	Internal funds	-150,000,000.00	-	-27,890.68
Other non-current financial assets (Zhongbei Zhiyuan)	300,000,000.00	Internal funds	-	-	61,082.85
Other equity Instruments (Bank of Jiangsu)	1,947,506,804.71	Internal funds	-	93,130,000	-525,950,000
Other equity Instruments (Jiangsu Leasing Company)	270,898,456.89	Internal funds	-	56,160,000	-194,220,000
Fuanda Asset Management Scheme	2,000,000,000	Internal funds	-	-	-367,334,288.75
New shares	206,442.80	Internal funds	-187,996.84	88,437.12	8,200.78

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 RMB22,891,000 at the beginning of the Reporting Period. Investment cost amounted to approximately RMB9,999,000. Its fair value increased by approximately RMB5,070,000 and its cumulative fair value increased by approximately RMB17,961,000 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 RMB10,473,000 with a net value being approximately RMB13,694,000 at the beginning of the Reporting Period, and sold approximately RMB7,564,000 of the gold with an investment income of approximately RMB3,421,000 during the Reporting Period. At the end of the Reporting Period, its net value was approximately RMB4,385,000. Its fair value decreased by approximately RMB1,745,000 while its cumulative fair value increased by approximately RMB1,476,000 during the Reporting Period. During the Reporting Period, Ninghu Investment Company continued to hold Luode Parent Fund subscribed for in 2016, with a net value of approximately RMB38,414,000 at the beginning of the Reporting Period, and a net value of approximately RMB38,386,000 at the end of the Reporting Period. Its fair value decreased by approximately RMB28,000 and its cumulative fair value increased by approximately RMB38,386,000 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 RMB919,531,000 with its net value of approximately RMB1,107,666,000 at the beginning of the Reporting Period, and it increased the principal amount of investment of RMB34,269,000 during the Reporting Period. At the end of the Reporting Period, its net value was approximately RMB1,189,029,000. Its fair value increased by approximately RMB47,094,000 while its cumulative fair value increased by approximately RMB235,229,000 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 RMB300,157,000. Its fair value increased by approximately RMB61,000 while its cumulative fair value increased by approximately RMB157,000 during the Reporting Period.

### 3.6 Material disposal of assets and equity interest

Applicable  N/A

### 3.7 Analysis of major subsidiaries and investee companies

Applicable  N/A

#### 1. Operations of major subsidiaries

Unit: Yuan Currency: RMB

Name of company	Principal businesses	Investment cost	Equity interest attributable to the Company%	Total assets	Net assets	Net profit	Percentage of the Company's net profit %	Year-on-year increase/decrease in net profit %
Ningchang Zhenli Company	Expressway construction, management, maintenance and toll collection	5,029,236,884.47	100	6,733,460,015.85	6,652,574,218.91	-65,185,260.10	-	-129.03
Guangjing Xicheng Company	Expressway construction, management, maintenance and toll collection	2,125,000,000	85	12,750,116,443.10	6,651,712,145.04	65,887,527.32	13.61	-81.59
Zhendan Company	Expressway construction, management, maintenance and toll collection	423,910,000	70	1,677,724,493.31	501,350,673.18	-40,708,214.99	-	65.49
Wufengshan Toll Bridge Company	Expressway construction, management, maintenance and toll collection	3,112,980,000	64.5	10,318,143,324.72	4,829,024,960.27	215,994.57	0.04	-81.90
Ninghu Investment Company	Investments in various types of infrastructure, industries and assets	1,318,100,000	100	1,995,462,982.84	1,810,776,444.56	55,345,582.58	11.43	109.93
Ninghu Properties Company	Real estate development, operation and consultancy	500,000,000	100	2,581,085,959.65	1,175,218,751.88	54,619,874.66	11.28	-49.05
Hanwei Company	Real estate development and operation	184,499,800	100	1,820,771,752.03	-22,580,894.04	-21,903,613.83	-	-16.39
Yangtze River Management Company	Expressway construction, management, maintenance and toll collection	50,000,000	100	59,483,961.01	50,136,478.35	124,563.56	0.03	-
Longtan Bridge Company	Expressway construction, management, maintenance and toll collection	785,090,000	53.6	1,363,937,347.56	1,233,735,497.56	-114,223.55	-	-

\* During the Reporting Period, as affected by the COVID-19 and the policy on toll-free travel, the operating results of Ningchang Zhenli Company, Guangjing Xicheng Company and Zhendan Company, the subsidiaries of the Group in road and bridge sector, decreased significantly year-on-year.

\* During the Reporting Period, Ninghu Investment Company recorded an increase in net profit by approximately 109.93% year-on-year due to an increase in fair value of its other non-current financial assets during the Reporting Period.

- \* Please refer to the section headed “Business of property development and sales” in this announcement for the operational performance and changes in the results of Ninghu Properties Company.
- \* Please refer to the section headed “Business of property development and sales” in this announcement for the operational performance of Hanwei Company.

## 2. Operations of key associates

During the Reporting Period, the investment income of the Group amounted to approximately RMB147,762,000, representing a decrease of approximately 69.10% year-on-year and approximately 30.52% of the Group’s net profit. Although the year-on-year increase in the bonus of Jiangsu Leasing and Bank of Jiangsu invested by the Group during the Reporting Period, the associates in road and bridge sector recorded an operating loss as affected by the COVID-19 and the policy on toll-free travel. A year-on-year decrease in investment income was recorded as a result of an investment income of approximately RMB-10,412,000 recognized by associates directly invested by the Group. Operating results of certain key associates are set out below:

Name of Company	Principal business	Investment cost RMB	Equity interest attributable to the Company %	Net profit attributable to the shareholders of the associates		Contribution to investment income RMB	Percentage of the Company’s net profit %	Year-on-year increase/decrease %
				to the associates RMB	to investment income RMB			
Suzhou Expressway Company (the original Sujiahang Company)	Mainly responsible for the management and operation businesses of Sujiahang Expressway and Changjia Expressway	526,090,677	30.01	32,210,226.66	9,666,289.02		2.00	-91.47
Yangtze Bridge Company	Mainly responsible for the management and operation of Jiangyin Bridge	631,159,243	26.66	-56,000,003.00	-14,929,600		—	-111.84
Yanjiang Company	Mainly responsible for the management and operation of Yanjiang Expressway	1,466,200,000	25.15	-90,454,006.45	-24,965,305.78		—	-124.33

- \* As affected by the COVID-19 and the policy on toll-free travel, the Group’s associates in the road and bridge sector recorded operating losses, resulting in a year-on-year significant decrease in investment income contributed.

### 3.8 Structured entities controlled by the Company

Applicable  N/A

### 3.9 Other disclosure

**1. Profit warning and explanation of projected accumulated net loss from the beginning of the year to the end of the next reporting period or material changes over the corresponding period of previous year**

Applicable  N/A

As affected by the COVID-19 and the policy on toll-free travel, it is expected that the accumulated net profit from the beginning of the year to the end of the next reporting period will decrease significantly over the corresponding period of previous year.

**2. Possible risks**

Applicable  N/A

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

*(1) Risks associated with industry policy*

**Risk analysis:** The Group is primarily engaged in the investment, construction, operation and management of toll roads and bridges, and toll revenue are the major source of revenue for the Group. The business revenue of the Group is subject to the direct and indirect influence of adjustments and changes in the national macro-control policy and taxation policy. Due to the impact of COVID-19 and the policy on toll-free travel, the toll revenue of the Group will see significant decreases and the Group is exposed to operational risks arising from policies.

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

(2) *Risks associated with competition pattern*

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

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

(3) *Risks associated with project investment*

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

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

(4) *Risks associated with lower-than-expected rate of destocking*

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

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



(5) *Safety risks associated with road management*

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

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

3. *Other Disclosures*

Applicable  N/A

(1) *Establishment of Ninghu International Company, a wholly-owned subsidiary*

During the Reporting Period, the Company completed the registration procedures for Ninghu International Company 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 in Hong Kong, respectively.

(2) *Consolidation of Ningchang Zhenli Company, a wholly-owned subsidiary by merger*

On 26 February 2020, the sixteenth meeting of the ninth session of the board of directors of the Company resolved that, the Company was approved to consolidate Ningchang Zhenli Company, a wholly-owned subsidiary by way of merger, and submitted the same to the general meeting for consideration. For details, please refer to the relevant announcements published by the Company on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 27 February 2020 and on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) on 26 February 2020, respectively. On 23 April 2020, the second extraordinary general meeting of the Company resolved that, the Company was approved to consolidate Ningchang Zhenli Company, a wholly-owned subsidiary by way of merger. For details, please refer to the relevant announcements published by the Company on the website of Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 24 April 2020 and on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) on 23 April 2020, respectively.

(3) *Adjustment of the amortization method for road operation rights*

On 24 April 2020, the twentieth meeting of the ninth session of the board of directors of the Company resolved that, the Company was approved to adjust the amortization method for road operation rights in 2020. The road operation rights are amortized at the standard passenger vehicle flow under the new toll rates. The adjustment resulted in a change of RMB-42,540,000 in the amortization of toll road operation rights within the consolidation scope of the Company in the first half of 2020.

(4) *Toll road and bridge projects in Turkey*

As of the end of the Reporting Period, this overseas investment has obtained the Enterprise Overseas Investment Certificate (Enterprise Overseas Investment Certificate No. N1000202000216) issued by the Ministry of Commerce of the People's Republic of China and the Filing Notice of Overseas Investment Project (Fa Gai Ban Wai Zi Bei [2020] No. 303) issued by the National Development and Reform Commission of the People's Republic of China. Other approval procedures required for this overseas investment are being processed.

(5) *Approval for Registration of Public Issuance of Corporate Bonds to Professional Investors*

On 30 July 2020, the Company received the “Approval on the Public Issuance of Corporate Bonds to Professional Investors by Jiangsu Expressway Company Limited” (Zheng Jian Xu Ke [2020] No. 1635) issued by the CSRC, which approved the application for registration of the Company’s public issuance of corporate bonds not exceeding RMB8 billion to professional investors. The issue of the first tranche shall be completed within 12 months from the date of approval; the issue of the remaining tranches shall be completed within 24 months from the date of approval.

(6) *Registration of Medium-term Notes*

On 14 August 2020, the Company’s medium-term notes issue with principal amount of not more than RMB2 billion has been registered by the National Association of Financial Market Institutional Investors, with a registration term of 2 years. On 21 August 2020, the Group completed the issue of the medium-term notes with principal amount of RMB2.0 billion.

(7) *Investment plan and financing arrangement*

In the second half of 2020, the main capital expenditures of the Group are as follows:

<b>Capital Expenditures</b>	<b>Amount (RMB)</b>
Investment in the construction of Wufengshan Toll Bridge	2,005,942,411.16
Investment in the construction of Changyi Expressway	423,985,800.22
Investment in the construction of Yichang Expressway	1,111,353,450.68
Investment in the construction of Longtan Bridge	548,150,963.94
Equity investment in Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership)	65,730,769.32
Other capital expenditures of the Group	<u>1,330,845,300.00</u>
<b>Total</b>	<b><u><u>5,486,008,695.32</u></u></b>

*Note:* The information in the above table includes capital investment in the subsidiaries of the Group.

On the basis of fully leveraging its own capital, the Group timely adjusted its financing strategy based on the financing condition of the capital market so as to satisfy its own funding needs for operation and development, while further optimizing its debt structure and reducing capital risks. As at the date of the disclosure of this announcement, the Group has obtained a registered amount of RMB8 billion for corporate bonds and RMB2 billion for medium-term notes. The Group signed credit facilities contracts with banks but has not yet utilized the facilities. The loan amount of the credit facilities with a term of over one year were approximately RMB30,500 million. The credit line will be sufficient for supporting capital expenditure, debt roll-over and business development of the Group. Meanwhile, the Group is actively exploring various types of financing channels such as convertible bonds and overseas bonds. Selecting the right financing products for the Group will not only provide the Group with sufficient and efficient funds for its present stage of development, but also make prior arrangements for its future development strategies. 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.

#### **4 PROFIT DISTRIBUTION PLAN OR PLAN FOR CONVERSION OF CAPITAL RESERVES INTO SHARE CAPITAL**

##### **4.1 Proposed half-yearly profit distribution plan or plan for conversion of capital reserves into share capital**

Whether to distribute or convert	No
Number of bonus shares for every share ( <i>share</i> )	0
Amount of cash dividends for every share ( <i>Yuan</i> ) ( <i>tax inclusive</i> )	0
Number of shares converted for every share ( <i>share</i> )	0
Explanation of profit distribution plan or plan for conversion of capital reserves into share capital:	
Not applicable	

During the Reporting Period, the Board of the Company has recommended not to distribute interim dividends for the six months ended 30 June 2020 (for the corresponding period in 2019: nil).

## 5. OTHER SIGNIFICANT MATTERS

- 5.1 Repurchase, Sale or Redemption of Securities:** During the Reporting Period, there was no repurchase, sale or redemption of any of its listed securities by the Company and/or any of its subsidiaries; and the Company and its subsidiaries have not issued or grant any convertible securities, options, warrants or other similar rights at any time. The Company has obtained approval from the CSRC on public offer of bonds to professional investors.
- 5.2 Public Float:** According to public information and as far as the Directors know, the Board is of the view that the public float of the shares of the Company as at 28 August 2020 (being the latest practicable date prior to the publication of this announcement) complied with the requirements of the Hong Kong Listing Rules.
- 5.3 Dividend Arrangement Waived or Agreed by the Shareholders:** During the Reporting Period, no dividend arrangement was waived by any of the shareholders.
- 5.4 Corporate Governance:** For the period of six months ended 30 June 2020, other than the following code provisions, the Company has complied with all applicable code provisions of the Corporate Governance Code under Appendix 14 to the Hong Kong Listing Rules.

<b>Code provision</b>		<b>Compliance</b>	<b>Corporate governance procedures</b>
A2.7	The chairman should at least hold meetings annually with the independent non-executive directors, in the absence of other directors	No	During the Reporting Period, the Board has 13 members, of whom 3 are executive directors and the rest are non-executive directors. 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.

Code provision		Compliance	Corporate governance procedures
A4.2	All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, 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 reelection at a general meeting.
A6.7	Independent non-executive directors and other non-executive directors, as equal board members, should give the board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. In general, they should also attend general meetings to gain and develop a comprehensive and balanced understanding of the views of the shareholders	No	All independent non-executive directors and other non-executive directors have attended board meetings and meetings of various committees regularly and contributed their skills and expertise to the Company's decision-making process. During the Reporting Period, except for Mr. Ma Chung Lai, Lawrence, Mr. Wu Xinhua and Madam Hu Yu, non-executive directors, and Mr. Zhang Zhuting, independent non-executive director, who were unable to attend the second 2020 extraordinary general meeting and the annual general meeting for 2019, due to their business reasons, all independent non-executive directors and other non-executive directors have attended the general meetings of the Company held.

- 5.5** Model Code for Securities Transactions by Directors of Listed Issuers: The Company has adopted a Code of Conduct for securities transactions by its directors on standards no lower than the provisions under the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) under Appendix 10 of the Hong Kong Listing Rules. Having made specific enquiries to all the Directors, the Directors have fully complied with the provisions stipulated under the Model Code and the Company’s code of conduct for securities transactions by directors.
- 5.6** Save as disclosed in this announcement, there has been no material change in respect of (a) the development of business of the Group or its financial position; (b) important events affecting the Group; and (c) the likely future development in the business of the Group and prospects for the year, since the publication of the 2019 annual report of the Company.

## **6. FINANCIAL REPORT**

### **6.1 Financial Statements**

The relevant financial information has been prepared in accordance with the Accounting Standards for Business Enterprises of the PRC and has not been audited. The Audit Committee of the Board has reviewed the interim financial report of the Company for the six months ended 30 June 2020. The committee has communicated adequately with the management of the Company in the performance of relevant duties, and recommended that the Board approve the publication of the interim financial report for the six months ended 30 June 2020.

## 1. Consolidated Balance Sheet

For the period ended 30 June 2020

	<i>Unit: Yuan    Currency: RMB</i>	
Item	30 June 2020	31 December 2019
<b>Current Assets:</b>		
Cash and bank balances	<b>396,394,765.02</b>	503,443,740.45
Held-for-trading financial assets	<b>1,765,073,027.10</b>	676,935,184.62
Notes receivable	<b>1,997,100.00</b>	–
Accounts receivable	<b>412,901,378.17</b>	224,285,157.62
Prepayments	<b>57,315,472.23</b>	26,865,058.19
Other receivables	<b>118,522,734.38</b>	51,199,899.50
Including: Interest receivable	–	–
Dividends receivable	<b>73,370,239.20</b>	4,989,960.00
Inventories	<b>4,205,525,438.16</b>	4,164,567,305.10
Other current assets	<b>514,936,839.58</b>	379,340,961.34
<b>Total Current Assets</b>	<b>7,472,666,754.64</b>	6,026,637,306.82
<b>Non-current Assets:</b>		
Long-term equity investments	<b>6,854,005,331.89</b>	6,939,251,518.62
Investments in other equity instruments	<b>4,567,964,324.49</b>	5,655,468,613.24
Other non-current financial assets	<b>1,527,572,276.51</b>	1,446,175,745.21
Investment properties	<b>17,943,058.91</b>	18,394,459.79
Fixed assets	<b>1,876,221,904.35</b>	1,907,362,713.72
Construction in progress	<b>17,618,050,406.77</b>	14,501,734,494.95
Right-of-use assets	<b>2,022,347.44</b>	637,434.33
Intangible assets	<b>18,246,503,188.58</b>	18,927,999,470.50
Long-term prepaid expenses	<b>9,087,093.25</b>	11,418,643.58
Deferred tax assets	<b>171,925,471.65</b>	175,012,653.99
Other non-current assets	<b>14,955,570.00</b>	14,955,570.00
<b>Total Non-current Assets</b>	<b>50,906,250,973.84</b>	49,598,411,317.93
<b>TOTAL ASSETS</b>	<b>58,378,917,728.48</b>	55,625,048,624.75



Item	30 June 2020	31 December 2019
<b>Current Liabilities:</b>		
Short-term borrowings	1,380,880,336.29	1,972,708,495.84
Notes payable	895,000,000.00	–
Accounts payable	1,043,858,654.62	1,262,414,819.54
Receipts in advance	7,832,692.14	10,698,899.04
Contract liabilities	1,068,685,183.35	1,134,150,940.01
Employee benefits payable	714,309.08	1,563,119.99
Taxes payable	182,671,042.18	225,458,836.37
Other payables	2,591,604,474.14	261,048,444.02
Including: Interest payable	–	–
Dividend payable	2,424,642,363.88	97,197,529.87
Non-current liabilities due within one year	4,164,076,736.49	3,161,145,193.63
Other current liabilities	6,357,724,161.56	5,092,083,748.87
<b>Total Current Liabilities</b>	<b>17,693,047,589.85</b>	<b>13,121,272,497.31</b>
<b>Non-current Liabilities:</b>		
Long-term borrowings	10,055,235,181.77	8,335,475,444.12
Bonds payable	–	997,460,933.93
Lease liabilities	1,094,340.47	–
Provision	28,798,736.77	30,211,590.82
Deferred income	128,703,380.91	41,177,151.42
Deferred tax liabilities	157,788,364.52	416,613,871.66
<b>Total Non-current Liabilities</b>	<b>10,371,620,004.44</b>	<b>9,820,938,991.95</b>
<b>TOTAL LIABILITIES</b>	<b>28,064,667,594.29</b>	<b>22,942,211,489.26</b>
<b>Shareholders' Equity:</b>		
Share capital	5,037,747,500.00	5,037,747,500.00
Capital reserve	10,501,913,183.87	10,501,913,183.87
Other comprehensive income	504,015,493.00	1,291,748,071.42
Surplus reserve	3,551,167,000.42	3,551,167,000.42
General risk reserve	2,001,131.77	141,891.32
Retained profits	6,330,680,316.11	8,164,265,960.12
<b>Total shareholders' equity attributable to equity holders of the Company</b>	<b>25,927,524,625.17</b>	<b>28,546,983,607.15</b>
Minority interests	4,386,725,509.02	4,135,853,528.34
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>30,314,250,134.19</b>	<b>32,682,837,135.49</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>58,378,917,728.48</b>	<b>55,625,048,624.75</b>

<i>Person in Charge of the</i>	<i>Accounting Body:</i>	<i>Chief Accountant:</i>
<b>Legal Representative: Sun Xibin</b>	<b>Dai Qian</b>	<b>Yao Qunfang</b>

## 2. Consolidated Income Statement

For the period ended 30 June 2020

Item	<i>Unit: Yuan Currency: RMB</i>	
	Amount for the current period	Amount for the prior period
<b>I. Total operating income</b>	<b>2,668,351,072.50</b>	4,835,457,868.83
Including: Operating income	<b>2,668,351,072.50</b>	4,835,457,868.83
<b>II. Total operating costs</b>	<b>2,237,744,544.95</b>	2,341,869,205.41
Including: Operating costs	<b>1,859,290,222.19</b>	1,955,644,387.14
Taxes and levies	<b>39,258,353.21</b>	55,403,316.19
Selling expenses	<b>8,977,337.47</b>	18,630,332.26
Administrative expenses	<b>73,831,410.68</b>	85,673,931.47
Financial expenses	<b>256,387,221.40</b>	226,517,238.35
Including: Interest expenses	<b>243,777,161.13</b>	227,654,018.44
Interest income	<b>2,833,886.76</b>	3,577,594.21
Add: Other income	<b>9,387,442.24</b>	2,612,095.39
Investment income (losses are indicated by “-”)	<b>147,761,973.92</b>	478,199,640.69
Including: Income from investments		
in associates and joint ventures	<b>-10,411,795.68</b>	355,157,835.85
Gains from changes in fair values (losses are indicated by “-”)	<b>50,461,176.80</b>	21,207,890.81
Impairment reversals (losses) of credit (losses are indicated by “-”)	-	-130,000.00
Losses from disposal of assets	-	-295,936.53
<b>III. Operating profit (losses are indicated by“-”)</b>	<b>638,217,120.51</b>	2,995,182,353.78
Add: Non-operating income	<b>29,557,223.53</b>	1,608,479.04
Less: Non-operating expenses	<b>9,752,929.55</b>	11,041,962.04

Item	Amount for the current period	Amount for the prior period
<b>IV. Total profit (losses are indicated by “-”)</b>	<b>658,021,414.49</b>	2,985,748,870.78
Less: Income tax expenses	<b>173,933,369.86</b>	651,267,942.06
<b>V. Net profit (losses are indicated by “-”)</b>	<b>484,088,044.63</b>	2,334,480,928.72
(I) Categorized by the nature of continuing operation:		
1. Net profit from continuing operations (net losses are indicated by “-”)	<b>484,088,044.63</b>	2,334,480,928.72
2. Net profit from discontinued operations (net losses are indicated by “-”)	-	-
(II) Categorized by ownership:		
1. Net profit attributable to owners of the Company (net losses are indicated by “-”)	<b>485,637,446.44</b>	2,281,609,028.13
2. Profit or loss attributable to minority interests (net losses are indicated by “-”)	<b>-1,549,401.81</b>	52,871,900.59
<b>VI. Other comprehensive income, net of tax</b>	<b>-809,582,328.42</b>	531,287,650.30
(I) Other comprehensive income attributable to owners of the Company, net of tax	<b>-787,732,578.42</b>	527,602,150.30
1. Other comprehensive income that cannot be reclassified to profit or loss	<b>-787,732,578.42</b>	527,602,150.30
(1) Re-measurement of changes in defined benefit plans	-	-
(2) Other comprehensive income that cannot be reclassified into profit or loss under the equity method	<b>6,045,888.15</b>	124,907,965.20
(3) Changes in fair value of investments in other equity instruments	<b>-793,778,466.57</b>	402,694,185.10
(II) Other comprehensive income attributable to minority interests, net of tax	<b>-21,849,750.00</b>	3,685,500.00

Item	Amount for the current period	Amount for the prior period
<b>VII. Total comprehensive income</b>	<b>-325,494,283.79</b>	2,865,768,579.02
(I) Total comprehensive income attributable to owners of the Company	<b>-302,095,131.98</b>	2,809,211,178.43
(II) Total comprehensive income attributable to minority interests	<b>-23,399,151.81</b>	56,557,400.59
<b>VIII. Earnings per share</b>		
(I) Basic earnings per share	<b>0.0964</b>	0.4529
(II) Diluted earnings per share	<b>N/A</b>	N/A

In case of business combination involving enterprises under common control in the current period, the net profit realized by the combining entities before the combination is 0, and the net profit realized by the combining entities in the previous period is 0.

<i>Legal Representative:</i>	<i>Person in Charge of the Accounting Body:</i>	<i>Chief Accountant:</i>
<b>Sun Xibin</b>	<b>Dai Qian</b>	<b>Yao Qunfang</b>

### 3. Consolidated Cash Flow Statement

For the period ended 30 June 2020

Item	Unit: Yuan Currency: RMB	
	Amount for the current period	Amount for the prior period
<b>I. Cash Flows from Operating Activities:</b>		
Cash receipts from the sale of goods and the rendering of services	2,724,400,874.76	5,240,391,028.41
Other cash receipts relating to operating activities	125,996,536.84	98,154,643.84
Sub-total of cash inflows from operating activities	2,850,397,411.60	5,338,545,672.25
Cash payments for goods purchased and services received	934,531,215.93	991,054,370.10
Net increase in loans to customers and advances	–	500,004.00
Cash payments to and on behalf of employees	414,329,720.82	424,438,938.38
Payments of various types of taxes	348,231,442.18	898,469,530.85
Other cash payments relating to operating activities	257,975,882.19	96,586,438.02
Sub-total of cash outflows from operating activities	1,955,068,261.12	2,411,049,281.35
Net Cash Flow from Operating Activities	895,329,150.48	2,927,496,390.90
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	2,113,389,861.59	3,804,205,807.87
Cash receipts from investment income	171,131,564.26	63,582,954.06
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	17,903.54	117,486.66
Sub-total of cash inflows from investing activities	2,284,539,329.39	3,867,906,248.59
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	2,343,360,064.33	1,477,781,578.00
Cash payments to acquire investments	3,232,375,673.48	5,593,771,864.38
Sub-total of cash outflows from investing activities	5,575,735,737.81	7,071,553,442.38
Net Cash Flow from Investing Activities	-3,291,196,408.42	-3,203,647,193.79

Item	Amount for the current period	Amount for the prior period
<b>III. Cash Flows from Financing Activities:</b>		
Cash receipts from capital contributions	<b>289,710,000.00</b>	479,200,555.00
Including: cash receipts from capital contributions from minority owners of subsidiaries	<b>289,710,000.00</b>	479,200,555.00
Cash receipts from borrowings	<b>2,243,690,000.00</b>	1,402,400,000.00
Cash receipts from issue of bonds	<b>8,110,000,000.00</b>	2,200,000,000.00
Sub-total of cash inflows from financing activities	<b>10,643,400,000.00</b>	4,081,600,555.00
Cash repayments of borrowings	<b>7,983,069,130.59</b>	3,604,177,864.07
Cash payments for distribution of dividends or profits or settlement of interest expenses	<b>366,506,631.30</b>	185,038,115.49
Other cash payments relating to financing activities	<b>18,540,629.97</b>	2,248,810.55
Sub-total of cash outflows from financing activities	<b>8,368,116,391.86</b>	3,791,464,790.11
Net Cash Flow from Financing Activities	<b>2,275,283,608.14</b>	290,135,764.89
<b>IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents</b>		
<b>V. Net Increase (Decrease) in Cash and Cash Equivalents</b>		
	<b>-120,583,649.80</b>	13,984,962.00
Add: Opening balance of Cash and Cash Equivalents	<b>449,410,135.63</b>	515,126,921.66
<b>VI. Closing balance of Cash and Cash Equivalents</b>		
	<b>328,826,485.83</b>	529,111,883.66

	<i>Person in Charge of the</i>	
<i>Legal Representative:</i>	<i>Accounting Body:</i>	<i>Chief Accountant:</i>
<b>Sun Xibin</b>	<b>Dai Qian</b>	<b>Yao Qunfang</b>

## 6.2 Extracted Notes to the Financial Statements

### 6.2.1 Operating Income and Operating Costs

Unit: Yuan Currency: RMB

By industries	Principal operating activities classified by industries			Change in operating revenue over the corresponding period of last year (%)	Change in operating revenue over the corresponding period of last year (%)	Change in gross profit margin over the corresponding period of last year
	Operating revenue	Operating costs	Gross profit Margin (%)			
Toll road	1,777,600,712.74	1,197,035,388.35	32.66	-52.97	0.91	Decreased by 35.95 percentage point
Shanghai- Nanjing Expressway	1,176,273,277.15	643,622,193.65	45.28	-53.74	2.46	Decreased by 30.01 percentage point
Guangjing Expressway and Xicheng Expressway	238,218,656.79	111,470,130.86	53.21	-45.64	-33.86	Decreased by 8.33 percentage point
Ningchang Expressway and Zhenli Expressway	249,559,632.44	317,048,082.41	-27.04	-57.73	18.57	Decreased by 81.75 percentage point
Xiyi Expressway and Wuxi Huantaihu Expressway	93,898,635.01	101,726,699.57	-8.34	-45.92	5.25	Decreased by 52.67 percentage point
Zhendan Expressway	19,650,511.35	23,168,281.86	-17.90	-43.26	-9.23	Decreased by 44.20 percentage point
Ancillary services	611,871,621.75	525,002,197.70	14.20	0.15	-4.73	Increased by 4.39 percentage points
Property sales	239,598,650.73	110,236,786.05	53.99	-41.82	-46.38	Increased by 3.91 percentage points
Others	39,280,087.28	27,015,850.09	31.22	18.57	112.95	Decreased by 30.49 percentage point
Total	2,668,351,072.50	1,859,290,222.19	30.32	-44.82	-4.93	Decreased by 29.24 percentage point

## 6.2.2 Financial expenses

Item	Unit: Yuan Currency: RMB	
	Amount recognized in the current period	Amount recognized in the prior period
Interest expenses	243,777,161.13	227,654,018.44
Interest income	-2,833,886.76	-3,577,594.21
Exchange differences	199,624.65	101,811.35
Bond issuance fee and commission charges for other loans	11,899,606.27	1,500,605.97
Others	3,344,716.11	838,396.80
Total	<u>256,387,221.40</u>	<u>226,517,238.35</u>

## 6.2.3 Investment income

Item	Unit: Yuan Currency: RMB	
	Amount recognized in the current period	Amount recognized in the prior period
Income from long-term equity investments under equity method	(10,411,795.68)	355,157,835.85
Investment income from other equity instruments in the holding period	149,290,000.00	114,800,000.00
Investment income from held-for-trading financial assets	4,686,758.48	8,118,371.68
Investment income (losses) from disposal of financial assets measured at FVTPL	4,197,011.12	123,433.16
Total	<u>147,761,973.92</u>	<u>478,199,640.69</u>

Other explanations: None



#### 6.2.4 Income tax expenses

Unit: Yuan Currency: RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Current tax expenses	157,144,512.52	632,712,224.27
Deferred tax expenses	16,137,747.38	18,555,717.79
Differences in annual filing for the prior years	651,109.96	–
Total	<u>173,933,369.86</u>	<u>651,267,942.06</u>

#### 6.2.5 Return on net assets and earnings per share (“EPS”)

Profit for the reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	1.71	0.0964	N/A
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profits or losses	1.48	0.0833	N/A

Note: Unit of basic earnings per share: yuan/share, currency: RMB

## 6.2.6 Supplementary information of income statement

	<i>Unit: Yuan    Currency: RMB</i>	
Item	Amount recognized in the current period	Amount recognized in the prior period
Employee benefits	431,367,185.58	424,411,769.38
Depreciation and amortization	820,942,950.35	795,900,884.46
Toll related expenses	48,350,275.51	83,907,385.03
Road maintenance expenses	90,000,499.83	77,416,312.41
System maintenance expenses	4,238,044.31	2,918,172.57
Real estate development land and construction cost	110,236,786.05	205,590,031.45
Petroleum in the service zone	396,397,425.11	421,612,796.41
Retail goods in the service zone	-	-
Catering cost in the service zone	1,944,904.89	6,421,145.93
Audit fee	-	-
Consulting and intermediary service fee	182,796.20	351,539.58
Commission fee for agent of real estate sales	3,678,433.44	9,639,026.63
Advertisement and promotion fee	1,974,648.15	3,736,184.58
Others	32,785,020.92	28,043,402.44
Total	<u><u>1,942,098,970.34</u></u>	<u><u>2,059,948,650.87</u></u>

## 6.2.7 Analysis of Receivable and Payables

### (1) Notes receivable

[1] Disclosure of notes receivable by categories:

	<i>Unit: Yuan    Currency: RMB</i>	
Category	Closing balance	Opening Balance
Bank acceptances	<u>1,997,100.00</u>	-
Total	<u><u>1,997,100.00</u></u>	<u><u>-</u></u>

Other explanations:

Applicable  Not applicable

The Group's bills receivable are accepted by banks with higher credit rating without significant credit risks and no provision for loss has been made.

(2) *Accounts receivable*

[1] Disclosure by aging:

*Unit: Yuan Currency: RMB*

<b>Aging</b>	<b>Closing Balance</b>
Within 1 year	<b>407,754,782.92</b>
More than 1 year but not exceeding 2 years	<b>5,306,318.48</b>
More than 2 year but not exceeding 3 years	–
More than 3 years	<b><u>1,699,980.00</u></b>
Total	<b><u><u>414,761,081.40</u></u></b>

[2] Bad debt provision:

*Unit: Yuan Currency: RMB*

<b>Category</b>	<b>Opening Balance</b>	<b>Changes for the period</b>			<b>Closing Balance</b>
		<b>Provision</b>	<b>Recovery or reversal</b>	<b>Write-down or write off</b>	
Bad debt provision	<u>1,859,703.23</u>	_____	_____	_____	<u>1,859,703.23</u>
Total	<u><u>1,859,703.23</u></u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u><u>1,859,703.23</u></u>

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 and financial factoring receivables from financial factoring business.

Disclosure by aging:

*Unit: Yuan Currency: RMB*

Aging	Amount	Closing balance		Book value
		Proportion (%)	Provision for credit impairment	
Within 1 year	407,754,782.92	98.31	159,723.23	407,595,059.69
More than 1 year but not exceeding 2 years	5,306,318.48	1.28	–	5,306,318.48
More than 2 year but not exceeding 3 years	–	–	–	–
More than 3 years	1,699,980.00	0.41	1,699,980.00	–
<b>Total</b>	<b>414,761,081.40</b>	<b>100.00</b>	<b>1,859,703.23</b>	<b>412,901,378.17</b>

Category	Amount	Closing balance		Book value
		Proportion (%)	Bad debt provision	
Accounts receivable formed by transactions regulated by standards for revenue	340,455,081.18	82.08	1,859,703.23	338,595,377.95
Lease receivable	74,306,000.22	17.92	–	74,306,000.22
<b>Total</b>	<b>414,761,081.40</b>	<b>100.00</b>	<b>1,859,703.23</b>	<b>412,901,378.17</b>

<b>Bad debt provision</b>	<b>Not credit- impaired Lifetime expected credit loss</b>	<b>Credit- impaired Lifetime expected credit loss</b>	<b>Total</b>
Opening balance	159,723.23	1,699,980.00	1,859,703.23
Provision for the period			
Closing balance	<u>159,723.23</u>	<u>1,699,980.00</u>	<u>1,859,703.23</u>

(3) *Disclosure of prepayments by aging*

*Unit: Yuan Currency: RMB*

<b>Aging</b>	<b>Closing balance</b>		<b>Opening balance</b>	
	<b>Amount</b>	<b>Proportion (%)</b>	<b>Amount</b>	<b>Proportion (%)</b>
Within 1 year	<b>54,549,888.23</b>	<b>95.17</b>	10,349,713.39	38.52
More than 1 year but not exceeding 2 years	<b>25,984.00</b>	<b>0.05</b>	13,775,744.80	51.28
More than 2 years but not exceeding 3 years	<b>2,739,600.00</b>	<b>4.78</b>	2,739,600.00	10.20
More than 3 years	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><b>57,315,472.23</b></u>	<u><b>100.00</b></u>	<u>26,865,058.19</u>	<u>100.00</u>

(4) *Disclosure of other receivables by nature*

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Dividends receivable	<b>73,370,239.20</b>	4,989,960.00
Others	<u><b>45,152,495.18</b></u>	<u>46,209,939.50</u>
Total	<u><b>118,522,734.38</b></u>	<u>51,199,899.50</u>

(5) *Aging analysis of trade payables presented based on the invoice date*

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

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Within 1 year	<b>825,793,476.81</b>	956,748,644.72
More than 1 year but not exceeding 2 years	<b>163,170,131.13</b>	208,579,349.74
More than 2 years but not exceeding 3 years	<b>16,482,719.96</b>	25,156,000.45
More than 3 years	<b>38,412,326.72</b>	71,930,824.63
Total	<b><u>1,043,858,654.62</u></b>	<b><u>1,262,414,819.54</u></b>

Details of accounts payable are as follows

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Construction payable	<b>537,404,189.16</b>	675,826,132.27
Construction payable for real estate project	<b>470,193,821.19</b>	495,168,721.84
Purchase of petroleum payable	<b>2,008,191.30</b>	7,591,687.90
Toll road fee payable	<b>7,470,172.18</b>	23,751,404.00
Others	<b>26,782,280.79</b>	60,076,873.53
Total	<b><u>1,043,858,654.62</u></b>	<b><u>1,262,414,819.54</u></b>

(6) *Disclosure of receipts in advance by nature*

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>Closing balance</b>	<b>Opening balance</b>
Rental deposit received in advance	<b>4,900,373.76</b>	9,088,946.35
Interest received in advance	<b>415,618.44</b>	–
Others	<b>2,516,699.94</b>	1,609,952.69
Total	<b><u>7,832,692.14</u></b>	<b><u>10,698,899.04</u></b>

The aging analysis of receipts in advance is as follows:

*Unit: Yuan Currency: RMB*

Aging	Closing balance		Opening balance	
	RMB	%	RMB	%
Within 1 year	7,832,692.14	100.00	7,331,042.70	68.52
More than 1 year but not exceeding 2 years			3,367,856.34	31.48
Total	<u>7,832,692.14</u>	<u>100.00</u>	<u>10,698,899.04</u>	<u>100.00</u>

(7) *Contract liabilities*

Contract liabilities

*Unit: Yuan Currency: RMB*

Item	Closing balance	Opening balance
Advertising release fee in advance	245,455.99	326,140.20
Sales of property in advance	<u>1,068,439,727.36</u>	<u>1,133,824,799.81</u>
Total	<u>1,068,685,183.35</u>	<u>1,134,150,940.01</u>

(8) *Disclosure of other payables by nature*

*Unit: Yuan Currency: RMB*

Item	Closing balance	Opening balance
Dividends payable	2,424,642,363.88	97,197,529.87
Others	<u>166,962,110.26</u>	<u>163,850,914.15</u>
Total	<u>2,591,604,474.14</u>	<u>261,048,444.02</u>

## 6.2.8 Other Current Liabilities

Unit: Yuan Currency: RMB

Item	Closing balance	Opening balance
Ultra short term notes	6,271,391,789.00	4,998,884,246.00
Output VAT to be transferred (Note)	<u>86,332,372.56</u>	<u>93,199,502.87</u>
Total	<u><u>6,357,724,161.56</u></u>	<u><u>5,092,083,748.87</u></u>

Note: Output VAT to be transferred mainly represents output VAT that has been collected together with the house

## 6.2.9 Credit Policy

In order to minimize the credit risk, the Group has determined credit limits, made credit approvals and took other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of financial assets at each balance sheet date to ensure that adequate provision for expected credit losses are made for financial assets. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

## 6.2.10 Contingencies

Ninghu Properties Company and Hanwei Company, the subsidiaries of the Company provide joint and several liability guarantees to banks for bank borrowings granted to buyers of properties in accordance with real estate business practices. The obligation begins from the date on which the guarantee contract comes into effect and will end when the buyers obtain certifications of the purchased properties and complete registration of mortgage and pass the properties warrants certification to bank. As at 30 June 2020, the outstanding guarantees amounted to approximately RMB590,188,000.

The Company provided guarantee for the application of comprehensive credit line by Ninghu Factoring, a wholly-owned subsidiary of the Company, with a maximum balance of RMB810,000,000 in the form of joint and several liability guarantee for a term of one year; as at 30 June 2020, the balance of the guarantee was approximately RMB110,000,000.



## **6.2.11 Pledged Assets**

### *(1) Explanation for restrictions on bank deposits*

At the end of the Reporting Period, other monetary funds of the Group included customers' deposit for mortgage loans of RMB2,360,000 and regulated pre-sale proceeds of RMB65,209,000. The regulated pre-sale proceeds are project funds placed in escrow with banks as required by Nanjing Bureau of Housing and Urban-Rural Development (南京市住房和城乡建设局) for the purpose of facilitating the smooth development of property projects and strengthening the supervision of monetary capital for property development projects. Project capital must be paid in full into banks before applications for construction permits are made. Developers shall release the project deposits by tranches depending on the construction progress. The remaining project deposits shall be released upon the completion of the construction and delivery of the units.

### *(2) Explanation for restrictions on intangible assets*

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

Zhendan Company, a subsidiary of the Group, entered into a loan contract with each of Jiangsu Branch of Communications Bank, Zhongshan South Road Sub-branch of China Construction Bank and Gulou Sub-branch of Postal Saving Bank of China in respect of a total loan amount of RMB139,650,000, RMB600,000,000 and RMB230,000,000, respectively, which were secured by the toll road concession right of Zhendan Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB135,450,000, RMB500,000,000 and RMB97,756,000, respectively.

## **6.2.12 Segment Reporting**

### *(1) Determining basis and accounting policy of reporting segment*

Based on the Group's internal organization structure, management requirements and internal reporting system, the operations of the Group are classified into 12 operating segments. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance. On the basis of the operating segment, the Group determines 12 reporting segments (2019: 12) based on the standard with which the Group's management determines resources allocation and performance assessment, including Shanghai-Nanjing Expressway, Guangjing Expressway and Xicheng Expressway, Xiyi Expressway and Wuxi Huantaihu Expressway, Ningchang Expressway and Zhenli Expressway, Zhendan Expressway, Wufengshan Expressway, Changyi Expressway, Yichang Expressway, Longtan Bridge, Ancillary services (including petrol, food and retail in service zones along the expressways), Real estate development and advertising and others. These reporting segments are determined based on standards of resources allocation and performance assessment by the management.

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

(2) Financial information of reporting segment

Unit: Yuan Currency: RMB

ITEM	Shanghai-Nanjing Expressway	Guangdong Expressway and Xicheng Expressway	Xiwi Expressway and Wuxi Huantaihu Expressway	Changyi Expressway	Yichang Expressway	Ningchang Expressway and Zhenli Expressway	Zhendai Expressway	Wufengshan Bridge	Longtan Bridge	Ancillary services	Real estate development	Advertising and others	Unallocated items	Total
Segment operating income	1,176,273,277.15	238,218,656.79	93,898,635.01	-	-	249,559,632.44	19,650,511.35	-	-	611,871,621.75	239,598,650.73	39,280,087.28	-	2,668,351,072.50
Operating costs	643,622,193.65	111,470,130.86	101,726,699.57	-	-	317,048,082.41	23,168,281.86	-	-	525,002,197.70	110,236,786.05	27,015,850.09	-	1,859,290,222.19
Including: Amortization of toll roads														
operation rights	287,233,503.50	60,542,922.89	61,467,464.85	-	-	237,873,041.17	15,291,607.89	-	-					662,408,540.30
Costs of petrol and other goods sold in service zones														
Segment operating profit (loss)	532,651,083.50	126,748,525.93	-7,828,064.56	-	-	-67,488,449.97	-3,517,770.51	-	-	396,397,425.11	129,361,864.68	12,264,237.19	-	396,397,425.11
Reconciling items:														
Less: Taxes and levies	4,234,583.80	857,587.16	338,035.09	-	-	898,414.68	70,741.84	-	-	4,925,345.53	26,779,640.26	1,154,004.85	-	39,258,353.21
Selling expenses											8,977,337.47			8,977,337.47
Administrative expenses	36,673,012.64													37,158,398.04
Financial expenses														73,831,410.68
Add: Other income	6,428,305.34	532,369.58				1,157,610.51					216,411.69			256,387,221.40
Investment income														1,052,745.12
Gains or losses from changes in fair values														147,761,973.92
Impairment reversals (losses) of credit														50,461,176.80
Impairment (loss) of assets														-
Gains(losses) from disposal of assets														-
Operating profit	498,171,792.40	126,423,308.35	-8,166,099.65	-	-	-67,229,254.14	-3,588,512.35	-	-	81,944,078.52	93,821,298.64	11,110,232.34	-94,269,723.60	638,217,120.51
Non-operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	29,557,223.53
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	9,752,929.55
Total profit	498,171,792.40	126,423,308.35	-8,166,099.65	-	-	-67,229,254.14	-3,588,512.35	-	-	81,944,078.52	93,821,298.64	11,110,232.34	-74,465,429.62	638,021,414.49
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	173,933,369.86
Net profit	498,171,792.40	126,423,308.35	-8,166,099.65	-	-	-67,229,254.14	-3,588,512.35	-	-	81,944,078.52	93,821,298.64	11,110,232.34	-248,398,799.48	484,088,044.63
Total segment assets	9,747,854,363.36	970,725,631	1,755,319,555	3,425,507,521.18	2,802,072,750.02	5,042,773,636.17	1,676,405,741.58	10,318,143,324.72	1,363,937,347.56	377,520,573.65	4,401,857,711.68	2,006,296,591.04	14,490,502,981.52	58,378,917,728.48

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

For the purposes of monitoring segment performances and allocating resources between segments, assets are allocated to segments other than long-term equity investment, held-for-trading financial assets and cash and bank balances etc., Segment liabilities are not allocated to segments for the Group's decision-maker has not consider liabilities of each segment when making decisions.

### ***6.2.13 Events after the Balance Sheet Date***

#### ***1. Investment in Luode Parent Real Estate Fund***

On 24 April 2020, upon the approval of the 20th meeting of the 9th board of directors of the Company, Ninghu Investment Company, a wholly-owned subsidiary of the Company was approved to participate in the Phase III Parent Real Estate Fund initiated by Luode Fund Company, with the fund's scale no more than RMB1.5 billion in aggregate, including a contribution from Ninghu Investment Company of no more than RMB500 million and contribution from other partners and teams of no more than RMB1 billion. As of the disclosure date of this announcement, Ninghu Investment Company has contributed RMB251,876,564.00.

#### ***2. Approval for Registration of Public Issuance of Corporate Bonds to Professional Investors***

On 30 July 2020, the Company received the "Approval on the Public Issuance of Corporate Bonds to Professional Investors by Jiangsu Expressway Company Limited" (Zheng Jian Xu Ke [2020] No. 1635) issued by the CSRC, which approved the application for registration of the Company's public issuance of corporate bonds not exceeding RMB8 billion to professional investors. The issue of the first tranche shall be completed within 12 months from the date of approval; the issue of the remaining tranches shall be completed within 24 months from the date of approval.

### 3. *Registration of Medium-term Notes*

On 14 August 2020, the Company's medium-term notes issue with principal amount of not more than RMB2 billion has been registered by the National Association of Financial Market Institutional Investors, with a registration term of 2 years. On 21 August 2020, the Group completed the issue of the medium-term notes with principal amount of RMB2.0 billion.

## 6.3 Financial statement related matters

### ***6.3.1 Details, reasons and impact of the changes to the accounting policies, accounting estimates and audit methods compared with those in the last accounting period***

Due to changes in the road network charging model in 2020, in order to more objectively and fairly reflect the amortized cost of road and bridge assets, as approved by the twentieth meeting of the ninth session of the board of directors of the Company, the Company has taken the standard car flow translated by the new toll standard as the basis for the amortization of highway operation rights since 1 January 2020. In the first half of 2020, the impact on the amortization of highway operation rights within the scope of the Company's consolidation amounted to RMB-42.54 million, which reduced operating costs by RMB42.54 million. If this change in accounting estimates were adopted in 2019, it is expected that the Company's amortization of road operating rights in 2019 would be increased by RMB5.6532 million and its operating costs would be increased by RMB5.6532 million.

### ***6.3.2 Particulars, correction amount, reasons and its impact of significant accounting errors which required to be amended by retrospective restatement during the Reporting Period.***

Applicable  Not applicable

## DEFINITION

Unless the context herein otherwise requires, the following terms shall have the meanings as follows:

### DEFINITIONS OF COMMONLY USED TERMS

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

Zhendan Company	Jiangsu Zhendan Expressway Company Limited (江蘇鎮丹高速公路有限公司)
Wufengshan Toll Bridge Company	Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司)
Longtan Bridge Company	Jiangsu Longtan Bridge Co., Ltd. (江蘇龍潭大橋有限公司)
Xiexin Company or Xiexin Ninghu Company	Jiangsu Xiexin Ninghu Gas Co., Ltd. (江蘇協鑫寧滬天然氣有限公司)
Kuailu Company	Jiangsu Kuailu Motor Transport Co., Ltd. (江蘇快鹿汽車運輸股份有限公司)
Suzhou Expressway Company or Suzhou Expressway Management	Suzhou Expressway Management Company Limited (蘇州市高速公路管理有限公司)
Yangtze Bridge Company	Jiangsu Yangtze Bridge Co., Ltd. (江蘇揚子大橋股份有限公司)
Hutong Bridge Company	Jiangsu Hutong Bridge Co., Ltd. (江蘇滬通大橋有限責任公司)
Finance Company or Group Finance Company	Jiangsu Communications Holding Group Finance Co., Ltd. (江蘇交通控股集團財務有限公司)
Media Company	Jiangsu Communications & Culture Media Company Limited (江蘇交通文化傳媒有限公司)
Sundian or Xiandai R&B Company	Jiangsu Sundian Engineering Co., Ltd. (江蘇現代路橋有限責任公司)
Network Operation Company	Jiangsu Expressway Network Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)
Bank of Jiangsu	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)

Luode Fund Company	Jiangsu Luode Equity Investment Fund Management Company Limited (江蘇洛德股權投資基金管理有限公司)
Yichang Company	Jiangsu Yichang Expressway Co., Ltd. (江蘇宜長高速公路有限公司)
Changyi Company	Jiangsu Changyi Expressway Co., Ltd. (江蘇常宜高速公路有限公司)
Nanlin Hotel	Suzhou Nanlin Hotel Co., Ltd. (蘇州南林飯店有限責任公司)
Yanjiang Company	Jiangsu Yanjiang Expressway Co., Ltd. (江蘇沿江高速公路有限公司)
Jiangsu Leasing or Jiangsu Financial Leasing Company	Jiangsu Financial Leasing Co., Ltd. (江蘇金融租賃股份有限公司)
Railway Group Company	Jiangsu Railway Group Limited (江蘇省鐵路集團有限公司)
Tongxingbao Company	Jiangsu Tongxingbao Smart Transport Technology Co., Ltd. (江蘇通行寶智慧交通科技股份有限公司)
Jinghu Company	Jiangsu Jinghu Expressway Company Limited (江蘇京滬高速公路有限公司)
Runyang Bridge Company	Jiangsu Runyang Bridge Development Co., Ltd. (江蘇潤揚大橋發展有限責任公司)
Expressway Petroleum Company or Jiangsu Petroleum Company	Jiangsu Expressway Petroleum Development Co., Ltd. (江蘇高速公路石油發展有限公司)
Taixing Oil Products Company	Taixing Hechang Oil Products Trading Co., Ltd. (泰興市和暢油品銷售有限公司)
Far East Shipping Company	Jiangsu Far East Shipping Co., Ltd. (江蘇遠東海運有限公司)
Information Company	Jiangsu Expressway Information Engineering Co.,Ltd. (江蘇高速公路信息工程有限公司)



Maintenance Technology Company	Jiangsu Expressway Engineering Maintenance Technology Co., Ltd. (江蘇高速公路工程養護技術有限公司)
Engineering Maintenance Company	Jiangsu Expressway Engineering Maintenance Company Limited (江蘇高速公路工程養護有限公司)
Orient Operation Company	Jiangsu Orient Expressway Operation and Management Company Limited (江蘇東方高速公路經營管理有限公司)
East Road & Bridge Company	Jiangsu East Road & Bridge Construction Maintenance Co., Ltd. (江蘇東方路橋建設養護有限公司)
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)
Luode Dening	Nanjing Luode Dening Real Estate Investment Partnership (Limited Partnership) (南京洛德德寧房地產投資合夥企業(有限合夥))
Zhongbei Zhiyuan	Nanjing Luode Zhongbei Zhiyuan Equity Investment Partnership (Limited Partnership) (南京洛德中北致遠股權投資合夥企業(有限合夥))
Highway Center	Highway Development Center of Transportation Department of Jiangsu Province (江蘇省交通運輸廳公路事業發展中心)
Expressway Management Center	Expressway Operation and Management Center Department of Jiangsu Province (江蘇省高速公路經營管理中心)
Ninghang Company	Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司)
Husuzhe Company	Jiangsu Husuzhe Expressway Co., Ltd. (江蘇滬蘇浙高速公路有限公司)
Huatong Company	Jiangsu Huatong Engineering Testing Co., Ltd. (江蘇華通工程檢測有限公司)

Sutong Bridge Company	Jiangsu Sutong Bridge Co., Ltd. (江蘇蘇通大橋有限公司)
Xinhua Media	Jiangsu Xinhua Newspaper Media Group Co., Ltd.(江蘇新華報業傳媒集團有限公司)
Fuanda Fund	Fuanda Fund Management Co., Ltd. (富安達基金管理有限公司)
Engineering Testing Company	Sundian Engineering Testing Co., Ltd. (現代工程檢測有限公司)
Micro Video Company	Nanjing Micro Video Technology Company Limited (南京感動科技有限公司)
CDB Kai Yuan Phase II Fund	Suzhou Industrial Park CDB Kai Yuan Investment Center Phase II (Limited Partnership) (蘇州工業園區國創開元二期投資中心(有限合夥))
Hanrui Center	Plot No. 2 Complex Project located in the central business district of new city in the south of Nanjing
Shanghai-Nanjing Expressway	Jiangsu Section of Shanghai-Nanjing Expressway
Guangjing Expressway	Northern connection of Guangling-Jingjiang Section, Jiangyin Yangtze Bridge
Xicheng Expressway	Southern connection of Jiangyin-Wuxi Section, Jiangyin Yangtze Bridge
Jiangyin Bridge	Jiangyin Yangtze Bridge
Sujiahang Expressway	Jiangsu Section of Suzhou-Jiaxing-Hangzhou Expressway
Yanjiang Expressway	Changzhou-Taicang Expressway
Changjia Expressway	Kunshan-Wujiang Section of Changshu-Jiaxing Expressway
Zhendan Expressway	Zhenjiang-Danyang Expressway
Ningchang Expressway	Lishui Guizhuang Hub-Changzhou South Interchange Expressway

Zhenli Expressway	Dantu Hub-Liyang Qianma Hub Expressway
Xiyi Expressway	Wuxi North Hub-Yixing Xiwu Hub Expressway
Wuxi Huantaihu Expressway	Wuxi Shuofang Hub-Wuxi Nanquan Interchange Expressway
Sujiayong Expressway	Suzhou-Jiaxing-Ningbo Expressway
Wufengshan Toll Bridge	Wufengshan Toll Bridge and North-South Connection Project
Changyi Expressway	Changzhou-Yixing Expressway
Yichang Expressway	Jiangsu Section of Yixing-Changxing Expressway
Reporting Period	the half year period from 1 January 2020 to 30 June 2020
year-on-year	as compared with the same period of 2019
CSRC	China Securities Regulatory Commission
SFC	The Securities and Futures Commission of Hong Kong
SSE	Shanghai Stock Exchange
Stock Exchange	The Stock Exchange of Hong Kong Limited
A Shares	RMB-denominated ordinary shares issued by the Company and listed on the SSE
H Shares	overseas-listed foreign shares issued by the Company and listed on the Stock Exchange
ADR	Level 1 depositary receipts of the Company listed and traded in the over-the-counter market of the United States
Listing Rules	Listing Rules of the SSE and/or Hong Kong Listing Rules

Listing Rules of SSE	Rules Governing the Listing of Stocks on Shanghai Stock Exchange
Hong Kong Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
PRC Accounting Standards	Accounting Standards for Business Enterprises and Relevant Provisions promulgated by the Ministry of Finance of the People's Republic of China
Deloitte or Auditor	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Corporate Governance Code	The Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules

**By order of the Board**  
**Sun Xibin**  
*Chairman*

Nanjing, the PRC, 28 August 2020

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

*\* Independent Non-executive Directors of the Company*