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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)**

**2021 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 (“**Board**”), the Supervisory Committee, and the Directors, supervisors and senior management of the Company warrant that the contents of this interim results preliminary announcement are true, accurate and complete and that there are no false representations, misleading statements contained in, or material omissions from, this announcement, and they jointly and severally accept responsibility in respect thereof.

**1.3** All Directors attended the Board meeting.

**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 25 August 2021 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. The Audit Committee considers that the Company's interim results preliminary announcement and interim financial statements for 2021 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>Stock Profile</b>		
<b>Class of shares</b>	<b>Stock exchange of listing</b>	<b>Stock abbreviation</b>	<b>Stock code</b>	<b>Previous stock abbreviation</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 Yong Jia	Tu Jun	
Telephone		8625-84362700-301838	8625-84362700-301835	
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## 2.2 Key financial data of the Company

*Unit: Yuan Currency: RMB*

	As at the end of the Reporting Period	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>67,498,023,853.64</b>	61,095,560,365.16	10.48
Net assets attributable to the shareholders of the Company	<b>29,493,181,558.69</b>	28,209,961,098.83	4.55
	The Reporting Period (January–June)	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>2,599,589,338.93</b>	895,329,150.48	190.35
Operating revenue	<b>5,061,764,712.00</b>	2,668,351,072.50	89.70
Net profit attributable to the shareholders of the Company	<b>2,679,329,242.91</b>	485,637,446.44	451.71
Net profit attributable to the shareholders of the Company net of non-recurring profit or loss	<b>2,389,901,746.70</b>	419,417,173.47	469.81
Weighted average return on net assets (%)	<b>8.93</b>	1.71	Increased by 7.22 percentage points
Basic earnings per share ( <i>Yuan/share</i> )	<b>0.5319</b>	0.0964	451.71
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

Total number of ordinary shareholders as of the end of the Reporting Period 27,615

*Note:* As at the end of June 2021, the Company had 27,204 A-share ordinary shareholders and 411 H Share shareholders, totaling 27,615 shareholders.

*Unit: Share*

Name of shareholder (full name)	Shareholdings of top ten shareholders						
	Change during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Number of shares held subject to sales restrictions	Pledged, tagged or frozen Status of shares	Number	Type of shareholder
Jiangsu Communications Holding Company Limited	-	2,742,578,825	54.44	-	Nil	-	State-owned legal person
China Merchants Expressway Network & Technology Holdings Co., Ltd.	-	589,059,077	11.69	-	Nil	-	State-owned legal person
Mitsubishi UFJ Financial Group, Inc.	-244,000	134,852,597	2.68	-	Unknown	-	Foreign legal person
BlackRock, Inc.	-13,385,534	132,683,158	2.63	-	Unknown	-	Foreign legal person
JPMorgan Chase & Co.	1,045,099	109,863,146	2.18	-	Unknown	-	Foreign legal person
Citigroup Inc.	-	73,715,201	1.46	-	Unknown	-	Foreign legal person
China Merchants Bank-SSE Dividend Trading Open Index Securities Investment Fund	9,178,805	24,375,562	0.48	-	Unknown	-	Others
China Galaxy Asset Management Co., Ltd.	-	21,410,000	0.42	-	Unknown	-	State-owned legal person
CPLI Stock Dividend Product (Shou Zi Ying) Entrusted Investment (Yangtze River Pension) (中國太平洋人壽股票紅利型產品(壽自營)委託投資(長江養老))	-	12,500,000	0.25	-	Unknown	-	Others
CPLI Stock Active Management Product (Ge Fen Hong) Entrusted Investment (中國太平洋人壽股票主動管理型產品(個分紅)委託投資)	8,769,961	8,769,961	0.17	-	Unknown	-	Others

**Shareholding of top ten holders of shares not subject to selling restrictions**

Name of shareholder	Number of tradable shares not subject to selling restrictions	Class and number of shares	
		Class	Number
Jiangsu Communications Holding Company Limited	2,742,578,825	RMB ordinary shares	2,742,578,825
China Merchants Expressway Network & Technology Holdings Co., Ltd.	589,059,077	RMB ordinary shares	589,059,077
Mitsubishi UFJ Financial Group, Inc.	134,852,597	Overseas listed foreign shares	134,852,597
BlackRock, Inc.	132,683,158	Overseas listed foreign shares	132,683,158
JPMorgan Chase & Co.	109,863,146	Overseas listed foreign shares	109,863,146
Citigroup Inc.	73,715,201	Overseas listed foreign shares	73,715,201
China Merchants Bank-SSE Dividend Trading Open Index Securities Investment Fund	24,375,562	RMB ordinary shares	24,375,562
China Galaxy Asset Management Co., Ltd.	21,410,000	RMB ordinary shares	21,410,000
CPLI Stock Dividend Product (Shou Zi Ying) Entrusted Investment (Yangtze River Pension) (中國太平洋人壽股票紅利型產品(壽自營)委託投資(長江養老))	12,500,000	RMB ordinary shares	12,500,000
CPLI Stock Active Management Product (Ge Fen Hong) Entrusted Investment (中國太平洋人壽股票主動管理型產品(個分紅)委託投資)	8,769,961	RMB ordinary shares	8,769,961
Related relationship or acting-in- concert	(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.		
Preference shareholders with voting rights restored and the shareholding thereof	Nil		

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

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

As at the end of June 2021, the total assets of the Company amounted to RMB67,498 million and net assets attributable to shareholders of the Company amounted to RMB29,493 million. During the Reporting Period, the Company's operating revenue increased by 89.70% year-on-year to RMB5,062 million, total profits increased by 422.12% year-on-year to RMB3,436 million, net profit attributable to shareholders of the Company amounted to RMB2,679 million and earnings per share amounted to RMB0.5319. The operating net cash flow amounted to RMB2,600 million and the weighted average return on net assets was 8.93%.

##### *Road and Bridge Operations*

- (i) Toll policies. There was no major adjustment to the toll policies of our roads during the Reporting Period, with preferential policies remaining effective, such as a 5% discount for ETC vehicles, toll-free travel for small passenger vehicles during major festivals and holidays, toll-free "green passage" for freight vehicles carrying fresh and live agricultural products, and preferential tolls for vehicles installed with "Unitoll Card" and "Preferential Port Container Vehicles" in Jiangsu Province. On 2 June 2021, the Ministry of Transport, the National Development and Reform Commission and the Ministry of Finance jointly issued the Implementation Plan for Comprehensively Promoting Differential Tolling on Expressways, proposing to promote differentiated tolling on expressways across the board. As at the date of this announcement, relevant authorities of Jiangsu Province are in the process of studying and developing the policy for differential tolling on expressways, the Company has been closely monitoring the developments of the policy and started research on developing countermeasures.
- (ii) Operation and maintenance of roads and bridges. The Group strove to ensure smooth traffic on expressways normally with supersaturated flow routine, formulated a heavy-flow multi-leveled management and control plan and tapped the potential through multi-dimensional sensing, collaborative management and control, flow regulation, intelligent guiding and other methods to materialize multi-leveled alerting and scientific management and control over traffic flow and thereby effectively improve the traffic efficiency of those sections with huge vehicle flow. The Company's "technology for intelligent capacity expansion of expressways with supersaturated traffic flow" was selected as one among the "2020 List of Achievements of Major Scientific and

Technological Innovation in Transportation” and “2020 Scientific and Technological Achievements in Transportation Development”, and the project of “research on key technologies for guaranteeing smooth traffic on hectic sections of Shanghai-Nanjing Expressway with super-huge flow and the engineering demonstration” won the second prize of Science and Technology Awards of China Highway & Transportation Society. The Group took the lead to pilot the “quasi-free flow” tolling technology in Jiangsu Province by conducting a pilot run of “quasi-free flow” system at a toll station of Wufengshan Toll Bridge to experiment with and promote the application of the “free flow” tolling technology, which aims to further improve the efficiency of expressway network operation and management. Moreover, the Group adopted centralized maintenance and intensive maintenance and made efforts to mechanize, standardize and refine road-related operations, so as to effectively reduce safety risks of road-related operations, avoid loss caused by congestion to the greatest extent, and lower maintenance costs while improving maintenance quality. During the Reporting Period, the time and frequency of road occupation for maintenance operations of the Group decreased by 10.5% and 20.9% respectively, as compared with the corresponding period of 2020, achieving the overall targets of decrease for three consecutive years. In addition, the Group conducted research and development on BIM+GIS maintenance management system, with aim to build intelligent platforms for maintenance and management of its bridges and tunnels and materialize intelligent maintenance of large and super-large bridges and tunnels such as Taihu Tunnel and Wufengshan Toll Bridge.

- (iii) Road and bridge projects under construction. Upon the official opening of Yichang Expressway to traffic in January 2021, the Company’s road network is further integrated into the Yangtze River Delta economic circle, which would drive regional economic prosperity and promote the Company’s long-term development. Wufengshan Toll Bridge, which was put into operation in June 2021 and forms part of the central axis of Jiangsu’s expressway network, will drive the integration and development of cross-river economy, consolidate and strengthen the core position of the Company in the road network in southern Jiangsu and improve the economic benefits of the Company. During the Reporting Period, RMB244 million was invested in the construction of the Longtan Bridge Project, bringing the cumulative investment to RMB1,582 million which accounts for 25.30% of the total investment for the project. The bridge is expected to be opened to traffic in 2024.

- (iv) Analysis of road and bridge operations. During the Reporting Period, the Group recorded toll revenue of approximately RMB4,050,912,000, representing a year-on-year increase of approximately 127.89%, and accounting for approximately 80.03% of the total operating revenue of the Group. In particular, the average daily toll revenue of Shanghai-Nanjing Expressway amounted to approximately RMB14,210,590, representing a year-on-year increase of 119.87%. During the Reporting Period, the average daily traffic volume of Shanghai-Nanjing Expressway was approximately 105,962 vehicles, representing a year-on-year increase of approximately 6.82%. Specifically, the traffic volume of passenger vehicles maintained stable growth at an average growth rate of approximately 4.92%, and represented approximately 80.82% of the total traffic volume; while the average daily traffic volume of trucks grew by approximately 15.62% year on year, and the traffic volume of trucks accounted for approximately 19.18% of the total traffic volume. The traffic volume of other road and bridge projects including Xiyi Expressway, Changjia Expressway and Zhendan Expressway continued to maintain a relatively good growth momentum.

#### ***Ancillary services***

- (i) Setting up a professional company to operate service areas. During the Reporting Period, the Company set up a wholly-owned subsidiary, Yangtze Commerce and Energy Company, to engage in, among others, operation of commercial property in service areas, energy development and operation and public property management, so as to optimize the allocation of resources, enhance the professional operation of service areas and cultivate new growth points of the highway-derived economy.
- (ii) Efforts made to professionalize and refine the management of service areas. Centering on the theme of “sea voyages to the east of over 1,000 years ago”, Guangling Service Area in Yangzhou was constructed to enhance the brand value and recreate a “model service area” of Nanjing-Shanghai Expressway for other service areas. The Group proceeded with the construction of Taihuan Service Area and the upgrading of Gehu Service Area, aiming to build “refined, elegant and exquisite” service areas and improve service quality.
- (iii) Strengthening management through technological empowerment. The construction of the “Yiyuntong” cloud platform was well underway, which, once completed, will effectuate intelligent daily management, modularized collection and online fund centralization and thereby improve management efficiency.



During the Reporting Period, the Company realized revenue of approximately RMB702,456,000 from ancillary services, representing a year-on-year increase of approximately 14.80%. In particular, revenue from the rental business at service areas amounted to approximately RMB113,452,000, representing a year-on-year increase of 11.05%, which was mainly due to the expansion of outsourcing scale at services areas and the rental exemption for some commercial tenants during the outbreak of COVID-19 pandemic in 2020. The sales revenue of petroleum products was approximately RMB574,696,000, representing a year-on-year increase of 16.03%, which was mainly due to the increase in sales volume; and the gross profit from sales of petroleum products was approximately RMB105,624,000, representing a year-on-year increase of 6.81%. Driven by the year-on-year increase in gross profits of petroleum products, leasing and catering business, the gross profit of ancillary services increased by approximately 10.14% year-on-year.

### ***Real estate business***

The Group is engaged in property development and sales through its subsidiaries, Ninghu Properties Company and Hanwei Company. During the Reporting Period, the Group steadily advanced the projects under construction, actively destocked and revitalized its inventory assets, and achieved good operating results. During the Reporting Period, the sales area of commodity housing of the Group was approximately 18,921 square meters, realizing pre-sale revenue of RMB384,698,000, and sales revenue carried forward amounted to approximately RMB251,537,000. Net profit after tax was approximately RMB52,299,000, representing a year-on-year increase of approximately 59.85%.

### ***Investment business***

- (i) Gain from equity investments in road and bridge companies. The Group recorded investment income of approximately RMB403,190,000 from associated companies engaged in road and bridge operation for the Reporting Period, as compared to an investment loss of approximately RMB30,229,000 recorded for the corresponding period last year, which was mainly attributable to the resumption of tolling business.
- (ii) Dividends from other equity instruments. The Group received cumulative dividends of approximately RMB207,818,000 from other equity instruments for the Reporting Period, representing a year-on-year increase of approximately 39.20%, which was mainly attributable to the increase in dividends from financial companies invested by the Company.
- (iii) Gain from other non-current financial assets. The Group received dividends of approximately RMB48,705,000 in total from other non-current financial assets for the Reporting Period, which were paid during the Reporting Period by CDB Kai Yuan Phase II Fund subscribed by Ninghu Investment Company.

### ***Other businesses***

Other businesses of the Group mainly comprise advertising, factoring business, and management services carried on or provided by its subsidiaries. During the Reporting Period, the Group recorded revenue from other businesses of approximately RMB56,860,000, representing a year-on-year increase of approximately 44.76%, which was mainly attributable to the increase in revenue from commissioned operation and management services and factoring business.

## 3.2 Analysis of principal businesses

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

Unit: Yuan Currency: RMB

Item	Reporting Period	Corresponding period of the previous year	Change (%)
Operating revenue	<b>5,061,764,712.00</b>	2,668,351,072.50	<b>89.70</b>
Operating costs	<b>2,220,101,069.51</b>	1,859,290,222.19	<b>19.41</b>
Selling expenses	<b>13,038,092.98</b>	8,977,337.47	<b>45.23</b>
Administrative expenses	<b>73,844,971.95</b>	73,831,410.68	<b>0.02</b>
Financial expenses	<b>293,958,394.97</b>	256,387,221.40	<b>14.65</b>
Research and development (R&D) expenses	-	-	-
Net cash flow from operating activities	<b>2,599,589,338.93</b>	895,329,150.48	<b>190.35</b>
Net cash flow from investing activities	<b>-3,357,134,205.51</b>	-3,291,196,408.42	<b>2.00</b>
Net cash flow from financing activities	<b>900,420,621.30</b>	2,275,283,608.14	<b>-60.43</b>
Taxes and surcharges	<b>63,266,494.98</b>	39,258,353.21	<b>61.15</b>
Gain on change in fair value	<b>314,007,325.26</b>	50,461,176.80	<b>522.28</b>
Other income	<b>12,115,336.70</b>	9,387,442.24	<b>29.06</b>
Investment income	<b>712,266,896.33</b>	147,761,973.92	<b>382.04</b>
Non-operating income	<b>7,809,364.22</b>	29,557,223.53	<b>-73.58</b>
Income tax	<b>734,392,901.87</b>	173,933,369.86	<b>322.23</b>
Other comprehensive income, net of tax	<b>917,174,691.95</b>	-809,582,328.42	-

Note: The figures shown in the table were unaudited.

**Reasons for the change in operating revenue:** During the Reporting Period, the Group recorded a significant year-on-year increase in toll revenue as its toll business regained momentum, compared to a decrease in toll revenue during the corresponding period last year mainly due to the impact of the COVID-19 pandemic and the toll-free passage policy.

**Reasons for the change in operating costs:** The year-on-year increase in operating costs was mainly due to (i) the increase in amortization of toll road operation rights as a result of the completion and opening of Changyi Expressway, Yichang Expressway and Wufengshan Toll Bridge during the Reporting Period; and (ii) the increase in maintenance costs of roads and bridges as a result of the maintenance of pavement overlay of certain sections of Shanghai-Nanjing Expressway, the overhaul of Wuxi Huantaihu Expressway and the construction works delayed due to the outbreak of the COVID-19 last year having been carried out in the Reporting Period, and the corresponding increase in procurement costs of petroleum products.

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

**Reasons for the change in administrative expenses:** Administrative expenses were basically flat as compared to the corresponding period last year, which was mainly due to the Group's strengthened budget management and tightened cost control during the Reporting Period.

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

**Reasons for the changes in R&D expenses:** None.

**Reasons for the change in net cash flow from operating activities:** The Group recorded a strong rebound in toll revenue as compared to the corresponding period last year, which resulted in a substantial year-on-year increase in net cash flow from operating activities.

**Reasons for the change in net cash flow from investing activities:** The investment in wealth management products increased year-on-year, which led to a slight year-on-year increase in net cash outflow from investing activities.

**Reasons for the change in net cash flow from financing activities:**

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

**Reasons for the change in taxes and surcharges:** The year-on-year increase in taxes and surcharges accrued during the Reporting Period was mainly due to the increase in the Group's toll revenue during the Reporting Period and the partial tax relief as a result of the COVID-19 pandemic in the corresponding period last year.

**Reasons for the change 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.

**Reasons for the change in other income:** Mainly due to the carry-over from government subsidy for the reconstruction of expressway provincial boundary toll stations during the Reporting Period.

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

**Reasons for the change in non-operating income:** The year-on-year decrease in non-operating income during the Reporting Period was mainly due to the receipt of compensation for soil pits and the write-off of long outstanding accounts payable during the corresponding period last year.

**Reasons for the change in income tax:** Mainly due to the fact that the Group had relatively less taxable income during the corresponding period last year as a result of the impact of the COVID-19 and the toll-free passage policy.

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

(1) *Principal operating activities by industry and region*

*Unit: Yuan Currency: RMB*

By industry	Principal operating activities by industry					
	Operating revenue	Operating costs	Gross profit margin (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit margin (%)
<b>Toll roads</b>	4,050,911,673.39	1,486,309,751.54	63.31	127.89	24.17	Increased by 30.65 percentage points
Shanghai-Nanjing Expressway	2,572,116,454.12	795,750,752.45	69.06	118.67	23.64	Increased by 23.78 percentage points
Guangjing Expressway and Xicheng Expressway	452,468,020.00	103,797,953.49	77.06	89.94	-6.88	Increased by 23.85 percentage points
Ningchang Expressway and Zhenli Expressway	661,234,618.37	297,498,419.87	55.01	164.96	-6.17	Increased by 82.05 percentage points
Xiyi Expressway and Wuxi Huantaihu Expressway	230,892,160.35	149,829,716.79	35.11	145.90	47.29	Increased by 43.45 percentage points
Zhendan Expressway	45,138,428.10	29,369,673.00	34.93	129.71	26.77	Increased by 52.84 percentage points
Changyi Expressway	38,746,551.00	39,692,703.10	-2.44	-	-	-
Yichang expressway	50,311,054.80	69,313,250.82	-37.77	-	-	-
Wufengshan Toll Bridge	4,386.65	1,057,282.02	-24,002.27	-	-	-
<b>Ancillary services</b>	702,455,980.21	606,773,729.36	13.62	14.80	15.58	Decreased by 0.58 percentage points
<b>Property sales</b>	251,537,118.91	89,306,984.48	64.50	4.98	-18.99	Increased by 10.50 percentage points
<b>Other businesses</b>	56,859,939.49	37,710,604.13	33.68	44.76	39.59	Increased by 2.46 percentage points
<b>Total</b>	<b>5,061,764,712.00</b>	<b>2,220,101,069.51</b>	<b>56.14</b>	<b>89.70</b>	<b>19.41</b>	<b>Increased by 25.82 percentage points</b>

*Note:* During Reporting Period, the Group's toll road business showed a steady growth momentum, and toll revenue recorded a significant year-on-year increase. As a result, the gross profit margin of toll road business increased as compared to the corresponding period last year. Changyi Expressway, Yichang Expressway and Wufengshan Toll Bridge recorded operating losses as they were newly open to traffic and still at the infancy stage of developing traffic volume.

Principal operating activities by industry and product: Nil.

(2) *Analysis of costs*

During the Reporting Period, accumulated operating costs amounted to approximately RMB2,220,101,000, representing a year-on-year increase of approximately 19.41%. The cost structure of each business category is set out below:

*Unit: Yuan Currency: RMB*

By industry	Components of costs	Amount for the Reporting Period	By industry		Amount for the corresponding period last year	Percentage in total costs for the corresponding period last year (%)	Change in percentage of the amount for the Reporting Period compared with the corresponding period last year (%)	Explanation
			Percentage in total costs for the Reporting Period (%)	Percentage in total costs for the corresponding period last year (%)				
Toll roads	–	1,486,309,751.54	66.95	1,197,035,388.35	64.38	24.17		
–	Depreciation and amortization	855,995,594.42	38.56	745,349,229.43	40.09	14.84	The amortization of toll road operation rights increased mainly due to the opening of new road and bridge projects in the Reporting Period.	
–	Costs on maintenance	209,064,763.46	9.42	90,000,499.83	4.84	132.29	The costs of road maintenance increased year-on-year mainly due to the maintenance of pavement overlay of certain sections of Shanghai-Nanjing Expressway, the major overhaul of Wuxi Huantaihu Expressway and the resumption of construction works delayed due to the COVID-19 epidemic last year during the Reporting Period.	

		By industry					
						Change in percentage of the amount for the Reporting Period compared with the corresponding period last year	
By industry	Components of costs	Amount for the Reporting Period	Percentage in total costs for the Reporting Period (%)	Amount for the corresponding period last year	Percentage in total costs for the corresponding period last year (%)	Period compared with the corresponding period last year (%)	Explanation
-	Costs on system maintenance	8,982,235.03	0.40	4,238,044.31	0.23	111.94	The increase in costs on system maintenance was mainly due to the resumption of construction works delayed due to the COVID-19 epidemic last year during the Reporting Period and the opening of new road and bridge projects.
-	Costs on toll collection	68,194,359.23	3.07	48,350,275.51	2.6	41.04	The year-on-year increase in costs on toll collection was mainly due to the increase in toll revenue during the Reporting Period and the corresponding year-on-year increase in road network management fees, as well as the opening of new road and bridge projects.
-	Labour costs	344,072,799.40	15.50	309,097,339.27	16.62	11.32	
Ancillary services	-	606,773,729.36	27.33	525,002,197.70	28.24	15.58	
-	Raw materials	448,001,045.44	20.18	377,916,696.35	20.33	18.54	The year-on-year increase in procurement cost of raw materials was mainly due to the increase in sales volume of petroleum products during the Reporting Period.



By industry							Change in percentage of the amount for the Reporting Period compared with the corresponding period last year (%)	Explanation
By industry	Components of costs	Amount for the Reporting Period	Percentage in total costs for the Reporting Period (%)	Amount for the corresponding period last year	Percentage in total costs for the corresponding period last year (%)	Period		
-	Depreciation and amortization	26,586,662.74	1.20	28,252,899.48	1.52	-5.90		
-	Labour costs	91,798,828.62	4.13	81,461,935.33	4.38	12.69		
-	Other costs	40,387,192.56	1.82	37,370,666.54	2.01	8.07		
Property sales	-	89,306,984.48	4.02	110,236,786.05	5.93	-18.99	The year-on-year decrease in costs of property sales business was mainly due to the reduction of carried-forward costs of certain property projects as a result of the settlement of construction payment in the Reporting Period.	
Other businesses	-	37,710,604.13	1.70	27,015,850.09	1.45	39.59	The year-on-year increase in costs of other businesses was mainly due to the increase in management costs and financing costs of factoring business of Yangtze River Company during the Reporting Period.	

## 2. Others

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

Applicable  Not Applicable

(2) Others

Applicable  Not Applicable

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

Applicable  Not Applicable

### 3.4 Analysis of Assets and Liabilities

Applicable  Not Applicable

#### 1. Assets and Liabilities

Unit: Yuan Currency: RMB

Item	Amount as at the end of the Reporting Period	Percentage	Amount as at the end of the previous period	Percentage in	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanations on changes
		in the total assets as at the end of the Reporting Period (%)		the total assets as at the end of the previous period (%)		
Cash and bank balances	521,590,786.57	0.77	386,712,702.84	0.63	34.88	Mainly due to the increase in the fund reserves of subsidiaries intended for construction payment and repayment of loans at the end of the Reporting Period
Long-term equity investments	7,443,381,722.76	11.03	7,130,527,090.60	11.67	4.39	Mainly due to the increase in investment income contributed by associates during the Reporting Period.
Fixed assets	2,576,837,223.04	3.82	2,048,237,771.21	3.35	25.81	Mainly due to the transfer of Yichang Expressway and Wufengshan Toll Bridge from construction in progress to fixed assets upon their completion and opening to traffic during the Reporting Period.
Construction in progress	1,825,685,499.32	2.70	15,280,716,856.65	25.01	-88.05	Mainly due to the transfer of Yichang Expressway and Wufengshan Toll Bridge from construction in progress to fixed assets upon their completion and opening to traffic during the Reporting Period.

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanations on changes
Long-term borrowings	12,734,787,411.50	18.87	11,545,381,743.39	18.90	10.30	Mainly due to the increase in loans for road and bridge projects under construction at the end of the Reporting Period as compared to the beginning of the period.
Held-for-trading financial assets <i>(Note 1)</i>	3,752,697,533.80	5.56	1,533,818,523.40	2.51	144.66	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.
Prepayments	74,183,412.44	0.11	21,907,475.29	0.04	238.62	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	114,588,745.18	0.17	74,322,733.51	0.12	54.18	Mainly due to the cash dividends declared but not yet paid by associates during the Reporting Period.
Other current assets	1,279,847,680.31	1.90	1,052,050,289.90	1.72	21.65	Mainly due to the increase in the Group's financing factoring balance and prepaid VAT at the end of the Reporting Period as compared to the beginning of the period.
Investments in other equity instruments	6,806,710,952.71	10.08	5,471,025,963.66	8.95	24.41	Mainly due to the increase in the book value of the Group's investments in other equity instruments recognized at fair value during the Reporting Period.
Other non-current financial assets	2,396,998,435.32	3.55	2,039,192,599.15	3.34	17.55	Mainly due to the increase in valuation of other non-current financial assets held by the Group at the end of the Reporting Period as compared to the beginning of the period.

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanations on changes
Intangible assets	35,933,250,768.66	53.24	21,298,818,056.01	34.86	68.71	Mainly due to the transfer of Yichang Expressway and Wufengshan Toll Bridge from construction in progress upon their completion and opening to traffic during the Reporting Period.
Notes payable	24,950,000.00	0.04	38,400,000.00	0.06	-35.03	Mainly due to the decrease in bank acceptances issued by subsidiaries for construction payments at end of the Reporting Period as compared to the beginning of the period.
Accounts payable	2,637,305,575.29	3.91	1,701,582,093.30	2.79	54.99	Mainly due to the increase in construction costs payable for road and bridge projects under construction at the end of the Reporting Period as compared to the beginning of the period.
Other payables	2,600,688,367.59	3.85	240,226,212.82	0.39	982.60	Mainly attributable to the cash dividends declared but not yet paid as at the end of the Reporting Period.
Non-current liabilities due within one year	315,655,575.04	0.47	1,103,456,242.14	1.81	-71.39	Mainly due to the repayment of RMB1 billion of medium-term notes due within one year in the Reporting Period.
Other current liabilities	7,159,787,333.60	10.61	8,327,987,272.56	13.63	-14.03	Mainly due to the redemption of ultra short-term notes during the Reporting Period, resulting in a decrease in the balance as compared to the beginning of the period.
Bonds payable	3,980,374,664.00	5.90	1,984,606,358.58	3.25	100.56	Mainly due to the issuance of corporate bonds of RMB1 billion and medium-term notes of RMB1 billion in the Reporting Period.

Item	Amount as at the end of the Reporting Period	Percentage in the total assets as at the end of the Reporting Period (%)	Amount as at the end of the previous period	Percentage in the total assets as at the end of the previous period (%)	Percentage change of the amount as at the end of the Reporting Period compared to that at the end of the previous year (%)	Explanations on changes
Provisions	4,510,612.50	0.01	54,115,762.42	0.09	-91.66	Mainly due to the partial payment of the penalty for the delayed delivery of the South Nanjing New City project during the Reporting Period.
Deferred tax liabilities	672,876,238.55	1.00	305,018,990.45	0.50	120.60	Mainly due to the adjustment of other comprehensive income based on the fair value of other equity instruments held by the Group, and the corresponding adjustment to the deferred income tax liabilities during the Reporting Period.
Other comprehensive income	1,728,210,036.89	2.56	806,954,969.94	1.32	114.16	Mainly due to the adjustment of other comprehensive income based on the fair value of other equity instruments held by the Group during the Reporting Period.
Total assets	67,498,023,853.64	100.00	61,095,560,365.16	100.00	10.48	
Total gearing ratio	49.12%	-	45.91%	-	Increased by 3.22 percentage points	
Net gearing ratio	96.56%	-	84.86%	-	Increased by 11.70 percentage points	

*Note 1:* During the Reporting Period, the cumulative amount of wealth management products purchased by the Group from any bank on a 12-month rolling period basis did not reach or exceed 5% of the total assets (reduced by any dividends payable as per the Listing Rules) or market value of the Group.

Other explanations

Total gearing ratio is calculated by dividing liabilities by total assets; and net gearing ratio is calculated by dividing liabilities by shareholders' equity.

**2. Major restricted assets as at the end of the Reporting Period**

Applicable       Not Applicable

*Unit: Yuan    Currency: RMB*

<b>Item</b>	<b>Book value as at the end of the Reporting Period</b>	<b>Reasons for restriction</b>
Bank deposits	5,104,358.50	Security deposits for mortgage loans to customers
Bank deposits	21,609,080.00	Supervised proceeds from pre-sale
Bank deposits	1,012,500.00	Security deposits for notes
Intangible assets	11,394,707,723.27	Pledge of toll road operation rights of expressways
<b>Total</b>	<b><u><u>11,422,433,661.77</u></u></b>	

**(1) Explanation for restricted bank deposits**

As at the end of the Reporting Period, the Group's other cash and bank balances consisted of security deposits for mortgage loans to customers of RMB5,104,000, supervised proceeds from pre-sale of RMB21,609,000, and security deposits for notes issued of RMB1,013,000. Among these items, the security deposits for mortgage loans to customers represented the bank deposits of the Group that are frozen by banks granting mortgage loans to customers buying property from Ninghu Properties Company in accordance with relevant agreements, which shall be released upon the banks having received and reviewed the building right encumbrances certificates of the relevant customers. According to the requirements of some local authorities (such as Nanjing, Suzhou, Jurong, Kunshan, etc.) in China, real estate developers need to open a supervised bank account when applying for pre-sale permit for new commercial properties. All the pre-sale proceeds should be transferred to such account which is supervised by regulator and all cash payments from such account should coincide with the construction progress in order to ensure the proceeds being used for property construction on a priority basis. The security deposits for notes are the deposits collected by Finance Company on a pro-rata basis for commercial bills drawn by Longtan Bridge Company in accordance with regulatory requirements.

**(2) *Explanation for restricted 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 million in aggregate, which was secured by the toll road operation right of Guangjing Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB461 million.

Wufengshan Company, a subsidiary of the Group, entered into a loan contract with each of Jiangsu Sub-branch (directly administered) of China Construction Bank and Jiangsu Branch of China Development Bank in respect of a loan in the amount of RMB2,000 million and RMB2,500 million, respectively, which were secured by part of the toll road operation right of Wufengshan Toll Bridge and the toll road operation rights of North-South Approach Expressways. As at the end of the Reporting Period, balances of the loans amounted to RMB1,760.5 million and RMB380 million respectively.

Changyi Company, a subsidiary of the Group, entered into a loan contract with Nanjing Branch of Postal Saving Bank of China in respect of a loan of RMB500 million in aggregate, which was secured by the toll road operation right of Changyi Expressway. As at the end of the Reporting Period, the loan balance was RMB50 million.

Yichang Company, a subsidiary of the Group, entered into a loan contract with Nanjing Branch of Postal Saving Bank of China in respect of a loan of RMB500 million in aggregate, which was secured by the toll road operation right of Yichang Expressway. As at the end of the Reporting Period, the loan balance was RMB250 million.

### 3. *Other explanations*

Applicable     Not Applicable

#### (1) *Capital expenditures*

In the first half of 2021, the main capital expenditures of the Group were as follows:

<b>Items of Capital Expenditures</b>	<b>Amount (RMB)</b>
Wufengshan Toll Bridge	1,216,433,727.36
Yichang Expressway	1,153,713,379.14
Longtan Bridge	244,311,880.72
CDB Kai Yuan Phase II Fund	47,009,707.46
Ninghu International Company	732,310.87
Yangtze Commerce and Energy Company	100,000,000.00
Others	<u>69,907,626.94</u>
<b>Total</b>	<b><u>2,832,108,632.49</u></b>

*Note:* The figures as shown in above table have taken into account the capital investments in the Group's subsidiaries.



(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 sound financial position. As at the end of the Reporting Period, the total liabilities of the Group amounted to approximately RMB33,158,207,000. The overall gearing ratio of the Group was approximately 49.12%, an increase of approximately 3.22 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 reduced financing costs. Through adopting a proactive financing strategy, the Company was able to meet the funding needs of its operation and management and project investment and controlled the financing costs effectively. The Group's borrowing requirements are not subject to seasonality. During the Reporting Period, an additional fund of RMB10,460,000,000 was obtained through direct financing. As at 30 June 2021, the Group's borrowings amounted to RMB14,501,363,000, of which RMB4,325,154,000 were fixed-rate loans. As at the end of the Reporting Period, the balance of interest-bearing liabilities amounted to approximately RMB25,531,360,000, representing an increase of approximately RMB1,279,250,000 as compared with the beginning of the period; and the rate of the consolidated borrowing costs on interest-bearing liabilities of the Group was approximately 3.62%, representing a decrease of approximately 0.37 percentage point year-on-year, approximately 0.85 percentage point lower than the loan prime rate (LPR) for the same period. During the Reporting Period, the Company's major financing activities included:

*Currency: RMB*

Type of financing instrument	Date of issuance	Term	Financing amount <i>RMB'000</i>	Interest rate of issuance %	Loan prime rate (LPR) %	Decrease in financing costs %
Ultra short-term notes	6 January 2021	86 days	1,000,000	2.40	3.85	1.45
Ultra short-term notes	26 January 2021	115 days	430,000	2.70	3.85	1.15
Ultra short-term notes	8 February 2021	151 days	1,000,000	3.00	3.85	0.85
Ultra short-term notes	9 March 2021	178 days	600,000	2.76	3.85	1.09
Ultra short-term notes	10 March 2021	177 days	400,000	2.82	3.85	1.03
Ultra short-term notes	18 March 2021	183 days	1,000,000	2.82	3.85	1.03
Ultra short-term notes	19 March 2021	175 days	500,000	2.82	3.85	1.03
Ultra short-term notes	19 March 2021	175 days	500,000	2.82	3.85	1.03
Ultra short-term notes	1 April 2021	180 days	1,000,000	2.75	3.85	1.10
Ultra short-term notes	12 April 2021	270 days	500,000	2.89	3.85	0.96
Ultra short-term notes	14 April 2021	121 days	500,000	2.73	3.85	1.12
Ultra short-term notes	21 April 2021	121 days	300,000	2.45	3.85	1.40
Ultra short-term notes	21 April 2021	121 days	200,000	2.45	3.85	1.40
Ultra short-term notes	18 May 2021	122 days	430,000	2.45	3.85	1.40
Ultra short-term notes	23 June 2021	121 days	100,000	2.45	3.85	1.40
Medium-term notes	17 June 2021	3 years	1,000,000	3.45	3.85	0.40
Corporate bonds	2 February 2021	3+2 years*	1,000,000	3.70	4.65	0.95

*Note:* The issuer, i.e. the Company, has the right to adjust the coupon rate for the following two years after the end of the third year during the term of the bonds, and the investors have the right to continue to hold the bonds or to sell all or part of the bonds which they hold back to the Company at par value.

#### *(4) Credit policy*

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

(5) *Contingencies*

As a common practice in the real estate industry, Ninghu Properties Company and Hanwei Company, subsidiaries of the Group, provide joint and several guarantees in connection with mortgage loans granted to buyers of commodity housing properties. The guarantee obligation shall begin from the effective date of a guarantee contract and cease when the registration of mortgage in respect of a purchased property is completed and the Building Right Encumbrances Certificate is submitted to the bank. As at 30 June 2021, the outstanding guarantees amounted to approximately RMB566,972,000.

The Company has provided a wholly-owned subsidiary, Factoring Company, with a joint and several guarantee to secure the comprehensive credit line granted to Factoring Company, with a maximum guaranteed amount of RMB670,000,000. The guarantee is effective for a period of three years. As at 30 June 2021, the guarantee balance was approximately RMB413,150,000.

(6) *Entrusted loans*

As at 30 June 2021, 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	123,000,000.00	1,510,000,000.00	–

*Note:* As at the end of the Reporting Period, the Company's entrusted loan balance was RMB1,510,000,000. In particular, the entrusted loans to Zhendan Company, a non-wholly-owned subsidiary of the Company, were RMB100,000,000, and the entrusted loans to Hanwei Company and Ninghu Properties Company, both being wholly-owned subsidiaries of the Company, were RMB660,000,000 and RMB750,000,000, respectively.

(7) *Foreign exchange risks*

The Group currently operates its businesses principally in the PRC. There are no material foreign exchange risks as the Group's operating revenue and major capital expenditures are all settled in Renminbi except for dividend payments for H Shares and the Group has no investment in foreign currency. The Group obtained a loan of USD9,800,000 from the Spanish Government in 1998 at the interest rate of 2% per annum. The Group shall make annual payment in relation to the repayment of the principal and interest until the loan matures on 18 July 2027. As at 30 June 2021, the balance of the loan was equivalent to approximately RMB12,004,000, 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 performance.

### 3.5 Analysis of investment

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

Applicable  Not Applicable

During the Reporting Period, the total amount of external investments of the Group was approximately RMB2,661,468,000, representing a year-on-year decrease of approximately 16.60%. Details of the investments are set out below:

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

Applicable  Not Applicable

As approved by the Board 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 capital contribution of approximately RMB47,009,000. As at the end of the Reporting Period, the total capital contribution made by Ninghu Investment Company amounted to RMB1,031,564,000, representing 85.96% of its committed contribution. To date, the fund has completed 73 committed investment projects, covering financial, medical, logistics and other fields.

(2) *Material non-equity investments*

Applicable     Not Applicable

During the Reporting Period, the Group continued to push forward with its road and bridge projects under construction in an orderly manner. RMB1,153,713,000 was invested in the construction of Yichang Expressway Project, bringing the total investment in the project to RMB3,978,702,000, and the project was completed and opened to traffic in January 2021. RMB1,216,433,000 was invested in the construction of Wufengshan Toll Bridge Project, bringing the total investment in the project to RMB12,060,774,000, and the project was completed and opened to traffic at the end of June 2021. RMB244,312,000 was invested in the construction of Longtan Bridge Project, bringing the cumulative investment in the project to RMB1,582,376,000 which represented 25.30% of the estimated total investment; the project is expected to be completed in 2024.

(3) *Financial assets measured at fair value*

Applicable     Not Applicable

*Unit: Yuan    Currency: RMB*

Item	Initial investment cost	Source of funds	Purchased/sold	Investment income	Change in fair value
Fund investments-Fuanda Advantageous Growth	9,999,400.00	Internal funds	-	-	4,628,722.26
Wealth management products	-	Internal funds	3,717,800,000.00	9,954,221.36	-
Gold investments	2,909,012.43	Internal funds	-2,909,012.43	1,196,462.18	-1,417,525.71
Other non-current financial assets (CDB Kai Yuan Phase II)	984,555,554.91	Internal funds	47,009,707.46	48,704,755.55	296,637,515.83
Other non-current financial assets (Luode Dening)	-	Internal funds	-	-	-
Other non-current financial assets (Zhongbei Zhiyuan)	300,000,000.00	Internal funds	-	-	4,878,647.93
Other non-current financial assets (Luode Huizhi)	500,000,000.00	Internal funds	-	-	9,279,964.95
Fuanda Asset Management Scheme	2,000,000,000.00	Internal funds	-	-	657,734,989.05
Other equity instruments (Bank of Jiangsu)	2,408,801,804.71	Internal funds	-	137,618,000.00	714,220,000.00
Other equity instruments (Jiangsu Leasing Company)	270,898,456.89	Internal funds	-	70,200,000.00	-36,270,000.00
New shares subscription	-	Internal funds	19,626.60	459,635.65	-

During the Reporting Period, Ninghu Investment Company, a subsidiary of the Company, continued to hold units in Fuanda Advantageous Growth Fund purchased in 2011, being approximately 10,000,000 units in total with a net value of approximately RMB34,878,000 at the beginning of the Reporting Period. Investment cost amounted to approximately RMB9,999,000. There was an increase in fair value of approximately RMB4,629,000 during the Reporting Period, bringing the cumulative increase in fair value to approximately RMB24,878,000.

During the Reporting Period, Ninghu Investment Company continued to hold gold bullion investment purchased in 2014 at an investment cost of approximately RMB2,909,000, the net value of which was approximately RMB4,326,000 at the beginning of the Reporting Period. Ninghu Investment Company sold approximately RMB2,909,000 of the gold bullion and realized an investment income of approximately RMB1,196,000 during the Reporting Period. The fair value of the investment decreased by approximately RMB1,417,000 during the Reporting Period, and the net value of the investment was nil as at the end of the Reporting Period.

During the Reporting Period, Ninghu Investment Company continued to hold units in CDB Kai Yuan Phase II Fund subscribed for in 2016 at an investment cost of RMB984,555,000, the net value of which was approximately RMB1,223,030,000 at the beginning of the Reporting Period. During the Reporting Period, Ninghu Investment Company increased its investment by RMB47,009,000 and recorded an investment income of RMB48,704,000. At the end of the Reporting Period, the net value of the investment was approximately RMB1,566,677,000. The fair value of the investment increased by approximately RMB296,637,000 during the Reporting Period bringing the cumulative increase in fair value to approximately RMB535,112,000.

During the Reporting Period, Ninghu Investment Company held units in Luode Dening subscribed for in 2016, the net value of which was approximately RMB32,000 at the beginning of the Reporting Period. The investment cost had been fully recovered, and there was no change in fair value of the investment during the Reporting Period. Ninghu Investment Company also held units in Zhongbei Zhiyuan subscribed for in 2019 at an investment cost of RMB300,000,000. The net value of the investment increased from approximately RMB317,317,000 at the beginning of the Reporting Period to approximately RMB322,196,000 at the end of the Reporting Period, which was due to an increase of approximately RMB4,879,000 in fair value during the Reporting Period, with cumulative increase in fair value amounting to approximately RMB22,196,000. In addition, Ninghu Investment Company held units in Luode Huizhi subscribed for in 2020 at an investment cost of RMB500,000,000. The net value of the investment increased from approximately RMB498,812,000 at the beginning of the Reporting Period to approximately RMB508,092,000 at the end of the Reporting Period, which was due to an increase of approximately RMB9,280,000 in fair value during the Reporting Period, with cumulative increase in fair value amounting to approximately RMB8,092,000.

### 3.6 Material disposal of assets and equity interests

Applicable  Not Applicable

### 3.7 Analysis of major subsidiaries and investee companies

Applicable  Not Applicable

#### 1. Operations of major subsidiaries

*Unit: Yuan Currency: RMB*

Name of company	Principal business	Investment cost	Equity interest attributable to the Company %	Total assets	Net assets	Net profit	Percentage of the Company's net profit %	Year-on-year increase/decrease in net profit %
Guangjing Xicheng Company	Expressway construction, management, maintenance and toll collection	2,125,000,000	85	14,606,068,681.81	7,602,526,340.16	391,480,645.62	14.49	494.17
Zhendan Company	Expressway construction, management, maintenance and toll collection	423,910,000	70	1,751,844,928.50	475,632,123.40	-14,936,456.99	-	-63.31
Wufengshan Toll Bridge Company	Expressway construction, management, maintenance and toll collection	3,112,980,000	64.5	12,736,948,185.86	4,827,927,262.19	-1,090,648.08	-	-
Ninghu Investment Company	Investments in various types of infrastructure, industries and assets	1,878,434,377.98	100	3,344,300,246.93	2,766,311,591.51	295,153,924.69	10.93	433.29
Ninghu Properties Company	Real estate development, operation and consultancy	500,000,000	100	2,577,810,600.88	1,254,650,697.95	58,911,556.89	2.18	7.86
Hanwei Company	Real estate development and operation	374,499,800	100	1,950,916,424.66	184,079,920.34	-6,613,083.13	-	-69.81
Yangtze River Management Company	Expressway construction, management and maintenance	50,000,000	100	53,619,400.07	50,423,505.20	155,464.80	0.01	24.81
Longtan Bridge Company	Expressway construction, management, maintenance and toll collection	890,090,000	53.6	1,722,967,568.72	1,696,989,963.16	234,153.81	0.01	-
Ninghu International Company	Overseas infrastructure investment	732,310.87	100	73,590.58	73,590.58	-658,720.29	-	-
Yangtze Commerce and Energy Company	Operation and management of expressway service areas and other ancillary facilities	100,000,000.00	100	100,573,678.82	100,308,825.63	308,825.63	0.01	-

\* During the Reporting Period, Guangjing Xicheng Company and Zhendan Company (net loss of RMB40,708,214.99 was recorded in the same period last year, whilst in the Reporting Period, the net loss was significantly reduced), subsidiaries of the Group in road and bridge sector, recorded significant year-on-year growth in operating results as a strong rebound in their toll road business led to a substantial increase in toll revenue.

\* During the Reporting Period, Ninghu Investment Company recorded a year-on-year increase of approximately 433.29% in net profit, which was due to the significant increase in fair value of its other non-current financial assets.



- \* Hanwei Company recorded a loss for the Reporting Period, which was mainly attributable to selling expenses. For the operational performance and changes in the operating results of Ninghu Properties Company and Hanwei Company, please refer to the paragraph headed “Real estate business” in this announcement.
- \* Ninghu International Company recorded a loss for the Reporting Period, which was attributable to agency fees incurred in connection with the acquisition of the project in Turkey.

## 2. Operations of key associates

During the Reporting Period, benefiting from a strong recovery in toll road and bridge operations, the associates of the Group recorded significant year-on-year increase in operating results, and contributed an investment income of approximately RMB444,134,000 to the Group. Operating results of certain key associates are set out below:

*Unit: Yuan Currency: RMB*

Name of Company	Principal business	Investment cost <i>RMB</i>	Equity interest attributable to the Company <i>%</i>	Net profit		Percentage of the Company's net profit <i>%</i>	Year- on-year increase/ decrease <i>%</i>
				attributable to the shareholders of the associates <i>RMB</i>	Contribution to investment income <i>RMB</i>		
Suzhou Expressway Company	Mainly responsible for the management and operation of Sujiahang Expressway and Changjia Expressway	957,700,163.00	30.01	314,469,520.86	94,372,303.21	3.49	876.30
Yangtze Bridge Company	Mainly responsible for the management and operation of Jiangyin Bridge	631,159,243.00	26.66	696,184,803.94	185,602,868.73	6.87	-
Yanjiang Company	Mainly responsible for the management and operation of Yanjiang Expressway	1,466,200,000.00	25.15	446,429,901.41	123,214,652.79	4.56	-

### 3.8 Structured entities controlled by the Company

Applicable     Not Applicable

### 3.9 Other disclosure

#### 1. *Possible risks*

Applicable     Not Applicable

Taking into consideration the macro environment and current business status, the Group is mainly exposed to the following risks:

#### 1. *Risks associated with industry policy*

**Risk analysis:** The Group is primarily engaged in the investment, construction, operation and management of toll roads and bridges, and toll revenue are the major source of revenue for the Group. Any adjustment or change in industry policy, national macro-control policy or tax policy will have direct or indirect impact on the Group's operating revenue, and thus the Group is exposed to operational risks arising from industry policy.

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

#### 2. *Risks associated with competition pattern*

**Risk analysis:** As the expressway network is improved gradually, companies operating in the industry face increasingly fierce competition. The opening of roads and bridges that may serve as alternatives to those of the Group may reduce the market share and revenue growth of the Group; and the on-going expansion of railway network in Jiangsu Province will squeeze the existing market share of the Group and affect the future development of the principal business of the Group.

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

3. *Risks associated with project investment*

**Risk analysis:** The Group’s road and bridge projects newly constructed or under construction and overseas exploratory projects are affected by local economic, political and other related factors, and hence there is a risk that future returns may fall short of expectations. In addition, investments in financial and quasi-financial products may involve risks of loss and gain due to market fluctuations or systematic risks.

**Counter-measures:** The Group will improve the mechanism for recruitment and cultivation of professional talents and boost its project research capacity to enhance the forward-looking judgment and increase the chances of successful investment. Besides, the Group will strengthen its internal control measures on external investment and establish scientific investment decision-marking procedures to reduce investment risks.

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

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

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

### 3. *Other Disclosures*

Applicable     Not Applicable

#### (1) *Change of accounting firm*

As considered and approved at the 2020 annual general meeting of the Company, KPMG was appointed as the Company's auditors of financial report and internal control for the year 2021.

#### (2) *Issuance of corporate bonds*

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

#### (3) *Issuance of medium-term notes*

On 1 December 2020, the Company obtained a registered amount of RMB2 billion for mid-term notes from National Association of Financial Market Institutional Investors ("NAFMII"), with a registration valid for two year. On 17 June 2021, the Group completed the issue of mid-term notes of RMB1 billion with a term of 3 years and a coupon rate of 3.45%.

(4) *Investment plan and financing arrangement*

In the second half of 2021, the main capital expenditures of the Group are expected to be as follows:

<b>Capital Expenditures</b>	<b>Amount (RMB)</b>
Wufengshan Toll Bridge and North-South Approach	
Expressways	378,000,000.00
Yichang Expressway	350,000,000.00
Changyi Expressway	50,000,000.00
Zhendan Expressway	11,101,800.00
Longtan Bridge	635,688,119.28
ICA Project in Turkey	999,267,689.13
CDB Kai Yuan Phase II Fund	52,990,292.54
Capital increase of Zijin Trust Co. Ltd. (紫金信托有限责任公司)	2,000,000,000.00
Others	<u>599,201,859.91</u>
 Total	 <u><u>5,076,249,760.86</u></u>

On the basis of fully leveraging its own capital, the Group will timely adjust 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 end of the Reporting Period, the Group's ultra-short-term notes registered with NAFMII but not yet issued with a time limit over one year were approximately RMB4,270 million; medium-term notes registered with NAFMII but not yet issued with a time limit over one year were approximately RMB1 billion; corporate bonds registered with the CSRC but not yet issued with a time limit over one year were RMB7 billion; and the available unutilized bank facilities with a time limit over one year were approximately RMB34 billion. Given the above, the Group believes that its financing facilities will be sufficient for funding its capital expenditures, debt roll-over and business development. Meanwhile, the Group is actively exploring other financing channels such as convertible bonds and overseas bonds. Selecting suitable financing methods for the Group will not only provide the Group with sufficient and efficient funds for its present development, but also make prior arrangements for its future development strategies. If other capital expenditure is required under special circumstances, 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 2021 (for the corresponding period in 2020: 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 of Directors is of the view that the public float of the shares of the Company as at 27 August 2021 (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 2021, other than the following code provisions, the Company has complied with all of the applicable code provisions of the Corporate Governance Code under Appendix 14 to the Hong Kong Listing Rules.

Code provision		Compliance	Corporate governance procedures
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 and safeguards the decisions of the Board from being prejudiced by the opinions of executive Directors.
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 and Mr. Wu Xinhua, being non-executive Directors, and Mr. Zhang Zhuting and Mr. Liu Xiaoxing, being independent non-executive Directors, who were unable to attend the 2020 annual general meeting, due to their business reasons, all independent non-executive Directors and other non-executive Directors have attended the general meetings of the Company.

**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 and 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 2020 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 2021. 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 2021.



## 1. Consolidated Balance Sheet

For the period ended 30 June 2021

Item	<i>Unit: Yuan    Currency: RMB</i>	
	30 June 2021	31 December 2020
<b>Current Assets:</b>		
Cash and bank balances	521,590,786.57	386,712,702.84
Held-for-trading financial assets	3,752,697,533.80	1,533,818,523.40
Notes receivable	9,660,000.00	10,859,500.00
Accounts receivable	294,446,531.38	309,072,553.64
Prepayments	74,183,412.44	21,907,475.29
Other receivables	114,588,745.18	74,322,733.51
Inventories	4,224,559,848.90	4,148,460,044.19
Other current assets	1,279,847,680.31	1,052,050,289.90
<b>Total Current Assets</b>	<b>10,271,574,538.58</b>	<b>7,537,203,822.77</b>
<b>Non-current Assets:</b>		
Investments in other equity instruments	6,806,710,952.71	5,471,025,963.66
Other non-current financial assets	2,396,998,435.32	2,039,192,599.15
Long-term equity investments	7,443,381,722.76	7,130,527,090.60
Investment properties	17,130,485.00	17,581,885.88
Fixed assets	2,576,837,223.04	2,048,237,771.21
Construction in progress	1,825,685,499.32	15,280,716,856.65
Intangible assets	35,933,250,768.66	21,298,818,056.01
Right-of-use assets	16,582,837.95	18,893,134.89
Long-term prepaid expenses	3,414,422.87	4,443,879.42
Deferred tax assets	191,577,207.43	234,039,544.92
Other non-current assets	14,879,760.00	14,879,760.00
<b>Total Non-current Assets</b>	<b>57,226,449,315.06</b>	<b>53,558,356,542.39</b>
<b>TOTAL ASSETS</b>	<b>67,498,023,853.64</b>	<b>61,095,560,365.16</b>

Item	30 June 2021	31 December 2020
<b>Current Liabilities:</b>		
Short-term borrowings	1,614,248,917.01	1,475,103,433.33
Notes payable	24,950,000.00	38,400,000.00
Accounts payable	2,637,305,575.29	1,701,582,093.30
Receipts in advance	11,178,405.03	8,590,278.75
Contract liabilities	971,679,346.06	876,391,923.12
Employee benefits payable	2,820,182.40	1,195,916.09
Taxes payable	307,195,901.36	260,171,624.98
Other payables	2,600,688,367.59	240,226,212.82
Non-current liabilities due within one year	315,655,575.04	1,103,456,242.14
Other current liabilities	7,159,787,333.60	8,327,987,272.56
<b>Total Current Liabilities</b>	<b>15,645,509,603.38</b>	<b>14,033,104,997.09</b>
<b>Non-current Liabilities:</b>		
Long-term borrowings	12,734,787,411.50	11,545,381,743.39
Lease liabilities	13,293,616.02	11,835,601.70
Deferred income	106,854,470.77	112,227,270.52
Provision	4,510,612.50	54,115,762.42
Deferred tax liabilities	672,876,238.55	305,018,990.45
Bonds payable	3,980,374,664.00	1,984,606,358.58
<b>Total Non-current Liabilities</b>	<b>17,512,697,013.34</b>	<b>14,013,185,727.06</b>
<b>TOTAL LIABILITIES</b>	<b>33,158,206,616.72</b>	<b>28,046,290,724.15</b>
<b>Shareholders' Equity:</b>		
Share capital	5,037,747,500.00	5,037,747,500.00
Capital reserve	10,502,833,951.29	10,502,833,951.29
Other comprehensive income	1,728,210,036.89	806,954,969.94
Surplus reserve	3,650,405,305.55	3,650,405,305.55
General risk reserve	5,127,002.73	3,487,713.71
Retained profits	8,568,857,762.23	8,208,531,658.34
<b>Total shareholders' equity attributable to equity holders of the Company</b>	<b>29,493,181,558.69</b>	<b>28,209,961,098.83</b>
Minority interests	4,846,635,678.23	4,839,308,542.18
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>34,339,817,236.92</b>	<b>33,049,269,641.01</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>67,498,023,853.64</b>	<b>61,095,560,365.16</b>

	<i>Person in</i>	
	<i>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>

## 2. Consolidated Income Statement

For the period ended 30 June 2021

Unit: Yuan Currency: RMB

Item	Amount for the current period	Amount for the prior period
<b>I. Total operating income</b>	<b>5,061,764,712.00</b>	2,668,351,072.50
Less: Operating costs	2,220,101,069.51	1,859,290,222.19
Taxes and levies	63,266,494.98	39,258,353.21
Selling expenses	13,038,092.98	8,977,337.47
Administrative expenses	73,844,971.95	73,831,410.68
Financial expenses	293,958,394.97	256,387,221.40
Including: Interest expenses	296,745,724.02	243,777,161.13
Interest income	6,406,363.96	2,833,886.76
Add: Other income	12,115,336.70	9,387,442.24
Investment income	712,266,896.33	147,761,973.92
Including: Income from investments in associates and joint ventures	444,133,821.59	(10,411,795.68)
Gains from changes in fair values	314,007,325.26	50,461,176.80
Losses from disposal of assets	(2,033.85)	–
<b>II. Operating profit</b>	<b>3,435,943,212.05</b>	638,217,120.51
Add: Non-operating income	7,809,364.22	29,557,223.53
Less: Non-operating expenses	8,115,468.09	9,752,929.55
<b>III. Total profit</b>	<b>3,435,637,108.18</b>	658,021,414.49
Less: Income tax expenses	734,392,901.87	173,933,369.86

Item	Amount for the current period	Amount for the prior period
<b>IV. Net profit</b>	<b>2,701,244,206.31</b>	484,088,044.63
(I) Categorized by the nature of continuing operation:		
1. Net profit from continuing operations	2,701,244,206.31	484,088,044.63
2. Net profit from discontinued operations	-	-
(II) Categorized by ownership:		
1. Net profit attributable to owners of the Company	2,679,329,242.91	485,637,446.44
2. Profit or loss attributable to minority interests	21,914,963.40	(1,549,401.81)
<b>V. Other comprehensive income, net of tax</b>	<b>917,174,691.95</b>	(809,582,328.42)
Other comprehensive income attributable to owners of the Company, net of tax	921,255,066.95	(787,732,578.42)
(I) Other comprehensive income that cannot be reclassified to profit or loss	921,255,066.95	(787,732,578.42)
1. Other comprehensive income that cannot be reclassified into profit or loss under the equity method	(84,589,049.84)	6,045,888.15
2. Changes in fair value of investments in other equity instruments	1,005,844,116.79	(793,778,466.57)
(II) Other comprehensive income that will be reclassified to profit or loss	-	-
Other comprehensive income attributable to minority interests, net of tax	(4,080,375.00)	(21,849,750.00)
<b>VI. Total comprehensive income</b>	<b>3,618,418,898.26</b>	(325,494,283.79)
Total comprehensive income attributable to owners of the Company	3,600,584,309.86	(302,095,131.98)
Total comprehensive income attributable to minority interests	17,834,588.40	(23,399,151.81)

Item	Amount for the current period	Amount for the prior period
<b>VII. Earnings per share</b>		
(I) Basic earnings per share	<b>0.5319</b>	0.0964
(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 2021

Item	<i>Unit: Yuan Currency: RMB</i>	
	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	<b>5,386,837,218.09</b>	2,724,400,874.76
Other cash receipts relating to operating activities	<b>426,193,697.07</b>	125,996,536.84
Sub-total of cash inflows from operating activities	<b>5,813,030,915.16</b>	2,850,397,411.60
Cash payments for goods purchased and services received	<b>1,391,224,556.13</b>	934,531,215.93
Cash payments to and on behalf of employees	<b>447,586,109.66</b>	414,329,720.82
Payments of various types of taxes	<b>765,528,665.09</b>	348,231,442.18
Other cash payments relating to operating activities	<b>609,102,245.35</b>	257,975,882.19
Sub-total of cash outflows from operating activities	<b>3,213,441,576.23</b>	1,955,068,261.12
Net Cash Flow from Operating Activities	<b>2,599,589,338.93</b>	895,329,150.48
<b>II. Cash Flows from Investing Activities:</b>		
Cash receipts from disposals and recovery of investments	<b>7,094,228,806.88</b>	2,113,389,861.59
Cash receipts from investment income	<b>276,933,577.35</b>	171,131,564.26
Net cash receipts from disposals of fixed assets, intangible assets and other long-term assets	<b>41,364.43</b>	17,903.54
Sub-total of cash inflows from investing activities	<b>7,371,203,748.66</b>	2,284,539,329.39
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	<b>1,375,575,106.35</b>	2,343,360,064.33
Cash payments to acquire investments	<b>9,352,762,847.82</b>	3,232,375,673.48
Sub-total of cash outflows from investing activities	<b>10,728,337,954.17</b>	5,575,735,737.81
Net Cash Flow from Investing Activities	<b>(3,357,134,205.51)</b>	(3,291,196,408.42)

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>600,000.00</b>	289,710,000.00
Including: cash receipts from capital contributions from minority owners of subsidiaries	<b>600,000.00</b>	289,710,000.00
Cash receipts from borrowings	<b>2,149,150,000.00</b>	2,243,690,000.00
Cash receipts from issue of bonds	<b>10,459,812,500.00</b>	8,110,000,000.00
Sub-total of cash inflows from financing activities	<b>12,609,562,500.00</b>	10,643,400,000.00
Cash repayments of borrowings	<b>11,329,775,862.11</b>	7,983,069,130.59
Cash payments for distribution of dividends or profits or settlement of interest expenses	<b>367,404,739.26</b>	366,506,631.30
Including: payments for distribution of dividends or profits to minority owners of subsidiaries	-	-
Other cash payments relating to financing activities	<b>11,961,277.33</b>	18,540,629.97
Sub-total of cash outflows from financing activities	<b>11,709,141,878.70</b>	8,368,116,391.86
Net Cash Flow from Financing Activities	<b>900,420,621.30</b>	2,275,283,608.14
<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>142,875,754.72</b>	(120,583,649.80)
Add: Opening balance of Cash and Cash Equivalents	<b>350,989,093.35</b>	449,410,135.63
<b>VI. Closing balance of Cash and Cash Equivalents</b>		
	<b>493,864,848.07</b>	328,826,485.83

	<i>Person in Charge of the</i>	
<i>Legal Representative:</i> <b>Sun Xibin</b>	<i>Accounting Body:</i> <b>Dai Qian</b>	<i>Chief Accountant:</i> <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					
	Operating revenue	Operating costs	Gross profit Margin (%)	Year-on-year change in operating revenue (%)	Year-on-year change in operating cost (%)	Year-on-year change in gross profit margin (%)
Toll road	4,050,911,673.39	1,486,309,751.54	63.31	127.89	24.17	Increased by 30.65 percentage point
Shanghai- Nanjing Expressway	2,572,116,454.12	795,750,752.45	69.06	118.67	23.64	Increased by 23.78 percentage point
Guangjing Expressway and Xicheng Expressway	452,468,020.00	103,797,953.49	77.06	89.94	-6.88	Increased by 23.85 percentage point
Ningchang Expressway and Zhenli Expressway	661,234,618.37	297,498,419.87	55.01	164.96	-6.17	Increased by 82.05 percentage point
Xiyi Expressway and Wuxi Huantaihu Expressway	230,892,160.35	149,829,716.79	35.11	145.90	47.29	Increased by 43.45 percentage point
Zhendan Expressway	45,138,428.10	29,369,673.00	34.93	129.71	26.77	Increased by 52.84 percentage point
Changyi Expressway	38,746,551.00	39,692,703.10	-2.44	-	-	-
Yichang expressway	50,311,054.80	69,313,250.82	-37.77	-	-	-
Wufengshan Toll Bridge	4,386.65	1,057,282.02	-24,002.27	-	-	-
Ancillary services	702,455,980.21	606,773,729.36	13.62	14.80	15.58	Decreased by 0.58 percentage points
Property sales	251,537,118.91	89,306,984.48	64.50	4.98	-18.99	Increased by 10.50 percentage points
Others	56,859,939.49	37,710,604.13	33.68	44.76	39.59	Increased by 2.46 percentage point
<b>Total</b>	<b>5,061,764,712.00</b>	<b>2,220,101,069.51</b>	<b>56.14</b>	<b>89.70</b>	<b>19.41</b>	<b>Increased by 25.82 percentage point</b>



## 6.2.2 Financial expenses

Item	<i>Unit: Yuan Currency: RMB</i>	
	Amount recognized in the current period	Amount recognized in the prior period
Interest expenses	296,745,724.02	243,777,161.13
Interest income	6,406,363.96	2,833,886.76
Exchange differences	(117,134.14)	199,624.65
Bond issuance fee and commission charges for other loans	3,210,975.45	11,899,606.27
Others	525,193.60	3,344,716.11
Total	<u>293,958,394.97</u>	<u>256,387,221.40</u>

## 6.2.3 Investment income

Item	<i>Unit: Yuan Currency: RMB</i>	
	Amount recognized in the current period	Amount recognized in the prior period
Income from long-term equity investments under equity method	444,133,821.59	(10,411,795.68)
Investment income from other equity instruments in the holding period	207,818,000.00	149,290,000.00
Investment income from other non-current financial assets	48,704,755.55	–
Investment income from trading financial assets	209,977.34	4,686,758.48
Investment income (losses) from disposal of financial assets measured at FVTPL	11,400,341.85	4,197,011.12
Total	<u>712,266,896.33</u>	<u>147,761,973.92</u>

#### 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	658,361,503.67	157,144,512.52
Deferred tax expenses	76,398,338.32	16,137,747.38
Differences in annual filing for the prior years	<u>(366,940.12)</u>	<u>651,109.96</u>
Total	<u><u>734,392,901.87</u></u>	<u><u>173,933,369.86</u></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	8.93	0.5319	N/A
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profits or losses	8.00	0.4744	N/A

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

## 6.2.6 Supplementary information of income statement

Item	Unit: Yuan Currency: RMB	
	Amount recognized in the current period	Amount recognized in the prior period
Employee benefits	478,301,217.47	431,367,185.58
Depreciation and amortization	938,411,076.99	820,942,950.35
Toll related expenses	68,194,359.23	48,350,275.51
Road maintenance expenses	209,064,763.46	90,000,499.83
System maintenance expenses	8,982,235.03	4,238,044.31
Real estate development land and construction cost	89,306,984.48	110,236,786.05
Petroleum in the service zone	469,072,174.35	396,397,425.11
Catering cost in the service zone	2,622,942.23	1,944,904.89
Audit fee	–	–
Consulting and intermediary service fee	2,866,046.27	182,796.20
Commission fee for agent of real estate sales	6,659,861.49	3,678,433.44
Advertisement and promotion fee	3,519,778.26	1,974,648.15
Others	29,982,695.18	32,785,020.92
Total	<u>2,306,984,134.44</u>	<u>1,942,098,970.34</u>

## 6.2.7 Analysis of Receivable and Payables

### (1) Notes receivable

#### 1 Disclosure of notes receivable by categories:

Category	Unit: Yuan Currency: RMB	
	30 June 2021	30 June 2020
Bank acceptances	<u>9,660,000.00</u>	<u>10,859,500.00</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*

Aging	Amount	30 June 2021		Book value
		Proportion (%)	Provision for credit impairment	
Within 1 year	292,367,905.12	99.21	235,047.87	292,132,857.25
More than 1 year but not exceeding 2 years	<u>2,322,654.36</u>	<u>0.79</u>	<u>8,980.23</u>	<u>2,313,674.13</u>
Total	<u><u>294,690,559.48</u></u>	<u><u>100.00</u></u>	<u><u>244,028.10</u></u>	<u><u>294,446,531.38</u></u>

2 Bad debt provision:

*Unit: Yuan    Currency: RMB*

Category	Opening Balance	Changes for the period			Closing Balance
		Provision	Recovery or reversal	Write-down or write off	
Bad debt provision	<u>244,028.10</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u><u>244,028.10</u></u>
Total	<u><u>244,028.10</u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>                    </u></u>	<u><u>244,028.10</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.

(3) *Disclosure of prepayments by aging*

*Unit: Yuan Currency: RMB*

Aging	30 June 2021		31 December 2020	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	<b>72,898,084.00</b>	<b>98.27</b>	16,548,932.55	75.54
More than 1 year but not exceeding 2 years	-	-	1,431,631.67	6.53
More than 2 years but not exceeding 3 years	<b>45,728.44</b>	<b>0.06</b>	3,614,315.97	16.50
More than 3 years	<b>1,239,600.00</b>	<b>1.67</b>	312,595.10	1.43
Total	<b><u>74,183,412.44</u></b>	<b><u>100.00</u></b>	<b><u>21,907,475.29</u></b>	<b><u>100.00</u></b>

(4) *Disclosure of other receivables by nature*

*Unit: Yuan Currency: RMB*

Item	30 June 2021	31 December 2020
	Dividends receivable	<b>39,180,099.60</b>
Others	<b>75,408,645.58</b>	69,332,773.51
Total	<b><u>114,588,745.18</u></b>	<b><u>74,322,733.51</u></b>

(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>30 June 2021</b>	<b>31 December 2020</b>
Within 1 year	<b>2,410,233,766.06</b>	1,312,481,227.00
More than 1 year but not exceeding 2 years	<b>157,728,406.08</b>	295,117,285.28
More than 2 years but not exceeding 3 years	<b>47,428,440.20</b>	61,369,526.86
More than 3 years	<b>21,914,962.95</b>	32,614,054.16
Total	<b><u>2,637,305,575.29</u></b>	<b><u>1,701,582,093.30</u></b>

Details of accounts payable are as follows

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Construction payable	<b>2,186,911,757.36</b>	1,167,508,726.08
Construction payable for real estate project	<b>395,692,338.58</b>	469,850,481.38
Purchase of petroleum payable	–	6,822,003.91
Toll road fee payable	<b>43,149,182.83</b>	4,044,092.84
Others	<b>11,552,296.52</b>	53,356,789.09
Total	<b><u>2,637,305,575.29</u></b>	<b><u>1,701,582,093.30</u></b>

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

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Rental deposit received in advance	<b>3,709,864.14</b>	6,937,173.45
Interest received in advance	<b>4,468,540.89</b>	1,653,105.30
Others	<b>3,000,000.00</b>	–
<b>Total</b>	<b><u>11,178,405.03</u></b>	<b><u>8,590,278.75</u></b>

The aging analysis of receipts in advance is as follows:

*Unit: Yuan Currency: RMB*

<b>Aging</b>	<b>30 June 2021</b>		<b>31 December 2020</b>	
	<b>RMB</b>	<b>%</b>	<b>RMB</b>	<b>%</b>
Within 1 year	<b>9,157,571.69</b>	<b>81.92</b>	6,022,965.70	70.11
More than 1 year but not exceeding 2 years	<b>2,020,833.34</b>	<b>18.08</b>	2,567,313.05	29.89
<b>Total</b>	<b><u>11,178,405.03</u></b>	<b><u>100.00</u></b>	<b><u>8,590,278.75</u></b>	<b><u>100.00</u></b>

(7) *Contract liabilities*

Contract liabilities

*Unit: Yuan Currency: RMB*

<b>Item</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Advertising release fee in advance	<b>971,679,346.06</b>	875,844,018.90
Others	–	547,904.22
<b>Total</b>	<b><u>971,679,346.06</u></b>	<b><u>876,391,923.12</u></b>

(8) *Disclosure of other payables by nature*

	<i>Unit: Yuan Currency: RMB</i>	
<b>Item</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Dividends payable	2,420,576,724.06	93,379,246.71
Others	<u>180,111,643.53</u>	<u>146,846,966.11</u>
Total	<u><b>2,600,688,367.59</b></u>	<u><b>240,226,212.82</b></u>

**6.2.8 Other Current Liabilities**

	<i>Unit: Yuan Currency: RMB</i>	
<b>Item</b>	<b>30 June 2021</b>	<b>31 December 2020</b>
Ultra short term notes	7,083,129,778.00	8,257,078,476.00
Output VAT to be transferred ( <i>Note</i> )	<u>76,657,555.60</u>	<u>70,908,796.56</u>
Total	<u><b>7,159,787,333.60</b></u>	<u><b>8,327,987,272.56</b></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 credit risk, the Group controls credit limits, performs credit approvals and implements other control procedures to ensure that necessary follow-up actions are taken to recover overdue debts. In addition, the Group reviews the recovery of its receivables on each balance sheet date to ensure that adequate provisions are made for bad debts. In view of the above, the management considers that the Group's credit risk is relatively low.



### **6.2.10 Contingencies**

As a common practice in the real estate industry, Ninghu Properties Company and Hanwei Company, subsidiaries of the Group, provide joint and several guarantees in connection with mortgage loans granted to buyers of commodity housing properties. The guarantee obligation shall begin from the effective date of a guarantee contract and cease when the registration of mortgage in respect of a purchased property is completed and the Building Right Encumbrances Certificate is submitted to the bank. As at 30 June 2021, the outstanding guarantees amounted to approximately RMB566,972,000.

The Company has provided a wholly-owned subsidiary, Factoring Company, with a joint and several guarantee to secure the comprehensive credit line granted to Factoring Company, with a maximum guaranteed amount of RMB670,000,000. The guarantee is effective for a period of three years. As at 30 June 2021, the guarantee balance was approximately RMB413,150,000.

### **6.2.11 Pledged Assets**

#### *(1) Explanation for restricted bank deposits*

As at the end of the Reporting Period, the Group's other cash and bank balances consisted of security deposits for mortgage loans to customers of RMB5,104,000, supervised proceeds from pre-sale of RMB21,609,000, and security deposits for notes issued of RMB1,013,000. Among these items, the security deposits for mortgage loans to customers represented the bank deposits of the Group that are frozen by banks granting mortgage loans to customers buying property from Ninghu Properties Company in accordance with relevant agreements, which shall be released upon the banks having received and reviewed the building right encumbrances certificates of the relevant customers. According to the requirements of the administrative measures on pre-sale proceeds stipulated by some local regulatory authorities (such as Nanjing, Suzhou, Jurong, Kunshan, etc.) in China, real estate developers need to open a supervised bank account when applying for pre-sale permit for new commercial properties. All the pre-sale proceeds should be transferred to such account which is supervised by regulator and all cash payments from such account should coincide with the construction progress in order to ensure the proceeds being used for property construction on a priority basis. The security deposits for notes are the deposits collected by Finance Company on a pro-rata basis for commercial bills drawn by Longtan Bridge Company in accordance with regulatory requirements.

(2) *Explanation for restricted 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 million in aggregate, which was secured by the toll road operation right of Guangjing Expressway. As at the end of the Reporting Period, the loan balance amounted to RMB461 million.

Wufengshan Company, a subsidiary of the Group, entered into a loan contract with each of Jiangsu Sub-branch (directly administered) of China Construction Bank and Jiangsu Branch of China Development Bank in respect of a loan in the amount of RMB2,000 million and RMB2,500 million, respectively, which were secured by part of the toll road operation right of Wufengshan Toll Bridge and the toll road operation rights of North-South Approach Expressways. As at the end of the Reporting Period, balances of the loans amounted to RMB1,760.5 million and RMB380 million respectively.

Changyi Company, a subsidiary of the Group, entered into a loan contract with Nanjing Branch of Postal Saving Bank of China in respect of a loan of RMB500 million in aggregate, which was secured by the toll road operation right of Changyi Expressway. As at the end of the Reporting Period, the loan balance was RMB50 million.

Yichang Company, a subsidiary of the Group, entered into a loan contract with Nanjing Branch of Postal Saving Bank of China in respect of a loan of RMB500 million in aggregate, which was secured by the toll road operation right of Yichang Expressway. As at the end of the Reporting Period, the loan balance was RMB250 million.

## **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 (2020: 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

	Shanghai-Nanjing Expressway		Guangjing Expressway and Xicheng Expressway		Xiyi Expressway and Wuxi Huaihaihu Expressway		Changyi Expressway		Yichang Expressway		Ningchang Expressway and Zhenli Expressway	
	Closing Balance/Amount recognized in the current period	Opening Balance/Amount recognized in the prior period	Closing Balance/Amount recognized in the current period	Opening Balance/Amount recognized in the prior period	Closing Balance/Amount recognized in the current period	Opening Balance/Amount recognized in the prior period	Closing Balance/Amount recognized in the current period	Opening Balance/Amount recognized in the prior period	Closing Balance/Amount recognized in the current period	Opening Balance/Amount recognized in the prior period	Closing Balance/Amount recognized in the current period	Opening Balance/Amount recognized in the prior period
Segment operating income	2,572,116,454.12	1,176,273,277.15	452,468,020.00	238,218,656.79	230,892,160.35	93,898,635.01	38,746,551.00	-	50,311,054.80	-	661,234,618.37	249,559,632.44
Operating costs	795,750,752.45	643,622,193.65	103,797,953.49	111,470,130.86	149,829,716.79	101,726,699.57	39,692,703.10	-	69,313,250.82	-	297,498,419.87	317,948,082.41
Including: Amortization of toll roads operation rights	302,741,554.21	287,233,503.50	53,362,755.23	60,549,922.89	68,526,942.67	61,467,464.85	33,271,015.03	-	60,054,349.14	-	219,748,421.80	237,873,041.17
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-	-	-	-	-
Segment operating profit (loss)	1,776,365,701.67	532,651,083.50	348,670,066.51	126,748,525.93	81,062,443.56	(7,828,064.56)	(946,152.10)	-	(19,002,196.02)	-	363,736,198.50	(67,488,449.97)
Reconciling items:												
Less: Taxes and levies	9,259,619.23	4,234,583.80	1,628,884.87	857,587.16	831,211.78	338,035.09	139,487.58	-	181,119.80	-	2,380,444.63	898,414.68
Selling expenses	-	-	-	-	-	-	-	-	-	-	-	-
Administrative expenses	34,829,032.32	36,673,012.64	-	-	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-	-	-	-	-
Add: Other income	9,523,372.29	6,428,305.34	15,874.00	532,369.58	-	-	-	-	-	-	2,459,920.27	1,157,610.51
Investment income	-	-	-	-	-	-	-	-	-	-	-	-
Gains or losses from changes in fair values	-	-	-	-	-	-	-	-	-	-	-	-
Impairment reversals (losses) of credit	-	-	-	-	-	-	-	-	-	-	-	-
Impairment loss of assets	-	-	-	-	-	-	-	-	-	-	-	-
Gains(losses) from disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit	1,741,800,422.41	498,171,792.40	347,057,055.64	126,423,308.35	80,231,231.78	(8,166,099.65)	(1,085,639.68)	-	(19,183,315.82)	-	363,815,674.14	(67,229,254.14)
Non-operating income	-	-	-	-	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Total profit	1,741,800,422.41	498,171,792.40	347,057,055.64	126,423,308.35	80,231,231.78	(8,166,099.65)	(1,085,639.68)	-	(19,183,315.82)	-	363,815,674.14	(67,229,254.14)
Income tax expenses	-	-	-	-	-	-	-	-	-	-	-	-
Net profit	1,741,800,422.41	498,171,792.40	347,057,055.64	126,423,308.35	80,231,231.78	(8,166,099.65)	(1,085,639.68)	-	(19,183,315.82)	-	363,815,674.14	(67,229,254.14)
Total segment assets	9,120,131,913.24	9,338,559,144.11	840,592,340.71	946,419,951.73	1,621,067,648.54	1,689,536,140.13	3,898,039,797.93	3,900,767,681.55	4,020,826,861.59	2,896,568,864.06	4,685,613,880.30	5,108,236,089.36

Unit: Yuan Currency: RMB

	Zhendan Expressway		Wufengshan Bridge		Longtan Bridge		Ancillary services	
	Closing Balance/ Amount recognized in the current period	Opening Balance/ Amount recognized in the prior period	Closing Balance/ Amount recognized in the current period	Opening Balance/ Amount recognized in the prior period	Closing Balance/ Amount recognized in the current period	Opening Balance/ Amount recognized in the prior period	Closing Balance/ Amount recognized in the current period	Opening Balance/ Amount recognized in the prior period
Segment operating income	45,138,428.10	19,650,511.35	4,386.65	-	-	-	702,455,980.21	611,871,621.75
Operating costs	29,369,673.00	23,168,281.86	1,057,282.02	-	-	-	606,773,729.36	525,002,197.70
Including: Amortization of toll roads operation rights	16,728,846.30	15,291,607.89	980,700.67	-	-	-	-	-
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	-	-
Segment operating profit (loss)	15,768,755.10	(3,517,770.51)	(1,052,895.37)	-	-	-	469,072,174.35	396,397,425.11
Reconciling items:								
Less: Taxes and levies	162,498.34	70,741.84	15.79	-	-	-	3,548,292.48	4,925,345.53
Selling expenses	-	-	-	-	-	-	-	-
Administrative expenses	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-	-
Add: Other income	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Gains or losses from changes in fair values	-	-	-	-	-	-	-	-
Impairment reversals (losses) of credit impairment loss of assets	-	-	-	-	-	-	-	-
Gains(losses) from disposal of assets	-	-	-	-	-	-	-	-
Operating profit	15,606,256.76	(3,588,512.35)	(1,052,911.16)	-	-	-	92,133,958.37	81,944,078.52
Non-operating income	-	-	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-	-	-
Total profit	15,606,256.76	(3,588,512.35)	(1,052,911.16)	-	-	-	92,133,958.37	81,944,078.52
Income tax expenses	-	-	-	-	-	-	-	-
Net profit	15,606,256.76	(3,588,512.35)	(1,052,911.16)	-	-	-	92,133,958.37	81,944,078.52
Total segment assets	1,496,864,803.32	1,513,593,649.62	12,736,948,185.86	11,475,593,425.01	1,722,967,568.72	1,338,064,187.44	577,829,996.02	375,533,647.53

	Real estate development		Advertising and others		Unallocated items		Total	
	Closing Balance/ Amount recognized in the current period	Opening Balance/ Amount recognized in the prior period	Closing Balance/ Amount recognized in the current period	Opening Balance/ Amount recognized in the prior period	Closing Balance/ Amount recognized in the current period	Opening Balance/ Amount recognized in the prior period	Closing Balance/ Amount recognized in the current period	Opening Balance/ Amount recognized in the prior period
Segment operating income	251,537,118.91	239,598,650.73	56,859,939.49	39,280,087.28	-	-	5,061,764,712.00	2,668,351,072.50
Operating costs	89,306,984.48	110,236,786.05	37,710,604.13	27,015,850.09	-	-	2,220,101,069.51	1,859,290,222.19
Including: Amortization of toll roads operation rights	-	-	-	-	-	-	755,414,585.05	662,408,540.30
Costs of petrol and other goods sold in service zones	-	-	-	-	-	-	469,072,174.35	396,397,425.11
Segment operating profit (loss)	162,230,134.43	129,361,864.68	19,149,335.36	12,264,237.19	-	-	2,841,663,642.49	809,060,850.31
Reconciling items:								
Less: Taxes and levies	44,470,474.00	26,779,640.26	664,446.48	1,154,004.85	-	-	63,266,494.98	39,258,353.21
Selling expenses	13,038,092.98	8,977,337.47	-	-	-	-	13,038,092.98	8,977,337.47
Administrative expenses	-	-	-	-	39,015,939.63	37,158,398.04	73,844,971.95	73,831,410.68
Financial expenses	-	-	-	-	293,958,394.97	256,387,221.40	293,958,394.97	256,387,221.40
Other income	50,318.49	216,411.69	-	-	65,851.65	1,052,745.12	12,115,336.70	9,387,442.24
Investment income	-	-	-	-	712,266,896.33	147,761,973.92	712,266,896.33	147,761,973.92
Gains or losses from changes in fair values	-	-	-	-	314,007,325.26	50,461,176.80	314,007,325.26	50,461,176.80
Impairment reversals (losses) of credit impairment loss of assets	-	-	-	-	-	-	-	-
Gains(losses) from disposal of assets	(2,033.85)	-	-	-	-	-	(2,033.85)	-
Operating profit	104,769,852.09	93,821,298.64	18,484,888.88	11,110,232.34	693,365,738.64	(94,269,723.60)	3,435,943,212.05	638,217,120.51
Non-operating income	-	-	-	-	7,809,364.22	29,557,223.53	7,809,364.22	29,557,223.53
Non-operating expenses	-	-	-	-	8,115,468.09	9,752,929.55	8,115,468.09	9,752,929.55
Total profit	104,769,852.09	93,821,298.64	18,484,888.88	11,110,232.34	693,059,634.77	(74,465,429.62)	3,435,637,108.18	658,021,414.49
Income tax expenses	-	-	-	-	734,392,901.87	173,933,369.86	734,392,901.87	173,933,369.86
Net profit	104,769,852.09	93,821,298.64	18,484,888.88	11,110,232.34	(41,333,267.10)	(248,398,799.48)	2,701,244,206.31	484,088,044.63
Total segment assets	4,528,727,025.54	2,788,804,491.62	3,352,265,057.30	2,741,818,417.41	18,896,148,774.57	16,982,064,675.59	67,498,023,853.64	61,095,560,365.16

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***

In August 2021, the Consortium received an official letter from IC Company in Turkey (as seller), in which the IC Company requested a negotiation between both parties on the relevant terms of a termination agreement for the acquisition of Turkish third bridge project. Upon comprehensive consideration by all members of the Consortium, it is decided to accept IC Company's suggestion and both parties propose to carry out follow-up negotiations on the termination agreement.

## **6.3 Matters Relevant to the Financial Report**

### ***6.3.1 Changes in accounting policies, estimates and methods as compared with the previous period and their reasons and impacts***

#### *Changes in Significant Accounting Policies*

#### 1. Details of and reasons for changes in accounting policies

The relevant requirements of the Accounting Standards for Business Enterprises that came into effect in 2021 and are relevant the Group are as follows:

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

## 1.1 Interpretation No. 14

Interpretation No.14 became effective as of 26 January 2021 (“Implementation Date”).

### (1) Public-private partnership (“PPP”) projects

Interpretation No.14 clarifies the characteristics and conditions of PPP project contracts, and stipulates the specific accounting treatment and disclosure requirements of private investors for PPP project contracts. The Article 5 “Accounting treatment for an enterprise’s engagement in public infrastructure construction projects in the form of BOT” of the Accounting Standards for Business Enterprises Interpretation No. 2 (Cai Kuai [2008] No.11) was abolished at the same time.

The Group’s PPP project contracts that became effective before 31 December 2020 but not yet completed up to the Implementation Date and those that took effect during the period from 1 January 2021 to the Implementation Date shall be retroactively adjusted, and the opening balance of retained earnings and other related items in the financial statements for 2021 shall be adjusted to reflect the cumulative effect, without adjusting the figures of comparative period. The adoption of the interpretation does not have any material impact on the financial position and operating results the Group.

### (2) Interest rate benchmark reform

Interpretation No. 14 sets out the relevant accounting and disclosure requirements for modifications to financial instruments and lease liabilities resulting from reform of interest rate benchmarks. The Group has made retrospective adjustments to the business transactions related to the interest rate benchmark reform that occurred before 31 December 2020 and during the period from 1 January 2021 to the Implementation Date, and adjusted the opening balance of retained earnings or other comprehensive income of 2021 to reflect the cumulative effect, without adjusting the figures of comparative period. The adoption of the interpretation does not have any material impact on the financial position and operating results the Group.



## 1.2 Cai Kuai [2021] No. 9

The Requirements on Accounting Treatment of COVID-19-Related Rent Concessions (Caikuai [2020] No.10) provides a simplified method for rental concessions meeting certain conditions and occurring as a direct consequence of the COVID-19 pandemic. Under the requirements of Caikuai [2021] No. 9, the rent concessions under this simplified method apply only to lease payments due on or before 30 June 2022. The Group has adjusted the opening balance of retained earnings and other related items in the financial statements for 2021 to reflect the cumulative effect of Cai Kuai [2021] No. 9, without adjusting the figures of comparative period. The application of the above requirements does not have any material impact on the financial position and operating results the Group

### ***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

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the meanings as follows:

Company	Jiangsu Expressway Company Limited (江蘇寧滬高速公路股份有限公司)
Group	the Company and its subsidiaries
Controlling Shareholder, or Jiangsu Communications Holding	Jiangsu Communications Holding Company Limited (江蘇交通控股有限公司)
China Merchants Expressway	China Merchants Expressway Network & Technology Holdings Co., Ltd. (招商局公路網絡科技控股股份有限公司)
Ningchang Zhenli Company	Jiangsu Ningchang Zhenli Expressway Company Limited (江蘇寧常鎮溧高速公路有限公司)

Ninghu International Company	Jiangsu Expressway International (Hong Kong) Company Limited
Yangtze River Management Company	Jiangsu Yangtze River Expressway Management Co.,Ltd. (江蘇揚子江高速通道管理有限公司)
Ninghu Investment Company	Jiangsu Ninghu Investment Development Co., Ltd. (江蘇寧滬投資發展有限責任公司)
Factoring Company	Ninghu Commercial Factoring (Guangzhou) Co., Ltd. (寧滬商業保理(廣州)有限公司)
Ninghu Properties Company	Jiangsu Ninghu Properties Co., Ltd. (江蘇寧滬置業有限責任公司)
Hanwei Company	Nanjing Hanwei Property Development Company Limited (南京瀚威房地產開發有限公司)
Yangtze Commerce and Energy Company	Jiangsu Yangtze Commerce and Energy Co., Ltd. (江蘇長江商業能源有限公司)
Guangjing Xicheng Company	Jiangsu Guangjing Xicheng Expressway Company Limited (江蘇廣靖錫澄高速公路有限責任公司)
Zhendan Company	Jiangsu Zhendan Expressway Company Limited (江蘇鎮丹高速公路有限公司)
Wufengshan Toll Bridge Company	Jiangsu Wufengshan Toll Bridge Company Limited (江蘇五峰山大橋有限公司)
Longtan Bridge Company	Jiangsu Longtan Bridge Co., Ltd. (江蘇龍潭大橋有限公司)
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 Road & Bridge Co., Ltd. (江蘇現代路橋有限責任公司)
Network Operation Company	Jiangsu Expressway Network Operation and Management Co., Ltd. (江蘇高速公路聯網營運管理有限公司)
Bank of Jiangsu	Bank of Jiangsu Co., Ltd. (江蘇銀行股份有限公司)
Yichang Company	Jiangsu Yichang Expressway Co., Ltd. (江蘇宜長高速公路有限公司)
Changyi Company	Jiangsu Changyi Expressway Co., Ltd. (江蘇常宜高速公路有限公司)
Suxichang Expressway Company	Jiangsu Suxichang South Expressway Co., Ltd. (江蘇蘇錫常南部高速公路有限公司)
Nanlin Hotel	Suzhou Nanlin Hotel Co., Ltd. (蘇州金陵南林飯店有限責任公司)
Yanjiang Company	Jiangsu Yanjiang Expressway Co., Ltd. (江蘇沿江高速公路有限公司)
Jiangsu Leasing Company 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)
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)
Human Resources Company	Jiangsu Communications Holding Human Resources Development Co., Ltd. (江蘇交控人力資源發展有限公司((formerly known as Jiangsu Communications Holding Training Co., Ltd. (前稱江蘇交控培訓有限公司)))
East Road & Bridge Company	Jiangsu East Road & Bridge Construction Maintenance Co., Ltd. (江蘇東方路橋建設養護有限公司)
Communications Holding Commercial Operation	Jiangsu Communications Holding Commercial Operation Management Co., Ltd. (江蘇交控商業運營管理有限公司)
Xitai Company	Jiangsu Xitai Tunnel Company Limited (江蘇錫泰隧道有限責任公司)
Cuipingshan Hotel	Jiangsu Cuipingshan Hotel Management Co., Ltd. (江蘇翠屏山賓館管理有限公司)
Sujiahang Company	Suzhou Sujiahang Expressway Co., Ltd. (蘇州蘇嘉杭高速公路有限公司)

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)
Luode Dening	Nanjing Luode Dening Real Estate Investment Partnership (Limited Partnership) (南京洛德德寧房地產投資合夥企業(有限合夥))
Zhongbei Zhiyuan	Nanjing Luode Zhongbei Zhiyuan Equity Investment Partnership (Limited Partnership) (南京洛德中北致遠股權投資合夥企業(有限合夥))
Luode Huizhi	Nanjing Luode Huizhi Equity Investment Partnership (Limited Partnership) (南京洛德匯智股權投資合夥企業(有限合夥))
Ninghang Company	Jiangsu Ninghang Expressway Co., Ltd. (江蘇寧杭高速公路有限公司)
Ninghang Cultural Tourism Company	Jiangsu Ninghang Cultural Tourism Development Co., Ltd. (江蘇寧杭文化旅遊發展有限公司)
Husuzhe Company	Jiangsu Husuzhe Expressway Co., Ltd. (江蘇滬蘇浙高速公路有限公司)
Huatong Engineering Company	Jiangsu Huatong Engineering Testing Co., Ltd. (江蘇華通工程檢測有限公司)
Sutong Bridge Company	Jiangsu Sutong Bridge Co., Ltd. (江蘇蘇通大橋有限責任公司)
Sundian Testing Company	Jiangsu Sundian Engineering Testing Co., Ltd. (江蘇現代工程檢測有限責任公司)
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))
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
Suxichang Expressway	Changzhou Qianhuang hub - Wuxi Nanquan hub
IC Company	IC İÇTAŞ İnşaat Sanayi ve Ticaret A.Ş., a joint stock company duly organized and validly existing under the laws of Turkey

Consortium	a consortium as a special purpose vehicle in Hong Kong jointly established by China Merchants Expressway, CMU, Zhejiang Expressway, the Company, Sichuan Expressway and Anhui Expressway through their respective wholly-owned subsidiaries in Hong Kong
CMU	China Merchants Union (BVI) Limited
Zhejiang Expressway	Zhejiang Expressway Co., Ltd.
Sichuan Expressway	Sichuan Expressway Co., Ltd.
Anhui Expressway	Anhui Expressway Co., Ltd.
Reporting Period	the half year period from 1 January 2021 to 30 June 2021
year-on-year	as compared with the same period of 2020
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
KPMG	KPMG Huazhen LLP
Deloitte	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Corporate Governance Code	The Corporate Governance Code set out in Appendix 14 to the Hong Kong Listing Rules

**Jiangsu Expressway Company Limited**  
**Sun Xibin**  
*Chairman*

Nanjing, the PRC, 27 August 2021

*As at the date of this announcement, the Directors of the Company are: Sun Xibin, Cheng Xiaoguang, Chen Yanli, Wang Yingjian, Yao Yongjia, Wu Xinhua, Li Xiaoyan, Ma Chung Lai, Lawrence, Yu Mingyuan\*, Xu Guanghua\*, Lin Hui\*, Zhou Shudong\*, Liu Xiaoxing\*.*

*\* Independent non-executive Directors*