

JINJIANG INTERNATIONAL HOLDING CO, LTD.

CONSOLIDATED FINANCIAL STATEMENTS
AND AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

AUDITORS' REPORT

毕马威华振沪审字第 2102121 号

TO THE BOARD OF DIRECTORS OF JINJIANG INTERNATIONAL HOLDING CO, LTD.,

Opinion

We have audited the financial statements of Jinjiang International Holding Co, Ltd. (hereinafter referred to as "Jinjiang International") set out on pages 1 to 138, which comprise the consolidated balance sheets as at 31 December 2020, and the consolidated income statements, the consolidated statements of cash flow and the consolidated statements of changes in shareholder's equity for the year ended 31 December 2020, as well as the notes to the financial statements.

In our opinion, the accompanying financial statements of Jinjiang International present fairly, in all material respects, the consolidated financial position of Jinjiang International as at 31 December 2020, and the consolidated financial performance and cash flows of Jinjiang International for the year then ended in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants ("CSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of Jinjiang International in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

AUDITORS' REPORT - continued

毕马威华振沪审字第 2102121 号

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing Jinjiang International's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Jinjiang International or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Jinjiang International's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jinjiang International's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

AUDITORS' REPORT - continued

毕马威华振沪审字第 2102121 号

Auditors' Responsibilities for the Audit of the Financial Statements - continued

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Jinjiang International's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Jinjiang International to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements (including the disclosures), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Jinjiang International to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG Huazhen LLP

Chinese Certified Public Accountant
Shanghai Branch

Yang Jie

Shanghai, China

Ni Yingjun

The auditors' report and the accompanying financial statements are English translations of the Chinese auditors' report and statutory financial statements prepared under accounting principles and practices generally accepted in the People's Republic of China. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. Where the English version does not conform to the Chinese version, the Chinese version prevails.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED BALANCE SHEET
At 31 December 2020
(Expressed in Renminbi Yuan)

	Note IX	31/12/2020	31/12/2019
ASSETS			
Current Assets			
Cash and bank balances	1	15,031,759,500.96	18,198,973,700.66
Financial assets at fair value through profit or loss	2	1,188,049,609.19	547,630,400.97
Derivative financial assets		-	195,387.50
Notes receivable	3	33,715,529.12	14,060,824.15
Accounts receivable	4	2,186,562,010.63	2,850,247,779.65
Prepayments	5	455,776,164.83	556,344,425.95
Other receivables	6	519,450,221.68	840,499,008.18
Inventories	7	369,781,582.66	408,842,446.49
Held-for-sale assets	8	1,214,756,874.00	127,355,686.51
Non-current assets due within one year	9	-	517,800,000.00
Other current assets	10	<u>1,273,997,647.52</u>	<u>1,145,869,601.52</u>
Total Current Assets		<u>22,273,849,140.59</u>	<u>25,207,819,261.58</u>

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED BALANCE SHEET (CONTINUED)
At 31 December 2020
(Expressed in Renminbi Yuan)

	Note IX	31/12/2020	31/12/2019
ASSETS - continued			
Non-current Assets			
Loans and advances	11	32,920,250.00	-
Available-for-sale financial assets	12	11,896,871,098.22	18,316,040,521.06
Long-term receivables	13	75,440,937.11	45,155,624.72
Long-term equity investments	14	6,966,977,927.43	6,363,079,904.42
Investment properties	15	553,065,730.76	582,373,597.10
Fixed assets	16	16,437,789,448.67	13,824,214,929.76
Construction in progress	17	2,712,317,529.91	2,323,288,838.89
Intangible assets	18	20,864,454,395.28	20,737,335,070.10
Goodwill	19	14,161,262,838.61	13,413,431,273.88
Long-term deferred expenses	20	2,601,821,609.06	2,976,062,776.15
Deferred tax assets	21	2,669,581,094.04	1,090,007,339.96
Other non-current assets	22	1,788,762,407.30	1,693,811,798.78
Total Non-current Assets		<u>80,761,265,266.39</u>	<u>81,364,801,674.82</u>
TOTAL ASSETS		<u>103,035,114,406.98</u>	<u>106,572,620,936.40</u>

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED BALANCE SHEET (CONTINUED)
At 31 December 2020
(Expressed in Renminbi Yuan)

	Note IX	31/12/2020	31/12/2019
LIABILITIES AND OWNER'S EQUITY			
Current Liabilities			
Short-term borrowings	25	5,911,966,301.94	5,781,148,947.68
Customer deposits and deposits from banks and other financial institutions	26	229,355,448.44	149,102,233.13
Derivative financial liabilities		-	5,426,310.56
Notes payable	27	116,350,000.00	120,734,832.00
Accounts payable	28	3,102,679,985.55	3,049,123,253.60
Receipts in advance	29	1,822,901,969.72	1,641,796,339.06
Employee benefits payable	30	2,274,909,479.04	2,612,449,967.92
Taxes payable	31	1,623,453,302.31	1,545,211,089.62
Other payables	32	2,797,147,547.54	3,943,131,244.86
Held-for-sale liabilities	8	29,724,600.00	-
Non-current liabilities due within one year	33	10,975,016,792.33	2,721,865,652.75
Other current liabilities	34	480,952,288.00	937,855,134.00
		<u>29,364,457,714.87</u>	<u>22,507,845,005.18</u>
Total Current Liabilities			

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED BALANCE SHEET (CONTINUED)
At 31 December 2020
(Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>31/12/2020</i>	<i>31/12/2019</i>
LIABILITIES AND OWNER'S EQUITY - continued			
Non-current Liabilities			
Long-term borrowings	35	27,734,061,657.90	25,753,493,611.65
Customer deposits	36	198,150,000.00	159,650,000.00
Bonds payable	37	7,588,035,261.30	16,092,603,248.51
Long-term payables	38	1,180,457,889.52	2,594,504,409.02
Long-term employee benefits payable	39	1,032,141,912.51	765,134,252.17
Provisions	40	59,393,852.99	67,820,372.65
Deferred income	41	832,574,030.69	852,674,802.88
Deferred tax liabilities	21	3,992,133,767.29	3,000,779,442.36
Other non-current liabilities	42	<u>82,768,004.71</u>	<u>78,154,026.33</u>
Total Non-current Liabilities		<u>42,699,716,376.91</u>	<u>49,364,814,165.57</u>
TOTAL LIABILITIES		<u>72,064,174,091.78</u>	<u>71,872,659,170.75</u>

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED BALANCE SHEET (CONTINUED)
At 31 December 2020
(Expressed in Renminbi Yuan)

	Note IX	31/12/2020	31/12/2019
LIABILITIES AND OWNER'S EQUITY - continued			
Owner's Equity			
Paid-in capital	43	2,000,000,000.00	2,000,000,000.00
Capital reserve	44	4,171,602,781.38	3,996,187,440.65
Other comprehensive income	63	(949,082,601.43)	2,510,746,100.97
Specific reserve	45	-	-
Surplus reserve	46	783,608,658.65	737,695,561.06
Retained earnings	47	<u>8,577,272,280.06</u>	<u>8,465,329,607.14</u>
 Total owner's equity attributable to the equity holders of the Company		14,583,401,118.66	17,709,958,709.82
 Minority interests		<u>16,387,539,196.54</u>	<u>16,990,003,055.83</u>
 Total Owner's Equity		<u>30,970,940,315.20</u>	<u>34,699,961,765.65</u>
 TOTAL LIABILITIES AND OWNER'S EQUITY		<u>103,035,114,406.98</u>	<u>106,572,620,936.40</u>

These financial statements were approved.

Zhao Qi
Person in-charge of
the enterprise
(Signature and
stamp)

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

Chen Lin
The head of the
accounting
department
(Signature and
stamp)

(Company stamp)

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2020
(Expressed in Renminbi Yuan)

	Note IX	2020	2019
Total operating income		21,804,949,280.89	36,127,206,455.39
Including: Operating income	48	21,672,747,322.89	36,012,534,180.58
Interest income of financial institutions	49	132,201,958.00	114,672,274.81
Less: Total operating costs		12,521,691,455.82	14,422,812,652.91
Including: Operating costs	50	12,460,952,695.82	14,367,537,545.71
Interest expense of financial institutions	49	60,738,760.00	55,275,107.20
Taxes and levies	51	363,875,224.68	444,421,096.05
Selling expenses	52	9,006,063,796.75	11,473,926,381.58
Administrative expenses	52	4,567,944,400.60	7,559,660,103.42
R&D expenses		66,751,911.32	59,453,339.07
Financial expenses	53	1,454,046,383.17	1,363,632,484.95
Including: Interest expenses		1,579,278,746.13	1,502,335,825.83
Interest income		247,267,617.20	262,761,254.67
Exchange losses (gains) of financial institution	54	3,909,392.00	(1,283,460.62)
Add: Other income	55	571,183,552.00	136,534,546.35
Investment income	56	5,646,779,978.54	1,363,962,345.40
Including: Income from investments in associates and joint ventures		1,453,148,415.88	353,720,644.48
Gain from changes in fair values	57	271,143,928.88	8,195,378.91
Impairment losses of assets	58	(1,593,222,531.20)	(222,406,353.96)
Gains from disposal of assets		750,367,027.33	599,627,959.69
Operating (losses) profit		(533,081,327.90)	2,690,497,734.42
Add: Non-operating income	59	95,442,491.82	68,887,537.79
Less: Non-operating expenses	60	139,411,764.58	76,922,263.00
Total (losses) profit		(577,050,600.66)	2,682,463,009.21
Less: Income tax expense	61	(223,459,875.80)	834,151,231.19
Net (losses) profits		<u>(353,590,724.86)</u>	<u>1,848,311,778.02</u>

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED INCOME STATEMENT (CONTINUED)
For the year ended 31 December 2020
(Expressed in Renminbi Yuan)

	Note IX	2020	2019
(I) Categorized by the nature of continuity of operation:			
1. Net (losses) profits from continuing operation		(353,590,724.86)	1,848,311,778.02
2. Net profits from discontinued operation		-	-
(II) Categorized by ownership:			
1. Net profit attributable to owner of the parent company		261,602,726.43	805,051,717.27
2. Profit or loss attributable to minority interests		(615,193,451.29)	1,043,260,060.75
Other comprehensive income, net of tax	63	(3,862,150,784.60)	1,593,469,934.38
(I) Other comprehensive income attributable to owner of the parent company, net of tax		(3,459,828,702.40)	1,382,860,610.38
1. Other comprehensive income that will not be subsequently reclassified to profit or loss			
(1) Changes from remeasurement of defined benefit plans		(6,302,500.50)	(6,455,064.27)
(2) Other comprehensive income recognized under equity method that may not be reclassified to profit or loss		-	-

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED INCOME STATEMENT (CONTINUED)
For the year ended 31 December 2020
(Expressed in Renminbi Yuan)

	Note IX	2020	2019
Other comprehensive income, net of tax (continued)	63		
(I) Other comprehensive income attributable to owner of the parent company, net of tax (continued)			
2. Other comprehensive income may be subsequently reclassified to profit or loss			
(1) Other comprehensive income recognized under equity method that may be reclassified to profit or loss		(297,670.95)	7,192,225.20
(2) Gains or losses arising from changes in fair value of available-for-sale financial assets		(3,294,630,167.25)	1,293,164,490.59
(3) The effective portion of profit or loss arising from cash flow hedging		3,024,140.15	(3,454,848.58)
(4) Exchange differences arising from translation of financial statements denominated in foreign currencies		(161,622,503.85)	92,413,807.44
(II) Other comprehensive income attributable to minority interests, net of tax		<u>(402,322,082.20)</u>	<u>210,609,324.00</u>
Total comprehensive income		<u>(4,215,741,509.46)</u>	<u>3,441,781,712.40</u>
Total comprehensive income attributable to owner of the parent company		(3,198,225,975.97)	2,187,912,327.65
Total comprehensive income attributable to minority interests		(1,017,515,533.49)	1,253,869,384.75

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2020
(Expressed in Renminbi Yuan)

	Note IX	2020	2019
Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		22,494,671,044.15	37,468,623,217.19
Refund of taxes		-	6,977,426.73
Net decrease in loans and advances extended to other parties		517,800,000.00	-
Other receipts relating to operating activities	66	<u>1,188,930,728.47</u>	<u>598,623,009.59</u>
Sub-total of cash inflows from operating activities		<u>24,201,401,772.62</u>	<u>38,074,223,653.51</u>
Payments for goods purchased and services received		12,699,904,506.47	15,249,704,794.67
Payments to and on behalf of employees		8,822,291,714.58	10,638,596,457.99
Payments of various types of taxes		1,034,381,070.37	2,273,047,972.83
Net increase in loans and advances extended to other parties		54,950,000.00	52,900,000.00
Other payments relating to operating activities	66	<u>3,850,921,385.83</u>	<u>6,087,420,540.98</u>
Sub-total of cash outflows from operating activities		<u>26,462,448,677.25</u>	<u>34,301,669,766.47</u>
Net cash (outflow) inflow from operating activities	65	<u>(2,261,046,904.63)</u>	<u>3,772,553,887.04</u>

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
For the year ended 31 December 2020
(Expressed in Renminbi Yuan)

	Note IX	2020	2019
Cash flows from investing activities:			
Receipts from disposal of investments		5,916,938,080.07	2,524,417,375.24
Investment returns received		350,873,484.13	947,140,001.89
Net proceeds from disposals of fixed assets, intangible assets and other long-term assets		572,059,262.49	276,280,395.20
Changes in restricted bank deposits		106,395,631.61	-
Net cash receipts from acquisition of subsidiaries and other business units		<u>31,213,092.80</u>	<u>35,700,878.05</u>
Sub-total of cash inflows from investing activities		<u>6,977,479,551.10</u>	<u>3,783,538,650.38</u>
Payments to acquire or construct fixed assets, intangible assets and other long-term assets		2,691,756,031.16	2,987,172,681.99
Payments to acquire investments		4,421,988,388.47	1,907,049,880.21
Changes in restricted bank deposits		-	64,916,315.30
Net cash payments for acquisitions of subsidiaries and other business units		-	19,826,396.67
Other payments relating to Investing activities	67	<u>23,893,738.01</u>	<u>1,124,400,842.43</u>
Sub-total of cash outflows from investing activities		<u>7,137,638,157.64</u>	<u>6,103,366,116.60</u>
Net cash outflow from investing activities		<u>(160,158,606.54)</u>	<u>(2,319,827,466.22)</u>

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
For the year ended 31 December 2020
(Expressed in Renminbi Yuan)

	Note IX	2020	2019
Cash flows from financing activities::			
Proceeds from investors		-	677,392,072.68
Proceeds from borrowings		14,080,933,633.90	17,166,642,459.06
Proceeds from issue of bonds		2,000,000,000.00	3,869,864,560.12
Other cash receipts relating to financing activities	68	-	<u>1,249,036,810.55</u>
Sub-total of cash inflows from financing activities		<u>16,080,933,633.90</u>	<u>22,962,935,902.41</u>
Repayments of borrowings		14,471,097,287.61	23,237,351,725.37
Payments for distribution of profits and settlement of interest expenses		2,389,250,409.39	2,224,916,924.52
Including: payments for distribution of profits to minority shareholders of subsidiaries		582,329,021.29	551,480,257.55
Payments for acquisition of minority interests		243,116,554.43	2,717,806,736.95
Other cash payments relating to financing activities	68	<u>18,999,710.56</u>	<u>12,388,485.81</u>
Sub-total of cash outflows from financing activities		<u>17,122,463,961.99</u>	<u>28,192,463,872.65</u>
Net cash outflow from financing activities		<u>(1,041,530,328.09)</u>	<u>(5,229,527,970.24)</u>
Effect of foreign exchange rate changes on cash and cash equivalents		<u>334,762,960.17</u>	<u>(55,132,002.46)</u>
Net decrease in cash and cash equivalents	65	(3,127,972,879.09)	(3,831,933,551.88)
Add: Cash and cash equivalents at the beginning of the year		<u>17,557,721,799.40</u>	<u>21,389,655,351.28</u>
Cash and cash equivalents at the end of the year	64	<u>14,429,748,920.31</u>	<u>17,557,721,799.40</u>

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY
For the year ended 31 December 2020
(Expressed in Renminbi Yuan)

	Owner's equity attributable to equity holders of the Company						Minority interests	Total owner's equity	
	Paid-in capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings			Sub-total
Balance at 1 January 2020	2,000,000,000.00	3,996,187,440.65	2,510,746,100.97	-	737,695,561.06	8,465,329,607.14	17,709,958,709.82	16,990,003,055.83	34,699,961,765.65
Changes for the year ("-" for decreases)									
1. Total comprehensive income	-	-	(3,459,828,702.40)	-	-	261,602,726.43	(3,198,225,975.97)	(1,017,515,533.49)	(4,215,741,509.46)
2. Owner's contributions									
- Transactions with minority interests (Note IX 69)	-	153,799,187.22	-	-	-	-	153,799,187.22	1,165,644,171.55	1,319,443,358.77
- Effect of transfer of equity at no consideration (Note IX 71)	-	9,157,903.51	-	-	-	-	9,157,903.51	-	9,157,903.51
- Others (Note IX 44)	-	12,458,250.00	-	-	-	-	12,458,250.00	83,193.63	12,541,443.63
3. Profit distribution									
- Transfer to surplus reserve	-	-	-	-	45,913,097.59	(45,913,097.59)	-	-	-
- Distributions to owner	-	-	-	-	-	(103,746,955.92)	(103,746,955.92)	(750,675,690.98)	(854,422,646.90)
4. Specific reserve									
- Provision of special reserve	-	-	-	13,975,259.17	-	-	13,975,259.17	-	13,975,259.17
- Utilization of special reserve	-	-	-	(13,975,259.17)	-	-	(13,975,259.17)	-	(13,975,259.17)
Sub-total of 1 to 4	-	175,415,340.73	(3,459,828,702.40)	-	45,913,097.59	111,942,672.92	(3,126,557,591.16)	(602,463,859.29)	(3,729,021,450.45)
Balance at 31 December 2020	2,000,000,000.00	4,171,602,781.38	(949,082,601.43)	-	783,608,658.65	8,577,272,280.06	14,583,401,118.66	16,387,539,196.54	30,970,940,315.20

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
CONSOLIDATED STATEMENT OF CHANGES IN OWNER'S EQUITY (CONTINUED)
For the year ended 31 December 2020
(Expressed in Renminbi Yuan)

	Owner's equity attributable to equity holders of the Company						Minority interests	Total owner's equity	
	Paid-in capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings			Sub-total
Balance at 1 January 2019	2,000,000,000.00	4,316,952,383.86	1,127,885,490.59	-	709,351,519.95	7,918,964,663.82	16,073,154,058.22	17,688,752,005.29	33,761,906,063.51
Changes for the year ("-" for decreases)									
1. Total comprehensive income	-	-	1,382,860,610.38	-	-	805,051,717.27	2,187,912,327.65	1,253,869,384.75	3,441,781,712.40
2. Owner's contributions									
- Capital contribution from owners (Note IX 44)	-	300,000,000.00	-	-	-	-	300,000,000.00	377,392,072.68	677,392,072.68
- Transactions with minority interests	-	(1,029,251,846.19)	-	-	-	-	(1,029,251,846.19)	(1,721,164,511.00)	(2,750,416,357.19)
- Effect of transfer of equity at no consideration	-	57,270,825.84	-	-	-	-	57,270,825.84	1,508,426.82	58,779,252.66
- Others (Note IX 44)	-	351,216,077.14	-	-	-	-	351,216,077.14	-	351,216,077.14
3. Profit distribution									
- Transfer to surplus reserve	-	-	-	-	28,344,041.11	(28,344,041.11)	-	-	-
- Distributions to owners	-	-	-	-	-	(230,342,732.84)	(230,342,732.84)	(626,178,994.40)	(856,521,727.24)
4. Specific reserve									
- Provision of special reserve	-	-	-	3,854,807.77	-	-	3,854,807.77	9,236,745.19	13,091,552.96
- Utilization of special reserve	-	-	-	(3,854,807.77)	-	-	(3,854,807.77)	(9,236,745.19)	(13,091,552.96)
5. Others	-	-	-	-	-	-	-	15,824,671.69	15,824,671.69
Sub-total of 1 to 5	-	(320,764,943.21)	1,382,860,610.38	-	28,344,041.11	546,364,943.32	1,636,804,651.60	(698,748,949.46)	938,055,702.14
Balance at 31 December 2019	2,000,000,000.00	3,996,187,440.65	2,510,746,100.97	-	737,695,561.06	8,465,329,607.14	17,709,958,709.82	16,990,003,055.83	34,699,961,765.65

The notes on pages 14 to 138 form part of these financial statements.

JINJIANG INTERNATIONAL HOLDING CO, LTD.
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Renminbi Yuan)

I. BASIC INFORMATION

Jinjiang International Holding Co, Ltd. ("the Company" or "Company") is a wholly state-owned limited liability company established by the former Jin Jiang (Holdings) Co., Ltd. and former Shanghai New Asia Group Co., Ltd. through assets reorganization in accordance with the approval of Hu Guo Zi Chan (2003) No. 263 issued by State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government. The Company was incorporated in Shanghai on 1 September 2003. The Company and its subsidiaries (collectively, the "Group") is mainly engaged in the operation and management of state-owned assets, corporate investments and management, hotel management, tourist services, domestic trading, property management, leasing of self-owned office building and apartment, property broking and related consulting services etc. The registered capital of the Company is RMB 2 billion. The actual contributions are detailed in Note IX 43.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

For the year ended 31 December 2020, the Group had incurred net losses of RMB 353,590,724.86. As at 31 December 2020, the Group had total current liabilities in excess of total current assets of RMB 7,090,608,574.28. Considering the Group still has sufficient unused bank loan facilities to enable the Group to maintain sufficient liquidity for repayments of due debts and thus to maintain as a going concern for the year 2021. Accordingly, the financial statements have been prepared on a going concern basis.

III. DECLARATION FOLLOWING ASBE (ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES)

The consolidated financial statements of the Group have been prepared in accordance with ASBE issued by the Ministry of Finance ("MOF") of the People's Republic of China and the relevant requirements in the "Notice to complete the enterprise's year-end closing for the year 2020" (Hu Guo Zi Wei Ping Jia [2020] No. 1) issued by the State-owned Assets Supervision And Administration Commission of Shanghai Municipal Government ("SASAC of Shanghai Municipal Government"), and presented truly and completely the consolidated financial position as of 31 December 2020, and the consolidated results of operations and cash flows for the year then ended.

The Company has presented separately the Company's financial statement and the consolidated financial statement for the year ended 31 December 2020. The financial statements prepared by the Company comprise balance sheet, income statement, cash flow statement, statement of changes in owner's equity and notes to the financial statements. If the users of the financial statements need to understand the Company's standalone financial position, results of operation and cash flows, they shall also read the Company's standalone financial statements.

IV. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

2. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The Company's foreign subsidiaries choose the currency of the main economic environment where the operating business is located as its functional currency. The Group adopts RMB to prepare its financial statements. Some of the Company's subsidiaries have functional currencies that are different from the Company's functional currency. Their financial statements have been translated based on the accounting policy set out in Note IV 8.

3. Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with relevant regulations.

Where the historical cost is adopted as the measurement basis, assets are recorded at the amount of cash or cash equivalents paid or at the fair value of the consideration given to acquire them at the time of acquisition. Liabilities are recorded at the amount of proceeds or assets received or the contractual amounts for assuming the present obligation, or, at the amounts of cash or cash equivalents expected to be paid to settle the liabilities in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. Fair value measurement and/or disclosure in the financial statements are determined according to the above basis.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance to the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. Business combinations

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

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

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

4.1. Business combinations involving entities under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings. Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

4.2. Business combinations not involving entities under common control

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

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

5. Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from changes in the carrying amounts (other than the amortized cost) of available-for-sale monetary items are recognized as other comprehensive income.

When the consolidated financial statement include foreign operation(s), if there is foreign currency monetary item constituting a net investment in a foreign operation, exchange difference arising from changes in exchange rates are recognized as "exchange differences arising on translation of financial statements denominated in foreign currencies " in owner's equity, and in profit and loss for the period upon disposal of the foreign operation.

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

6. Goodwill

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statement. It is tested for impairment at least at the end of each year.

For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

The impairment of goodwill is recognized in profit or loss for the period in which it is incurred and will not be reversed in any subsequent period.

7. Preparation of consolidated financial statement

7.1. General principles

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

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

When the amount of loss for the period attributable to the minority owners of a subsidiary exceeds the minority owners' portion of the opening balance of owners' equity of the subsidiary, the excess amount are still allocated against minority interests.

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

7.2. Subsidiaries acquired through a business combination

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

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

7.3. Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognized as investment income for the current period. The remaining equity investment is re-measured at its fair value at the date when control is lost, any resulting gains or losses are also recognized as investment income for the current period.

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

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

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

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

7.4. Changes in minority interests

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

8. Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statement, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; owner's equity items are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at exchange rates that approximate the actual spot exchange rates on the dates of the transactions; The difference between the translated assets and the aggregate of liabilities and owners' equity items recognized as other comprehensive income and included in owner's equity.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate which approximates the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of exchange rate changes on cash and cash equivalent".

The opening balances and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

9. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

10. Inventories

The Group's inventories (other than property development) mainly include raw materials, low cost and short-lived materials, packaging material, work in progress, finished goods, and merchandise etc. The inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

The actual cost of inventories upon delivery is calculated using the first-in-first-out, weighted average or specific identification method.

Inventories regarding property development mainly comprise properties under development and completed properties etc. Inventories are initially measured at cost. Development cost of properties comprises costs for acquiring the land use rights, expenditures of support infrastructure, expenditures of construction and installation work, borrowing costs incurred before the development project is completed and other related expenses incurred during the course of development. The development items are accounted for using specific identification method.

Reusable materials represents the materials, that remains its original forms and of which the value is transferred gradually through use of a number of times, but haven't been recognized to fixed assets. It comprises packaging materials and low cost and short-lived materials etc. The reusable materials are amortized using the immediate write-off or equal-split amortization method.

At the balance sheet date, the inventories shall be calculated by the lower of cost and net realized value. When the net realizable value is less than the cost, inventory provision is required.

The net realizable value represent the amount derived by deducting the potential cost, estimated sale cost and relative taxes to the completion date from the estimated selling price of the inventory in daily activities. The company determined net realizable value of inventories, made the obtained conclusive evidence as basis, and considered the purposes of holding inventories, events after the balance sheet date and other factors.

Provision for decline in value of other inventories is made based on the excess of cost of inventory over its net realizable value on an item-by-item basis.

In case the factors impacting the inventory provision are eliminated, making the net realizable value be higher than the book value, the write-down amount should be recovered from the previous write-down amount of inventory provision and the corresponding amount shall be reversed to current profit and loss.

The inventory system is a perpetual inventory system.

11. Long-term equity investments

(a) Investments in subsidiaries

In the Group's consolidated financial statements, subsidiaries are accounted for in accordance with the policies described in Note IV 7.

In the Company's separate financial statements, investments in subsidiaries are measured as follows:

- The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the capital premium in the capital reserve, with any excess adjusted to retained earnings.
- For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree.
- A long-term equity investment in subsidiary acquired other than through a business combination is initially recognized at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method, unless the investment is classified as held for sale (see Note IV 17). Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognizes its share of the cash dividends or profit distributions declared by the subsidiary as investment income in the current period. The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses (see Note IV 19.2).

(b) Investments in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control and rights to the net assets of the arrangement.

An associate is an enterprise over which the Group has significant influence.

An investment in a joint venture or an associate is initially recognized at the amount of cash paid if the Group acquires the investment by cash.

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale (see Note IV 17).

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

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognized at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognized in profit or loss.
- After the acquisition of the investment, the Group recognizes its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by the amount attributable to the Group. Changes in the Group's share of the investee's owner's equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owner's equity"), is recognized directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.
- In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owner's equity, the Group recognizes investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealized profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealized losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealized gains but only to the extent that there is no impairment.
- The Group discontinues recognizing its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognizing its share of those profits only after its share of the profits has fully covered the share of losses not recognized.

The Group makes provision for impairment of investments in joint ventures and associates in accordance with the principles described in Note IV 19.2.

12. Investment properties

Investment property is property held to earn rentals or for capital appreciation or both. It includes a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortization policy for the investment property which is consistent with that for buildings or land use rights.

When an investment property is sold, transferred, retired or damaged, the Group recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

13. Fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognized. Other subsequent expenditures that included in the cost of the fixed assets are recognized in profit or loss in the period in which they are incurred.

Except for overseas land which is not depreciated, other fixed assets are depreciated over their useful life using the straight-line method since the month subsequent to the one in which they are ready for intended use.

The useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

<i>Category</i>	<i>Useful life</i>	<i>Residual value rate</i>	<i>Annual depreciation rate</i>
Land use rights	-	-	-
Buildings	10-60 years	0 - 10%	1.5 - 10.0%
Machinery and equipment	2-20 years	0 - 10%	4.5 - 50.0%
Electronic equipment, appliances and furniture	2-20 years	0 - 10%	4.5 - 50.0%
Transportation vehicles	3-15 years	3 - 10%	6.0 - 32.3%
Commercial vehicles	4-10 years	4 - 10%	9.0 - 24.0%
Expenditures on decoration of hotels and buildings	3-10 years	0 - 5%	9.5 - 33.3%

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

The Group adopts a depreciation policy for a fixed asset held under a finance lease which is consistent with that for its owned fixed asset. If there is reasonable certainty that the Group will obtain ownership of the leased asset at the end of the lease term, the leased asset is depreciated over its useful life. If there is no reasonable certainty that the Group will obtain ownership of the leased asset at the end of the lease term, the leased asset is depreciated over the shorter of the lease term and its useful life.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and account for any change as a change in an accounting estimate.

14. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for intended use.

15. Intangible assets

Intangible assets include land use rights, taxi operation licenses, beneficial rights of long-term lease, trademark right and brand, patent and relevant rights, membership right, and non-patent and software and so on.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized.

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the period, and makes adjustments when necessary.

15.1. R&D expenditures

Expenditure during the research phase is expensed when incurred.

Expenditure during the development phase is recognized as an intangible asset if all of the following criteria are met, or otherwise included in the current profit or loss:

- (1) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (2) the Group's intention to complete the intangible asset to use or sell it;
- (3) the ways that how the intangible asset will generate economic benefits. Among other things, the Group can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (4) the availability of adequate technical, financial or other resources to complete the development of the intangible asset, and the ability to use or sell the intangible asset;
- (5) the expenditure attributable to the intangible asset during its development phase can be measured reliably.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognizes all of them in the current period's profit or loss.

16. Long-term deferred expenses

Long-term deferred expenses represent expenses incurred that should be borne and amortized over the current and subsequent periods (together of more than one year). Long-term deferred expenses are amortized using the straight-line method over the expected periods in which benefits are derived.

17. Held for sale non-current assets and disposal groups

Non-current assets and disposal groups are classified as held for sale category when the Group recovers the book value through a sale (including an exchange of nonmonetary assets that has commercial substance) rather than continuing use.

Non-current assets or disposal groups classified as held for sale are required to satisfy the following conditions: (1) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset or disposal group; (2) the sale is highly probable, i.e. the Group has made a resolution about selling plan and obtained a confirmed purchase commitment and the sale is expected to be completed within one year.

The Group measures the no-current assets or disposal groups classified as held for sale at the lower of their carrying amount and fair value less costs to sell. Where the carrying amount is higher than the net amount of fair value less costs to sell, carrying amount should be reduced to the net amount of fair value less costs to sell, and such reduction is recognized in impairment loss of assets and included in profit or loss for the period. Meanwhile, provision for impairment of held-for-sale assets are made. When there is increase in the net amount of fair value of non-current assets held for sale less costs to sell at the balance sheet date, the original deduction should be reversed in impairment loss of assets recognized after the classification of held-for-sale category, and the reverse amount is include in profit or loss for the period.

Non-current assets classified as held-for-sale or disposal groups are not depreciated or amortized, interest and other costs of liabilities of disposal group classified as held for sale continue to be recognized.

All or part of equity investments in an associate or joint venture are classified as held-for-sale assets. For the part that is classified as held-for-sale, it is no longer accounted for using the equity method since the date of the classification.

18. Financial instruments

Financial instruments include cash and bank balances, bond investments and equity securities other than those classified as long-term equity investments (see Note IV 11), receivables, payables, borrowings, bonds payable and paid-in capital.

18.1. Recognition and measurement of financial assets

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

The Group classifies financial assets and liabilities into different categories at initial recognition based on the purpose of acquiring assets or assuming liabilities: financial assets and financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities.

Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs.

Subsequent to initial recognition, financial assets and liabilities are measured as follows:

- Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.
- Receivables and held-to-maturity investments are measured at amortized cost using the effective interest method.
- Available-for-sale investments in equity instruments whose fair value cannot be measured reliably are measured at cost. Other available-for-sale financial assets are measured at fair value and changes therein are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses from monetary financial assets which are recognized directly in profit or loss. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss. Dividend income is recognized in profit or loss when the investee approves the dividends. Interest is recognized in profit or loss using the effective interest method.
- Financial liabilities other than those at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. However, a financial guarantee issued by the Group is subsequently measured at the higher of the amount initially recognized less accumulated amortization and the amount of a provision determined in accordance with the principles for contingent liabilities.

18.2. Presentation of financial assets and financial liabilities

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

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

18.3. Derecognition of financial assets and financial liabilities

A financial asset is derecognized when one of the following conditions is met:

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

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

- the carrying amount of the financial asset transferred;
- the consideration received from the transfer.

The Group derecognizes a financial liability (or part of it) only when its contractual obligation (or part of it) is discharged or cancelled or expires.

18.4. Equity instrument

The consideration received from the issuance of equity instruments net of transaction costs is recognized in owner's equity.

Consideration and transaction costs paid by the Group for repurchasing self-issued equity instruments are deducted from owner's equity.

19. Impairment of receivables

19.1 Impairment of financial assets

19.1.1 Receivables

Receivables are assessed for impairment both on an individual basis and on a collective group basis.

Where impairment is assessed on an individual basis, an impairment loss in respect of a receivable is calculated as the excess of its carrying amount over the present value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the original effective interest rate. Impairment losses are recognized in profit or loss.

- a) Receivables that are individually significant and for which bad debt provision is individually assessed

The Group categorizes receivable above RMB 20,000,000 (included RMB 20,000,000) as individually significant receivables. For receivables that are individually significant, the Group assesses the receivables individually for impairment.

- b) Receivables that are not individually significant but for which bad debt provision is individually assessed

For receivable that is not individually significant as shown by objective evidence, but on which the special impairment has occurred, the Group test it individually for impairment. The bad debt provision is made whenever there is objective evidence shows that the Group cannot recover the receivable according to the original terms.

The assessment is made collectively where receivables share similar credit risk characteristics (including those having not been individually assessed as impaired), based on their historical loss experiences, and adjusted by the observable factors reflecting current economic conditions.

19.1.2 Available-for-sale financial assets

Available-for-sale financial assets are assessed for impairment on an individual basis and on a collective group basis as follows.

When an available-for-sale financial asset is impaired, the cumulative loss arising from a decline in fair value that has been recognized directly in equity is reclassified to profit or loss even though the financial asset has not been derecognized.

If, after an impairment loss has been recognized on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognized, the impairment loss is reversed through profit or loss. An impairment loss recognized for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. The impairment loss on an investment in an unquoted equity instrument whose fair value cannot be reliably measured is not reversed.

19.2 Impairment of other assets

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

- fixed assets
- construction in progress
- intangible assets
- goodwill
- long-term deferred expenses
- investment properties measured using a cost model
- long-term equity investments

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

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

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

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

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

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

20. Employee benefits

20.1. Short-term employee benefits

Actually, occurred short-term employee benefits are recognized as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognized in profit and loss for the period or the costs of relevant assets based on the actually occurred amounts when it actually occurred. Non-monetary staff welfare expenses are measured at fair value.

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as union running costs and employee education costs provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

20.2. Post-employment benefits

Post-employment benefits are classified into defined contribution plan and defined benefit plan.

During the accounting period of rendering service to employees of the Group, amount which should be paid according to defined contribution plans is recognized as liabilities, and recorded in profit or loss or related costs of assets.

For defined benefit plans, the Group assigns the welfare obligation generated from the defined benefit plans to the period of rendering services using the formula determined by the projected unit credit method, and includes it in the current profit or loss or related asset costs. Employee benefit costs generated from the defined benefit plans are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest of net liabilities or net assets of defined benefit plans (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- Remeasurement of changes in net liabilities or net assets of defined benefit plans.

Service cost and net interest of net liabilities or net assets of defined benefit plans are included in the current profit or loss or related asset costs. Remeasurement of changes in net liabilities or net assets of defined benefit plans (including actuarial gains or losses, return on plan assets excluding the amount included in the net interest of net liabilities or net assets of defined benefit plans, and changes to the asset ceiling excluding the amount included in the net interest of net liabilities or net assets of defined benefit plans) is included in other comprehensive income.

20.3. Termination benefits

When the Group provides termination benefits to employees, employee benefit liabilities are recognized for termination benefits, with a corresponding charge to the profit or loss for the period at the earlier of: (1) when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; and (2) when the Group recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

20.4. Other long-term employee benefits

Other long-term employee benefits which satisfy the criteria of defined contribution plan and defined benefit plan are accounted for according to relevant requirements of defined contribution plan and defined benefit plan.

21. Income tax

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

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

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

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

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

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

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

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

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

22. Provisions

Provisions are recognized when the Group has a present obligation related to a contingency, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

23. Revenue recognition

23.1. Revenue from the sale of goods

Revenue is recognized when the Group has delivered products to the location specified in the sales contracts and the distributor has confirmed the acceptance of the products. The Group remains no effective control over the goods after the consignment and the economic benefits associated with the transaction will flow to the Group, the relevant revenue can be reliably measured and specific revenue recognition criteria have been met.

23.2. Revenue from sale of properties

The pre-sale commences after the pre-sale license is obtained and the amount received from pre-sale of commodity house is firstly managed as receipts in advance, and then recognized as operating income after when the group has delivered the relevant properties to the customers.

23.3. Revenue arising from the rendering of services

Revenue for the Group's provision of hotel accommodation services to external parties is recognized when the services are rendered and the right of collect service charge is obtained.

Amounts received or receivable from business rendering service with awards points granted to customers should be allocated between revenue from the service and fair value of awards points. Cash received or amounts receivable less the fair value of awards points is recognized as revenue, the fair value of awards points is recognized as deferred income.

When customers exchange awards points, the Group recognized amounts previously recorded as deferred income as revenue calculated upon the basis of percentage of amounts exchanged to amounts expected to be exchanged.

23.4. Income from initial fee of hotel franchise

Income from initial fee of hotel franchise of the Group includes service income at early stages and income from continuing initial fee.

The service income at early stages is the revenue recognized by the Group to the franchisees when providing relevant services before opening the franchise hotels. The services at early stages provided by the Group include franchise consulting services and opening supporting services. Among them, the franchise consulting services include hotel investment consulting and property design; the opening supporting services include engineering transformation, system installation and personnel training, etc. The Group recognizes the income from the franchise consulting service when the franchisee confirms the investment plan and property design, and recognizes the income from the opening supporting service when the hotel is officially opened.

Income from continuing initial fee of hotel franchise is the right to use the Group's hotel brand granted by the Group after the opening of the franchise hotels. After opening the franchise hotels, the Group recognizes the income from continuing initial fee during the period of the franchise contract according to the amount stipulated in the contract.

23.5. Interest income

The amount of interest income is determined according to the length of time for which the Group's monetary funds are used by others and the effective interest rate.

24. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration. A government grant is recognized only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant.

If a government grant is in the form of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value. If the fair value cannot be reliably determined, it is measured at a nominal amount. A government grant measured at a nominal amount is recognized immediately in profit or loss for the period.

A government grant related to an asset is recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs are recognized. If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

A government grant related to the Group's daily activities is recognized in other income based on the nature of economic activities. A government grant is not related to the Group's daily activities is recognized in non-operating income and expenses.

25. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings. Exchange differences in connection with general-purpose borrowings are recognized in profit or loss in the period in which they are incurred.

26. Appropriation and utilization of special reserve

According to Cai Qi [2012] No.16 Notice on "Regulations on Appropriation and Utilization of Corporate Safety Production Costs", part of the Group's subsidiaries are required to make appropriation to safety use costs in respect of the transportation business since 14 February 2012. Such appropriation are made in accordance with relevant national standards and immediately included in the cost of relevant products and service or profit or loss for the period, and at the meantime recorded under special reserve.

Where the safety production costs is utilized within the specified scope, the expenses is directly allocated against "special reserve"; where it is used to construct fixed assets, the expenditures are recognized under construction in progress, and subsequently recognized as fixed assets when the project is completed and ready for intended use; meanwhile, the cost of the fixed assets formed is allocated against "special reserve" with accumulated depreciation recognized at equal amount. Such fixed assets will not be depreciated in any subsequent periods.

27. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

27.1. The Group as lessee under operating leases

Operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Initial direct costs incurred are charged to profit or loss for the period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

27.2. The Group as lessor under operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs with more than an insignificant amount are capitalized when incurred, and are recognized in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred. Contingent rents are charged to profit or loss in the period in which they actually arise.

27.3. The Group as lessee under finance leases

At the commencement of the lease term, the Group records the leased asset at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments at the inception of the lease, and recognizes a long-term payable at an amount equal to the minimum lease payments. The difference between the recorded amounts is accounted for as unrecognized finance charge. Besides, initial direct costs that are attributable to the leased item incurred during the process of negotiating and securing the lease agreement are also added to the amount recognized for the leased asset. Subsequent measurement of fixed assets held under finance lease is set out in Note IV 13.

Unrecognized finance charges are recognized as finance charge for the period using the effective interest method over the lease term. Contingent rents are credited to profit or loss in the period in which they are actually incurred. The net amount of minimum lease payments less unrecognized finance charges is separated into long-term liabilities and the portion of long-term liabilities due within one year for presentation.

28. Hedge accounting

Some financial instruments are used as hedging instruments by the Group for the purpose of avoiding certain risks. The Group applies hedging accounting for a hedge that satisfies the prescribed conditions. Hedging activities of the Group mainly include cash flow hedges.

At the inception of a hedge, the Group records the relationship between the hedging instrument and hedged item, risk management objective and strategy for undertaking various hedging transactions. Besides, at the inception and in subsequent periods, the hedge is assessed for effectiveness by the Group on an ongoing basis so as to determine whether the hedge is highly effective throughout the accounting periods for which the hedging relationship was designated.

The effective portion of a change in the fair value of a derivative that is designated and qualifies as a cash flow hedge is recognized in other comprehensive income, and the gain or loss relating to the ineffective portion is recognized in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the amounts previously recognized in other comprehensive income are reclassified to profit or loss in the same periods during which the financial asset or financial liability affects profit or loss. If the Group expects that all or a portion of a net loss previously recognized in other comprehensive income will not be recovered in future accounting periods, the net loss that is not expected to be recovered is immediately recognized in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the gains or losses previously recognized in other comprehensive income are transferred and included in the initial measurement of the cost of the non-financial asset or non-financial liability. If the Group expects that all or a portion of a net loss previously recognized in other comprehensive income will not be recovered in future accounting periods, the net loss that is not expected to be recovered is immediately recognized in profit or loss.

Except as stated above, the amounts previously recognized in other comprehensive income are reclassified to profit or loss in the same periods during which the hedged forecast transaction affects profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in other comprehensive income at that time is reclassified to profit or loss when the forecast transaction occurs and is recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in other comprehensive income is reclassified immediately to profit or loss.

29. Profit distribution

Distributions of profit proposed in the profit appropriation plan to be approved after the balance sheet date are not recognized as a liability at the balance sheet date but are disclosed in the notes separately.

30. Related parties

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

31. Segment reporting

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

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

V. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY ASSUMPTIONS AND UNCERTAINTIES IN ACCOUNTING ESTIMATES

In the application of accounting policies as set out in Note IV, the Group is required to make judgements, estimates and assumptions about the carrying amounts of items in the financial statements that cannot be measured accurately, due to the internal uncertainties of the operating activities. These judgements, estimates and assumptions are based on historical experience of the Group's management as well as other factors that are considered to be relevant. Actual results may differ from these estimates.

The aforementioned judgments, estimates and assumptions are reviewed regularly on a going concern basis. The effect of a change in accounting estimate is recognized in the period of the change, if the change affects that period only; or recognized in the period of the change and future periods, if the change affects both.

The following are the key assumptions and uncertainties in accounting estimates at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods:

1. Useful life of fixed assets

The management of the Group is responsible for determining the expected useful life and relevant depreciation of fixed assets. Such estimates are based on the actual useful life of past fixed assets with similar nature and functions. The useful life may be subject to significant changes due to the technical innovation and the measures taken by competitors during the low tide of the industry. If the useful life is shorter than previously estimated useful life, the management will increase the depreciation or write off the abandoned technically outdated or non-strategical assets.

2. Useful life of decoration of properties held under operating lease

The Group operates some hotels with properties acquired under operating lease and undertake the expenditures on construction and decoration of such hotels. Based on the past experience and available information, the Group amortizes the operating leasehold improvement at the shorter among the actual useful life, operating period and the lease term. If the aforesaid beneficial period of the operating leasehold improvement and the decoration is different from the previous estimates, the management of the Group will make adjustments as appropriate.

3. Useful life of taxi operation licenses

Management of the Group considers that the useful life of the taxi operation licenses held by the Group cannot be determined, and they are available for use in the foreseeable future, and thus no amortization is made during the period in which the taxi operation licenses are held. Management of the Group test such intangible assets for impairment at the end of each accounting period.

4. Useful life of land acquired with government investment and allocated land

The Group has part of land use right was acquired through government investment or allocation in prior year. Management of the Group considers that the useful lives of all the government invested lands and allocated lands cannot be determined, and these lands are available for use in the foreseeable future, and thus no amortization is made during the period in which such lands are held. Management of the Group test such intangible assets for impairment at the end of each accounting period.

5. Impairment of accounts receivable and other receivables

The management of the Group reviews the recoverability of accounts receivable and other receivables so as to estimate the bad debt provision for the accounts receivable and other receivables. Whereas indicated by any events or changes in circumstances that relevant balance may not be recovered by the Group, the bad debt provision is made for the accounts receivable and other receivables through accounting estimates. If the estimated amount is different from previously estimated amount, the difference will affect the carrying amount of the accounts receivable and other receivables, as well as the impairment losses of assets during the period in which the estimates have changed. As at 31 December 2020, the carrying amount of the Group's accounts receivable and other receivables is RMB 3,778,280,102.93 (31 December 2019: RMB 4,450,343,450.43), and the balance of recognized impairment is RMB 1,120,688,405.31 (31 December 2019: 819,749,842.44)

6. Impairment of non-financial assets other than goodwill

According to the accounting policies described in Note IV 19, as at the balance sheet date, management of the Group assesses whether there is any indication that the non-financial assets other than goodwill have any impairment indication. The recoverable amount is the higher of the fair value of an asset net of cost of disposal and the present value of the expected cash flow of such asset, which is estimated based on the best information available, reflecting the amount (net of cost of disposal) obtained through disposal of an asset in a fair transaction between acknowledged voluntary parties as at balance sheet date or the cash generated from continuous use of such assets. If the expected amount is difference from previously estimated amount, the difference will impact the carrying amount of the long-term assets (other than goodwill) as well as the impairment losses of assets during the period in which the estimates have changed.

7. Impairment of goodwill

When management of the Group test the goodwill for impairment, they are required to calculate the recoverable amount based on the present value of expected future cash flow using appropriate discounting rate. If the actual amount of future cash flow and the actual return rate of the item are different from the estimated amounts, the difference will impact the carrying amount of the goodwill. At 31 December 2020, the carrying amount of the Group's goodwill is RMB 14,354,763,252.94 (31 December 2019: RMB 13,606,931,688.21), and the balance of recognized impairment is RMB 193,500,414.33 (31 December 2019: RMB 193,500,414.33).

8. Deferred tax assets / deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated at the applicable tax rate for the period in which the asset is expected to be recovered or the debt is expected to be settled. The expected applicable tax rate is determined based on the current tax regulations and the circumstances of the Group. If the expected tax rate is different from previous estimates, management of the Group will make adjustments as appropriate.

The deferred tax assets are determined to the extent that it is probable to obtain taxable income to deduct the temporary differences. If it is expected that sufficient taxable income will not be available to utilize the economic benefit from deductible temporary differences, management of the Group will write down the carrying amount of the deferred tax assets.

Management of the Group assessed that it is uncertain whether the Group and some of its subsidiaries will obtain sufficient taxable income. Accordingly, as at 31 December 2020, the Group has deductible temporary differences of RMB 1,143,019,258.08 and deductible tax losses of RMB 4,902,081,721.76 for which the deferred tax assets are not recognized.

VI. CHANGES IN ACCOUNTING POLICIES

The following accounting standards take effect for annual periods beginning on or after 1 January 2020 and are relevant to the Group.

- CAS Bulletin No.13 (Caikuai [2019] No.21)
- The Accounting Treatment of COVID-19-Related Rent Concessions (Caikuai [2020] No.10)

(a) CAS Bulletin No.13

CAS Bulletin No.13 has amended the three elements of constituting a business, provides specific guidance on the determination of a business, and introduces an optional concentration test when the acquirer determine whether an acquired set of assets that not involving enterprises under common control constitute a business.

CAS Bulletin No.13 has further clarified that related parties of an entity also include the joint venture(s) or associate(s) of the other members (including the parent and subsidiaries) in the same group that includes the entity, and the other joint venture(s) or associate(s) of the investors who exercise joint control over the entity, etc.

CAS Bulletin No.13 takes effect on 1 January 2020. The Group has adopted the accounting policy change prospectively. The adoption of CAS Bulletin No.13 does not have any significant effect on the financial position, financial performance or related party disclosures of the Group.

(b) Caikuai [2020] No.10

Caikuai [2020] No.10 provides a practical expedient under certain conditions for rent concessions occurring as a direct consequence of the Covid-19 pandemic. If an entity elects to apply the practical expedient, the entity does not need to assess whether a lease modification has occurred or to reassess the lease classification.

Caikuai [2020] No.10 takes effect on 24 June 2020 (the implementation date). The entity is allowed to adjust the related rent concessions that occurred between 1 January 2020 and the implementation date. The adoption of Caikuai [2020] No.10 does not have any significant effect on the financial position or financial performance of the Group.

VII. TAXATION

Value added tax ("VAT")

For the Company and its domestic significant subsidiaries, the VAT is paid at output VAT on sales net of deductible input VAT, where the VAT on sales is calculated at 5%, 6%, 9% and 13% of the revenue from sales calculated in accordance with relevant tax regulations, or paid at 3% of the revenue from sales calculated in accordance with relevant tax regulations. VAT payable of overseas subsidiaries is subject to operating income and tax rates regulated by the local laws, which are mainly 10%, 19.6% or 20%, etc.

According to the *Announcement on Furthering the Policies related to VAT Reform* issued by the Ministry of Finance and the State Administration of Taxation, since 1 April 2019, The tax rates of 16% and 10% applicable to any taxpayer's VAT taxable sale shall be adjusted to 13% and 9%, respectively.

Income tax

The applicable income tax rate for the Company and its significant domestic subsidiaries is 25%. The applicable income tax rate for the subsidiaries of the Group registered in Hong Kong is 16.5%. The applicable enterprise income tax rate for the subsidiaries of the Group registered in the United States is 24.05%. The applicable enterprise income tax rate for the subsidiaries registered in Singapore is 17%. The applicable enterprise income tax rates for the subsidiaries of the Group registered in the European region mainly include 25% - 29.58% (Belgium), 21.04% (Sweden), 22% (Denmark), 28.92% (France), 15% - 31.58% (Germany), 15% - 29.22% (Luxembourg) and 25% (Austria) etc.

The applicable enterprise income tax rate for the overseas subsidiary Groupe du Louvre ("GDL") is 28.92%. According to the relevant financial regulations of France in 2019, the applicable enterprise income tax rate for GDL will be gradually changed since 2020 to 25.83% in 2022.

CAVE

The CAVE is calculated based on the amount of added value of overseas subsidiary under French tax laws and paid at 0% - 1.5%.

VIII. SCOPE OF THE CONSOLIDATED FINANCIAL STATEMENTS

(1) Composition of the Group

Name	Principal place of business	Place of registration	Business nature	Proportion of ownership interests held by the Group	
				31/12/2020	31/12/2019
Subsidiaries directly controlled by the Company at the end of prior year and current year					
Shanghai Jinjiang Paradise Co., Ltd. ("Jinjiang Paradise")	Shanghai	Shanghai	Play activities, passenger service, parking service, photograph, taxi operation, recreational machines	80.54%	80.54%
Shanghai Jinjiang International Investment Management Co., Ltd. ("Jin Jiang International Investment")	Shanghai	Shanghai	Investment management, equity investment management, Industrial investment, investment consulting, marketing planning, property management, property consulting, asset management	100.00%	100.00%
Shanghai Jinjiang International Real Estate Co., Ltd. ("Jin Jiang Real Estate")	Shanghai	Shanghai	Industrial investment, property development and operation, property management, building lease, indoor decoration, construction material, sales of goods	100.00%	100.00%
Shanghai Jinjiang Online Network Services Co., Ltd. ("Jin Jiang Online")	Shanghai	Shanghai	Investment consulting, enterprise management, economic information consulting services	100.00%	100.00%
Shanghai Jin Jiang Supermarket Co., Ltd. ("Jin Jiang Supermarket")	Shanghai	Shanghai	Domestic business, supply and sales of goods, R&D and operation of new technical products, cargo storage, labor service and branches	100.00%	100.00%
Shanghai Jinjiang Capital Co., Ltd. ("Jinjiang Capital")	Shanghai	Shanghai	State-owned assets operation and management authorized by the SASAC, industrial investment, property management, business consulting and technical training, domestic trade (except for those subject to special regulations) and branches	75.00%	75.00%

Jinjiang International Holding Co., Ltd.
Financial statements for the year ended 31 December 2020

<i>Name</i>	<i>Principal place of business</i>	<i>Place of registration</i>	<i>Business nature</i>	<i>Proportion of ownership interests held by the Group</i>	
				<i>31/12/2020</i>	<i>31/12/2019</i>
Shanghai Food Group Co., Ltd. ("Food Group")	Shanghai	Shanghai	Table poultry egg and products, breeder poultry egg, feed and feed additives, vaccine, frozen food, cold storage, commercial industrial and food engineering design, table poultry egg machinery, processing and technical consulting, dock handling, interior freight transportation, self-operation and proxy of various commodities, and import and export of technologies etc.	100.00%	100.00%
Shanghai Jin Jiang Hotel Engineering Management Co., Ltd. ("Hotel Engineering")	Shanghai	Shanghai	Hotel engineering equipment, management of infrastructure construction project, repair and installation of hotel equipment, property management, maintenance and service of elevators	97.00%	97.00%
Shanghai Jin Jiang International Information Technology Investment Co., Ltd. ("Information Technology")	Shanghai	Shanghai	Technology development, transfer of technology, technical consulting, technical service, and industrial investment within IT sector, equity investment, investment management, investment consulting, enterprise marketing planning, property management	100.00%	100.00%
Jin Jiang International Commerce Co., Ltd. ("Jin Jiang Commerce")	Shanghai	Shanghai	Issuance and acceptance of prepaid card, technology development, transfer of technology, technical consulting, technical services and industrial investment within IT sector, business information consulting, exhibition service, tickets proxy, hotel and hospitality information consulting, room reservation, travel information consulting, enterprise management consulting, enterprise image planning, design and fabrication of various ads, domestic trading, engages in import and export of goods and technologies	98.00%	98.00%
Shanghai Jinjiang Commercial Investment Management Co., Ltd. ("Commercial Investment")	Shanghai	Shanghai	Investment management and consulting, enterprise image planning, business information consulting, industrial investment, assets management, conference and exhibition service	100.00%	100.00%
Jin Jiang International Holdings North Co., Ltd. ("Jin Jiang North")	Shanghai	Shanghai	Property management, organization of cultural exchange activities (excluding performance), project investment, project management, hospitality management conference service, sponsoring exhibition and shows, technology development, economic information etc.	100.00%	100.00%
Shanghai CTS (Group) Co., Ltd. ("Shanghai CTS")	Shanghai	Shanghai	Equity investment, investment in domestic and overseas tourism, investment in property development, industrial investment, investment consulting, lease of self-owned building, operation of travel related goods, foreign currency duty free stores, gold and silver ornaments, household electrical appliances, shipping agent, security equipment, domestic trading (excluding those subject special regulations)	96.39%	96.39%
Overseas Chinese Enterprise Investment Co., Ltd. ("Overseas Chinese Investment")	Shanghai	Shanghai	Assets management, assets operation, service trading, property management, investment consulting, property consulting, sales of construction material, household electrical appliances, mechanical and electrical products, auto parts, clothing, tourist crafts, and chemical products (excluding dangerous chemicals, and controlled chemicals, fireworks, civil explosives, poisonous chemicals) the following are limited to operation of branches: food circulation, retail of cigarette	100.00%	100.00%
Shanghai Jinjiang Asset Management Co., Ltd. ("Jinjiang Asset")	Shanghai	Shanghai	Investment management, industrial investment, investment consulting, enterprise marketing planning, property management, property consulting, assets management, cargo storage (excluding dangerous cargos)	100.00%	100.00%

Name	Principal place of business	Place of registration	Business nature	Proportion of ownership interests held by the Group	
				31/12/2020	31/12/2019
JHJ International Transportation Co., Ltd. ("JHJ")	Shanghai	Shanghai	International freight agency, logistics supply chain management, ordinary road goods transportation; domestic freight agency; nautical Service	100.00%	100.00%
WeHotel Co., Ltd. ("WeHotel")	Shanghai	Shanghai	Network technology, technology development, technical consulting, technical services, technology transfer, E-commerce (exclusive financial services), business information consulting, exhibition services, ticket agent, reservation service, travel consultation, business management consulting, corporate image planning, design, production, agency, publish of various advertisement, import and export of goods and technology, hotel management, property management, catering business management, etc.	65.00%	65.00%
Shanghai Longhua Meat United Processing Factory ("Longhua Meat United Factory")	Shanghai	Shanghai	Food circulation, owner-occupied housing leases, parking lots (garages)	100.00%	100.00%
Shanghai Education Development Co., Ltd. ("Education Development Company")	Shanghai	Shanghai	Investment in and management of industries, operation and management of assets, investment consulting, business services, various education, science equipment, equipment and appliances, school and living supplies, construction materials, sales of electromechanical devices, and real estate agency	100.00%	100.00%
Shanghai Finance and Trade Hostel ("Finance and Trade Hostel")	Shanghai	Shanghai	Retail of daily necessities	100.00%	100.00%
Shanghai Education Construction Management Consulting Co., Ltd. ("Shanghai Education Construction")	Shanghai	Shanghai	Construction project management, engineering consulting, bidding proxy, engineering supervision, construction engineering, municipal construction, landscaping engineering, construction decoration, technology development, technology transfer, technical consulting and technical services in the construction project business consulting field, procurement and sales of building decoration materials and construction equipment, construction machinery leasing, conference and exhibition services	85.00%	85.00%
Shanghai Jinyang Enterprise Management Co., Ltd. ("Jinyang Management")	Shanghai	Shanghai	Enterprise management service, hotels, owned house leasing	90.00%	90.00%
Shanghai Yijiyou Information Technology Co., Ltd. ("Yijiyou")	Shanghai	Shanghai	Computer network engineering, web page design and production, computer software and hardware development and maintenance, computer system integration, e-commerce, cultural and artistic exchange planning, business information consulting, corporate marketing planning, corporate image planning, conference and exhibition services, market information consulting and investigation, public relations event planning, etiquette services, corporate management consulting, brand management, advertising design, travel consulting, general merchandise sales, own equipment leasing, electronic publication production, film distribution, film production, radio and television program production, travel agency business, telecommunications business	68.00%	68.00%
<u>Subsidiaries directly controlled by the Company acquired during the year</u>					
Beijing Kunlun Hotel Co., Ltd. ("Beijing Kunlun")	Beijing	Beijing	Guest rooms, office, Chinese and Western restaurants, Four Seasons Hall, multi-function hall, English bar, swimming pool, sauna, gym, health massage, tennis court, beauty salon, shopping mall, laundry room, business facilities and parking lot; conference and exhibition services	68.43%	47.50%

(2) Information of significant non-wholly owned subsidiaries

Subsidiary name	Shareholding	Profit or loss of minority interest		Dividends paid to minority interests		Minority interests	
		2020 RMB	2019 RMB	2020 RMB	2019 RMB	31/12/2020 RMB	31/12/2019 RMB
Jinjiang Capital	75%	<u>162,887,800.25</u>	<u>1,019,217,045.22</u>	<u>746,953,563.88</u>	<u>616,549,984.03</u>	<u>13,561,382,663.55</u>	<u>13,143,446,099.67</u>

(3) Financial information of significant non-wholly owned subsidiaries

<i>Jinjiang Capital</i>	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Current assets	14,463,572,242.77	15,403,303,330.49
Non-current assets	<u>47,341,702,969.76</u>	<u>48,099,866,113.13</u>
Total assets	<u>61,805,275,212.53</u>	<u>63,503,169,443.62</u>
Current liabilities	14,106,995,957.53	14,665,197,844.88
Non-current liabilities	<u>27,752,408,368.00</u>	<u>29,113,035,724.48</u>
Total liabilities	<u>41,859,404,325.53</u>	<u>43,778,233,569.36</u>
	<u>2020</u> RMB	<u>2019</u> RMB
Operating income	14,217,642,950.00	21,001,707,170.26
Net profit	484,079,648.50	1,639,712,375.41
Total comprehensive income	<u>258,589,210.00</u>	<u>1,769,366,927.00</u>
Cash flows from operating activities	<u>635,603,317.00</u>	<u>5,054,905,069.00</u>

IX. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

	Closing balance			Opening balance		
	Original currency	Exchange rate	RMB	Original currency	Exchange rate	RMB
Cash						
RMB	9,290,697.75	1.0000	9,290,697.75	19,311,656.03	1.0000	19,311,656.03
USD	57,297.00	6.5249	373,859.71	63,219.35	6.9762	441,030.81
HKD	731.20	0.8416	615.38	-	-	-
EUR	426,000.00	8.0250	3,418,650.00	-	-	-
Others			<u>1,347,034.46</u>			<u>-</u>
Sub-total			<u>14,430,857.30</u>			<u>19,752,686.84</u>
Bank deposits						
RMB	11,629,979,486.77	1.0000	11,629,979,486.77	11,517,973,335.30	1.0000	11,517,973,335.30
EUR	73,425,352.10	8.0250	589,238,450.60	493,478,196.16	7.8155	3,856,778,842.07
USD	289,993,272.34	6.5249	1,892,177,102.69	237,599,065.73	6.9762	1,657,538,602.36
PLN	41,387,755.00	1.7520	72,509,600.73	68,009,906.37	1.8359	124,859,387.11
HKD	58,766.93	0.8416	49,460.60	119,743,094.16	0.8958	107,265,863.75
INR	459,661,000.00	0.0893	41,047,727.30	976,489,973.61	0.0988	96,477,209.39
GBP	4,272,948.00	8.8903	37,987,789.60	8,926,137.14	9.1501	81,675,047.49
NOK	33,603,000.00	0.7647	25,696,260.61	80,964,361.46	0.7913	64,067,099.22
DKK	9,825,000.00	1.0786	10,597,562.29	49,260,739.40	1.0459	51,521,807.34
CHF	1,753,000.00	7.4006	12,973,251.80	2,655,000.00	7.2028	19,123,434.00
ZAR	22,580,000.00	0.4458	10,065,528.46	25,462,050.46	0.4943	12,585,891.54
FJD	814,000.00	3.1985	2,603,550.30	2,517,630.41	3.2103	8,082,348.89
BRL	6,600,793.00	1.2590	8,310,398.39	-	-	-
SEK	33,731,000.00	0.7962	26,858,030.10	-	-	-
Others			<u>40,685,808.06</u>			<u>38,319,368.32</u>
Sub-total			<u>14,400,780,008.30</u>			<u>17,636,268,236.78</u>
Other cash and bank balances						
RMB	614,889,149.55	1.0000	614,889,149.55	542,952,777.04	1.0000	542,952,777.04
USD	191,126.64	6.5249	1,247,082.21	-	-	-
HKD	490,000.00	0.8416	412,403.60	-	-	-
Sub-total			<u>616,548,635.36</u>			<u>542,952,777.04</u>
Total			<u>15,031,759,500.96</u>			<u>18,198,973,700.66</u>

As at 31 December 2020, cash and bank balances include foreign currencies amounting to RMB 1,946,448,751.81, which are deposited overseas (31 December 2019: RMB 2,778,771,899.86).

As at 31 December 2020, cash and bank balances of the Group include: (1) bank balance of USD 642,000.00 and EUR 1,477,000.00, equivalent to RMB 16,041,975.00 in total (31 December 2019: RMB 109,749,676.11), owned by Jin Jiang International Investment pledged, a subsidiary of the Group, which were pledged as collaterals for the issuance of letters of credit. For details, please refer to Note IX 24; (2) bank balance owed by Shanghai Jinjiang International Hotels Co. Ltd. ("JJ"), a subsidiary of the Group, amounting RMB 2,305,498.09 (31 December 2019: RMB 4,947,615.00), which was frozen due to litigation. For details, please refer to Note IX 40. (3) bank balance of JJ amounting to RMB 3,075,256.88 (31 December 2019: RMB 1,473,291.45), which was frozen as the relevant bank accounts have been dormant for a long time.

Details of other cash and bank balances are as follows:

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Deposit reserve (note 1)	484,626,310.48	417,472,000.00
Bank acceptance deposits (note 2)	90,066,265.50	94,794,633.45
Deposited investment fund (note 3)	6,265,000.75	17,824,391.84
Guarantee deposits	5,557,074.70	6,812,085.00
Tourism quality deposits	338,200.00	4,600,000.00
L/C deposits	-	1,402,600.25
Credit card deposits	7,351.21	47,066.50
Balance with third-party platforms (AliPay, WeChat)	12,196,452.72	-
Others	17,491,980.00	-
	<u>616,548,635.36</u>	<u>542,952,777.04</u>
Total	<u>616,548,635.36</u>	<u>542,952,777.04</u>

Note1: This represents the statutory deposit reserve placed with the People's Bank of China by a subsidiary of Jinjiang Capital.

Note 2: This represents the bank acceptance deposit of Shanghai Jin Jiang International Industrial Investment Co., Ltd. ("Jin Jiang Investment")

Note 3: This represents the funds placed with security companies by the Group.

2. Financial assets at fair value through profit or loss

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Debt instrument (note 1)	49,230,913.91	204,363,379.61
Equity instrument investments (note 2)	<u>1,138,818,695.28</u>	<u>343,267,021.36</u>
Total	<u>1,188,049,609.19</u>	<u>547,630,400.97</u>

Note 1: As at 31 December 2020, the debt instrument held by the Group represents the monetary fund of RMB 49,230,913.91 held by a subsidiary of Jinjiang Capital, without fixed term and rate of return. The fair value of the fund is determined based on its quoted price in the market.

Note 2: As at 31 December 2020, the Group's equity instrument investments are equity shares held by its subsidiaries amounting to RMB 1,138,818,695.28. The fair values of the equity shares are determined based on the closing prices of Shanghai Stock Exchange and Shenzhen Stock Exchange on 31 December 2020.

3. Notes receivable

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Bank acceptance notes	14,995,591.00	14,060,824.15
Others	<u>18,719,938.12</u>	-
Total	<u>33,715,529.12</u>	<u>14,060,824.15</u>

During the year, the Group discounted bank acceptance notes to banks with total amount of RMB 17,706,180.42 (2019: RMB 48,521,080.25). As at 31 December 2020, the bank acceptance notes that have been discounted but not overdue were totaling RMB 7,526,237.52 (31 December 2019: RMB 13,163,459.55). And the Group derecognized the bank acceptance notes discounted but not overdue. For details, please refer to Note XI 4.

4. Accounts receivable

Aging analysis of accounts receivable is as follows:

	Closing balance				Opening balance			
	Amount RMB	Proportion %	Bad debt provision RMB	Carrying amount RMB	Amount RMB	Proportion %	Bad debt provision RMB	Carrying amount RMB
Within 1 year (inclusive)	2,441,647,515.29	85.88	330,162,314.96	2,111,485,200.33	2,987,072,445.61	91.18	180,001,811.50	2,807,070,634.11
1 to 2 years (inclusive)	305,809,097.06	10.76	253,251,074.33	52,558,022.73	93,812,998.45	2.86	63,572,067.44	30,240,931.01
2 to 3 years (inclusive)	38,056,367.30	1.34	23,127,354.61	14,929,012.69	86,554,660.67	2.64	80,070,647.98	6,484,012.69
More than 3 years	57,480,696.04	2.02	49,890,921.16	7,589,774.88	108,620,927.57	3.32	102,168,725.73	6,452,201.84
Total	2,842,993,675.69	100.00	656,431,665.06	2,186,562,010.63	3,276,061,032.30	100.00	425,813,252.65	2,850,247,779.65

Accounts receivable by categories are as follows:

	Closing balance				Opening balance			
	Amount RMB	Proportion %	Bad debt provision RMB	Carrying amount RMB	Amount RMB	Proportion %	Bad debt provision RMB	Carrying amount RMB
Accounts receivable that are individually significant	75,213,975.63	2.64	23,323,719.19	51,890,256.44	74,758,351.55	2.28	18,245,510.31	56,512,841.24
Accounts receivable for which bad debt provision has been assessed by portfolios	2,157,975,225.36	75.91	432,030,959.34	1,725,944,266.02	3,007,939,522.61	91.82	340,691,926.45	2,667,247,596.16
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	609,804,474.70	21.45	201,076,986.53	408,727,488.17	193,363,158.14	5.90	66,875,815.89	126,487,342.25
Total	2,842,993,675.69	100.00	656,431,665.06	2,186,562,010.63	3,276,061,032.30	100.00	425,813,252.65	2,850,247,779.65

Accounts receivables with more than RMB 20,000,000 (including RMB 20,000,000) are categorized as accounts receivables that are individually significant by the Group.

Accounts receivable provided individually with significant individual amount are as follows:

Name of debtor	Gross carrying RMB	Bad debt reserve RMB	Ageing	Proportion %	Reason for provision
SDV PRC International Freight Forwarding Co., Ltd.	27,377,291.37	2,307,832.26	Within 1 year	8.43	Expected to be partially recoverable
Hangzhou DoBe Cultural and Creative Co., Ltd.	27,087,644.56	266,847.23	Within 1 year	0.99	Expected to be partially recoverable
Radisson Blu Hotel, Doha	20,749,039.70	20,749,039.70	Over 2 years	100.00	Expected to be unrecoverable

At the year end, the top five entities with accounts receivables that are not individually significant but for which bad debt provision is individually assessed are as follows:

Name of debtor	Gross carrying RMB	Bad debt reserve RMB	Ageing	Proportion %	Reason for provision
Beijing Kuxun Technology Co., Ltd.	15,547,232.12	173,190.26	Within 1 year	1.11	Expected to be partially recoverable
Radisson Blu Hotel, Abidjan Airport	11,788,725.00	11,788,725.00	Within 1 year	100.00	Expected to be unrecoverable
Radisson Collection Hotel, Moscow	5,665,650.00	5,665,650.00	Within 1 year	100.00	Expected to be unrecoverable
Radisson Blu Hotel & Convention Centre, Kigali	5,392,800.00	5,392,800.00	Within 1 year	100.00	Expected to be unrecoverable
Radisson Blu Hotel, Bamako	5,047,725.00	5,047,725.00	Within 1 year	100.00	Expected to be unrecoverable

Changes in provision for bad debts in respect of accounts receivable are as follows:

	2020 RMB	2019 RMB
Balance at the beginning of the year	425,813,252.65	403,306,431.59
Increase due to changes in scope of consolidation	43,973.46	4,427,487.57
Additions during the year	326,439,748.04	24,345,969.77
Reversals during the year	(67,773,117.06)	(18,005,373.11)
Write-off during the year	(1,075,497.12)	(602,456.39)
Exchange differences on foreign currency translation	<u>(27,016,694.91)</u>	<u>12,341,193.22</u>
 Balance at the end of the year	 <u><u>656,431,665.06</u></u>	 <u><u>425,813,252.65</u></u>

Top five accounts receivable balances based on debtors:

<i>Name of debtor</i>	<i>Amount</i> RMB	<i>Proportion of the amount to the total accounts receivable</i> %	<i>Bad debt reserve</i> RMB
SDV PRC International Freight Forwarding Co., Ltd.	27,377,291.37	0.96	2,307,832.26
Hangzhou DoBe Cultural and Creative Co., Ltd.	27,087,644.56	0.95	266,847.23
Radisson Blu Hotel, Doha	20,749,039.70	0.73	20,749,039.70
Beijing Kuxun Technology Co., Ltd.	15,547,232.12	0.55	173,190.26
Radisson Blu Hotel, Abidjan Airport	<u>11,788,725.00</u>	<u>0.41</u>	<u>11,788,725.00</u>
 Total	 <u><u>102,549,932.75</u></u>	 <u><u>3.60</u></u>	 <u><u>35,285,634.45</u></u>

5. Prepayments

(1) Aging analysis of prepayments is as follows:

	<i>Closing balance</i>		<i>Opening balance</i>	
	<i>Amount</i> RMB	<i>Proportion</i> %	<i>Amount</i> RMB	<i>Proportion</i> %
Within 1 year (inclusive)	445,840,049.35	97.82	549,644,407.66	98.80
1 to 2 years (inclusive)	7,005,839.50	1.54	4,175,978.06	0.75
2 to 3 years (inclusive)	406,235.75	0.09	2,524,040.23	0.45
More than 3 years	<u>2,524,040.23</u>	<u>0.55</u>	<u>-</u>	<u>-</u>
 Total	 <u><u>455,776,164.83</u></u>	 <u><u>100.00</u></u>	 <u><u>556,344,425.95</u></u>	 <u><u>100.00</u></u>

As at 31 December 2020, the Group had no prepayments with aging longer than one year and amount of RMB 20,000,000 and above.

(2) Top five of prepayments balances based on debtors:

<i>Name of debtor</i>	<i>Amount RMB</i>	<i>Proportion of the amount to the total prepayments %</i>	<i>Bad debt reserve RMB</i>
Korean Air Lines Co., Ltd.	22,049,318.65	4.84	-
Jiangxi Jin Hai Supply Chain Co., Ltd.	10,396,741.44	2.28	-
Nanjing Heshi Jewelry Co., Ltd.	5,898,683.91	1.29	-
Qilihu Railway Station of China Railway Nanchang Group Co., Ltd.	5,011,873.50	1.10	-
Jiangxi Coal Reserve Center Co., Ltd.	3,936,571.34	0.86	-
Total	47,293,188.84	10.37	-

6. Other receivables

	<i>Closing balance RMB</i>	<i>Opening balance RMB</i>
Interest receivable	8,488,296.45	32,570,190.59
Dividends receivable	39,932,238.24	27,582,989.25
Others	471,029,686.99	780,345,828.34
Total	519,450,221.68	840,499,008.18

(1) Interest receivable

	<i>Closing balance RMB</i>	<i>Opening balance RMB</i>
Interest from bank deposits	8,155,365.89	30,924,051.40
Interest from entrusted loans	332,930.56	1,646,139.19
Total	8,488,296.45	32,570,190.59

As at 31 December 2020, except for the interest from time deposits with banks which are due after one year, the Group has no interest receivable with aging longer than one year.

(2) Dividends receivable

Company name	Opening balance RMB	Increases in the year RMB	Decreases in the year RMB	Closing balance RMB
Shanghai KFC Co., Ltd.	-	130,914,044.00	(130,914,044.00)	-
Hangzhou KFC Co., Ltd.	9,664,809.41	1,743,342.02	-	11,408,151.43
HuaAn Funds Management Co., Ltd.	-	35,000,000.00	(35,000,000.00)	-
Shanghai Jinhai Jieya Logistics Management Co., Ltd.	-	24,674,091.19	(24,674,091.19)	-
Shanghai Jinhai Jiaya International Transportation Co., Ltd.	-	14,000,000.00	(14,000,000.00)	-
Shanghai Xinxin Construction Development Co., Ltd.	-	8,000,000.00	(8,000,000.00)	-
Shanghai Jin Jiang Tomson Hotel Company Limited	-	13,836,566.00	(13,836,566.00)	-
Wuxi KFC Co., Ltd.	7,492,439.65	-	(594,080.47)	6,898,359.18
Shanghai New Asia Fulihua Catering Co., Ltd.	-	7,644,000.00	(7,644,000.00)	-
Shanghai Shengbo Jin Kang Investment Development Co., Ltd.	-	3,957,348.76	(3,957,348.76)	-
Shanghai Motor Vehicle Driver Training Center	-	4,002,559.00	(4,002,559.00)	-
SNC Invest Hotels Dix 90	-	2,113,543.00	(2,113,543.00)	-
Shanghai Pudong International Airport Cargo Terminal Co. Ltd. ("PACTL")	-	89,369,719.00	(89,369,719.00)	-
Jiangsu Nanjing Long-distance Passenger Transportation (Group) Co., Ltd.	-	7,590,000.00	(7,590,000.00)	-
Shanghai Jin Mao JinJiang Automobile Service Co., Ltd.	-	2,400,000.00	(2,400,000.00)	-
Shanghai Interunited Co., Ltd.	-	2,500,000.00	(2,500,000.00)	-
Shanghai Wufeng Shangshi Food Co., Ltd.	9,800,000.00	-	-	9,800,000.00
Shanghai Zihong Machinery Co., Ltd.	-	4,600,299.63	-	4,600,299.63
NNR Global Logistics (Beijing) Co., Ltd.	-	3,974,572.94	(3,974,572.94)	-
Others	625,740.19	6,902,647.22	(302,959.41)	7,225,428.00
Total	27,582,989.25	363,222,732.76	(350,873,483.77)	39,932,238.24

As at 31 December 2020, other than the dividends due from Shanghai Wufeng Shangshi Food Co., Ltd., Hangzhou KFC Co., Ltd. and Wuxi KFC Co., Ltd. of RMB 9,800,000.00, RMB 9,664,809.41 and RMB 6,898,359.18, respectively, the Group has no other dividends receivable with aging longer than one year.

(3) Other receivables

Aging analysis of other receivables is as follows:

	Closing balance				Opening balance			
	Amount RMB	Proportion %	Bad debt provision RMB	Carrying amount RMB	Amount RMB	Proportion %	Bad debt provision RMB	Carrying amount RMB
Within 1 year (inclusive)	337,240,917.39	36.06	52,824,122.38	284,416,795.01	554,292,142.47	47.20	9,578,619.60	544,713,522.87
1 to 2 years (inclusive)	242,873,078.67	25.97	238,612,096.60	4,260,982.07	132,205,535.48	11.26	4,358,348.78	127,847,186.70
2 to 3 years (inclusive)	14,408,218.71	1.54	4,692,781.60	9,715,437.11	41,542,361.27	3.54	12,049,725.27	29,492,636.00
More than 3 years	340,764,212.47	36.43	168,127,739.67	172,636,472.80	446,242,378.91	38.00	367,949,896.14	78,292,482.77
Total	935,286,427.24	100.00	464,256,740.25	471,029,686.99	1,174,282,418.13	100.00	393,936,589.79	780,345,828.34

Other receivables disclosed by risk profile categories:

	Closing balance				Opening balance			
	Amount RMB	Proportion %	Bad debt provision RMB	Carrying amount RMB	Amount RMB	Proportion %	Bad debt provision RMB	Carrying amount RMB
Other receivables that are individually significant	627,351,409.26	67.07	354,349,146.00	273,002,263.26	386,541,887.21	32.92	306,120,000.00	80,421,887.21
Other receivables for which bad debt provision has been assessed by portfolios	165,907,663.95	17.74	58,695,282.94	107,212,381.01	154,294,708.95	13.14	17,255,583.58	137,039,125.37
Other receivables that are not individually significant but for which bad debt provision is recognized separately	142,027,354.03	15.19	51,212,311.31	90,815,042.72	633,445,821.97	53.94	70,561,006.21	562,884,815.76
Total	935,286,427.24	100.00	464,256,740.25	471,029,686.99	1,174,282,418.13	100.00	393,936,589.79	780,345,828.34

Other receivables with amounts above RMB 20,000,000 (including RMB 20,000,000) are recognized as individually significant receivables by the Group.

Changes in provision for bad debts in respect of other receivables are as follows:

	2020 RMB	2019 RMB
As at the beginning of the year	393,936,589.79	418,588,963.84
Increase due to changes in scope of consolidation	366,714.40	370,250.10
Additional during the year	70,367,426.76	4,753,481.66
Reversal during the year	(1,179,291.70)	(29,536,295.81)
Written-off during the year	(42,564.00)	(88,595.00)
Exchange differences on foreign currency translation	807,865.00	(151,215.00)
As at the end of the year	464,256,740.25	393,936,589.79

Top five other receivables balances based on debtors:

Company name	Nature	Amount RMB	Proportion of the amount to the total other receivables %	Bad debt provision RMB
Company 1	Compensation	255,015,805.62	27.27	-
Company 2	Advances	229,000,000.00	24.48	229,000,000.00
Company 3	Margin	77,120,000.00	8.25	77,120,000.00
Company 4	Compensation	25,277,000.00	2.70	-
Company 5	Deposits and margin	<u>15,516,524.00</u>	<u>1.66</u>	<u>-</u>
Total		<u>601,929,329.62</u>	<u>64.36</u>	<u>306,120,000.00</u>

7. Inventories

	Closing balance RMB	Opening balance RMB
Raw materials	92,951,412.13	110,097,938.83
Low-value consumables	64,724,370.34	59,533,468.76
Packaging materials	25,897.84	19,800.36
Finished goods and merchandises	184,484,872.63	209,403,989.11
Completed properties	<u>33,081,229.11</u>	<u>33,081,229.11</u>
Sub-total	375,267,782.05	412,136,426.17
Less: Provision for impairment of inventories	<u>5,486,199.39</u>	<u>3,293,979.68</u>
Total	<u>369,781,582.66</u>	<u>408,842,446.49</u>

An analysis of provision for impairment of inventories is as follows:

	Opening balance RMB	Reversal RMB	Change of consolidation scope RMB	Closing balance RMB
Raw materials	772,130.85	-	1,764,790.41	2,536,921.26
Low-value consumables	32,311.84	-	-	32,311.84
Finished goods and merchandises	<u>2,489,536.99</u>	<u>(46,664.89)</u>	<u>474,094.19</u>	<u>2,916,966.29</u>
Total	<u>3,293,979.68</u>	<u>(46,664.89)</u>	<u>2,238,884.60</u>	<u>5,486,199.39</u>

As at 31 December 2020, merchandises amounting to RMB 46,500,000.00 and low-value consumables amounting to RMB 37,908,351.41 were pledged for short-term borrowings. For details, please see Note IX 24 (note 2).

As at 31 December 2020, merchandises amounting to RMB 40,000,000.00 were pledged for notes payable. For details, please see Note IX 24 (note 6).

8. Held-for-sale assets and liabilities

<i>Held-for-sale assets</i>	<i>Carrying amount</i>	<i>Estimated disposal time</i>
	RMB	RMB
Equity of Prize Holding GmbH (note 1)	379,381,875.00	2021
Equity of Sofitel Shanghai Hyland Hotel Co., Ltd. (Note 2)	816,648,000.00	2021
Property, plant and equipment, etc.	<u>18,726,999.00</u>	2021
Total	<u>1,214,756,874.00</u>	
<i>Held-for-sale liabilities</i>	<i>Carrying amount</i>	<i>Estimated disposal time</i>
	RMB	RMB
Equity of Prize Holding GmbH (note 1)	<u>29,724,600.00</u>	2021
Total	<u>29,724,600.00</u>	

At the end of 2020, the expected disposal prices of all the above held-for-sale assets less expected disposal expenses were higher than their carrying amounts.

Note 1: In August 2019, a subsidiary of the Group entered into an Equity Transfer Contract with Azure Hotels and agreed to transfer all of its equities of Prize Holding GmbH to Azure Hotels, which was expected to be completed in 2021.

Note 2: In October 2020, the Group's subsidiary Jinjiang Capital and Jin Jiang International Investment signed, respectively, a series of property ownership transaction contracts with Shanghai International Group Assets Management Co., Ltd. ("International Asset Management"), a wholly owned subsidiary of Shanghai International Group Co., Ltd. ("Shanghai International"). Under these contracts, Jinjiang Capital will transfer its 22.68% equities of Sofitel Shanghai Hyland Hotel Co., Ltd. ("Hyland Hotel") for exchange of 12.5% equities of Beijing Kunlun Hotel Co., Ltd. ("Kunlun Hotel") held by International Asset Management (Contract 1); Jinjiang Capital will transfer its 28.8% equities of Hyland Hotel for exchange of 35% equities of Shanghai Jianguo Hotel Co., Ltd. ("Jianguo Hotel") held by International Asset Management (Contract 2); and Jin Jiang International Investment will transfer its 1.33% equities of Shanghai International Group Investment Management Co., Ltd. ("Shanghai International Investment Management") for exchange of 8.43% equities of Kunlun Hotel (Contract 3). At 31 December 2020, equity transfers under Contract 1 and Contract 3 have been completed, and the equity transfer under Contract 2 was to be completed in March 2021. Therefore, at 31 December 2020, the equity investment in the associate of Hyland Hotel held by the Group was presented as held-for-sale assets.

9. Non-current assets due within one year

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Loans and advances due within one year (details refer to Note IX 11)	-	517,800,000.00

10. Other current assets

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Prepayment of taxes	844,315,307.95	699,521,374.83
Prepaid expenses	183,328,799.94	238,741,086.18
Wealth management products (Note)	179,228,487.03	166,326,334.64
Entrusted loans	32,000,000.00	33,700,000.00
Others	35,125,052.60	7,580,805.87
Total	1,273,997,647.52	1,145,869,601.52

Note: Management of the Company and relevant subsidiaries assessed that the carrying amounts of the above wealth management products approximates their fair value.

11. Loans and advances

(1) Loans and advances disclosed by categories:

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Loans and advances to enterprises		
- Mortgage loans	<u>54,950,000.00</u>	<u>517,800,000.00</u>
Sub-total	<u>54,950,000.00</u>	<u>517,800,000.00</u>
Less: Provision for impairment of loans and advances	<u>22,029,750.00</u>	<u>-</u>
Carrying amount of loans and advances	<u>32,920,250.00</u>	<u>517,800,000.00</u>
Including: Loans and advances due within one year	<u>-</u>	<u>517,800,000.00</u>

(2) Loans and advances disclosed by contractual periods and type of guarantee:

	<i>Closing balance</i>		
	<i>Within 1 year (inclusive) RMB</i>	<i>1 to 5 years (inclusive) RMB</i>	<i>Total RMB</i>
Mortgage loans	<u>-</u>	<u>54,950,000.00</u>	<u>54,950,000.00</u>
Carrying amount of loans and advances	<u>-</u>	<u>54,950,000.00</u>	<u>54,950,000.00</u>
	<i>Opening balance</i>		
	<i>Within 1 year (inclusive) RMB</i>	<i>1 to 5 years (inclusive) RMB</i>	<i>Total RMB</i>
Mortgage loans	<u>517,800,000.00</u>	<u>-</u>	<u>517,800,000.00</u>
Carrying amount of loans and advances	<u>517,800,000.00</u>	<u>-</u>	<u>517,800,000.00</u>

12. Available-for-sale financial assets

(1) Available-for-sale financial assets are as follows:

	Closing balance RMB	Opening balance RMB
Measured at fair value	10,001,463,780.33	15,413,062,844.51
Measured at cost	3,017,314,246.62	3,121,019,836.56
Sub-total	13,018,778,026.95	18,534,082,681.07
Less: Provision for impairment	1,121,906,928.73	218,042,160.01
Net value	11,896,871,098.22	18,316,040,521.06

(2) Major available-for-sale assets measured as a fair value are as follows:

Stock abbreviation Closing fair value	Stock code	Opening share quantity	Closing share quantity	Opening fair value RMB	Increase due to changes in scope of consolidation RMB	Disposal in the year RMB	Changes in fair value in the year (Note 1) RMB	Exchange differences on foreign currency translation RMB	Closing fair value RMB
ACCORSA	-	31,290,000	30,577,382	10,209,837,041.25	-	(249,728,194.29)	(2,928,659,500.79)	231,901,977.00	7,263,351,323.17
Guotai Junan	601211	57,740,000	57,740,000	1,067,612,599.99	-	-	(55,430,400.00)	-	1,012,182,199.99
Bank of Agriculture ("ABC")	601288	276,674,723	276,674,723	1,020,929,727.87	-	-	(152,171,097.65)	-	868,758,630.22
Orient securities	600958	92,188,251	-	991,945,580.76	-	(935,710,747.65)	(56,234,833.11)	-	-
Investment held through Ocean BT L.P. (note 2)	HK00780	68,330,660	-	800,592,661.09	-	(649,360,000.00)	(151,232,661.09)	-	-
Bank of Communications	601328	92,409,512	92,409,512	520,265,552.56	-	-	(106,270,938.80)	-	413,994,613.76
Bank of China	600000	48,110,700	48,110,700	177,528,483.00	-	-	(24,536,456.99)	-	152,992,026.01
Shenwan Hongyuan	000166	27,588,205	437,245	141,442,304.00	-	(17,186,888.71)	(121,946,761.69)	-	2,308,653.60
Tianjin Realty Development	600322	11,999,100	11,999,100	70,194,562.43	-	-	(7,919,406.00)	-	62,275,156.43
Haitong Securities	600837	4,382,785	-	67,757,856.10	-	(5,426,075.40)	(62,331,780.70)	-	-
Jiao Da Onily	600530	10,374,000	-	51,040,080.00	-	(54,256,020.00)	3,215,940.00	-	-
Bank of Shanghai	601229	2,639,590	2,639,590	25,049,710.05	-	-	(4,355,324.45)	-	20,694,385.60
Yu Garden Mall	600655	779,157	-	6,108,590.88	-	(985,800.82)	(5,122,790.06)	-	-
Others				262,758,094.53	4,244,486.40	(16,193,096.05)	(48,624,576.48)	2,721,883.15	204,906,791.55
Total				15,413,062,844.51	4,244,486.40	(1,928,846,822.92)	(3,721,620,587.81)	234,623,860.15	10,001,463,780.33

Note 1: Changes in fair value for the year are RMB 3,721,620,587.81, including increase due to changes in fair value of available-for-sale financial assets of RMB 3,186,798,937.59, and decrease due to disposal of available-for-sale financial assets of RMB 534,821,650.22.

Note 2: In 2017, a subsidiary of Plateno Group Limited ("Plateno Group") transferred its equities of eLong Inc. ("Elong"), which was originally held through Ocean Imagination L.P., to Ocean BT L.P., a newly established partnership established by Ocean Voyage L.P., a general partner of Ocean Imagination L.P. Plateno Group became a general partner of Ocean BT L.P. and through it held equities of the former Elong. In March 2018, Elong completed the acquisition of Tongcheng Network and changed its name to Tongcheng-Elong Holdings Limited ("Tongcheng Elong"). On 26 November 2018, Tongcheng Elong was listed on the Hong Kong Exchange (ticker symbol: 00780.HK). The fair value of the relevant other non-current financial assets is thus determined according to the market price of the stocks at the end of the period. At 31 December 2019, the Group held 68,330,660 stocks of Tongcheng Elong, which were disposed via Hong Kong Stock Exchange during the period from 2 September to 11 November 2020, and an investment income of RMB 263,558,686.66 was recognized by the Group accordingly.

(3) Major available-for-sale financial assets measured as a cost are as follows:

<i>Investee</i>	<i>Initial investment</i> RMB	<i>Opening balance</i> RMB	<i>Increase</i> <i>(decrease) in</i> <i>investment</i> RMB	<i>Exchange</i> <i>differences on</i> <i>foreign currency</i> <i>translation</i> RMB	<i>Closing balance</i> RMB
WeWork Companies Inc.	693,699,840.00	697,619,839.10	-	(45,129,989.70)	652,489,849.40
CCB Life Insurance Company Limited	389,844,000.00	683,844,000.00	-	-	683,844,000.00
Crystal Bright Development Limited	694,414,929.03	660,776,432.05	-	(21,351,150.19)	639,425,281.86
Shanghai Joyu Culture Communication Co., Ltd.	495,853,606.00	495,853,606.00	-	-	495,853,606.00
Changjiang Pension Insurance Co., Ltd.	40,000,000.00	141,573,300.48	-	-	141,573,300.48
Shanghai Overseas Joint-Investment Co., Ltd.	98,750,000.00	98,750,000.00	-	-	98,750,000.00
Shanghai Dongfang Newspaper Co., Ltd.	50,000,000.00	50,000,000.00	-	-	50,000,000.00
Shanghai Oriental Pearl Real Estate Co., Ltd.	50,000,000.00	50,000,000.00	-	-	50,000,000.00
Guotai Junan Investment Management Co., Ltd.	31,974,279.24	31,974,279.24	-	-	31,974,279.24
Shanghai Tianma Country Club Co., Ltd.	24,847,702.52	24,847,702.52	-	-	24,847,702.52
Jin Jiang Metro Cash & Carry Co., Ltd.	20,127,891.43	20,127,891.43	(20,127,891.43)	-	-
Shanghai Auchan Supermarket Co., Ltd.	14,900,633.87	14,900,633.87	-	-	14,900,633.87
Shanghai Swatch Art Center Co., Ltd.	14,841,000.00	14,841,000.00	-	-	14,841,000.00
Hangzhou KFC Co., Ltd.	12,265,727.00	12,265,727.00	-	-	12,265,727.00
Wenzhou Dynasty Hotel Co., Ltd.	11,003,407.00	11,003,407.00	-	-	11,003,407.00
Dazhong Insurance Co., Ltd of China	10,000,000.00	10,000,000.00	-	-	10,000,000.00
Xinyan Property Management (Shanghai) Co., Ltd.	9,554,381.38	9,554,381.38	(9,554,381.38)	-	-
Changjiang Economic Joint Development (Group) Co., Ltd.	7,671,010.00	8,672,900.00	-	-	8,672,900.00
Shanghai Jiansheng Industrial Co., Ltd.	7,900,000.00	7,900,000.00	-	-	7,900,000.00
Shanghai Nanzhan Long-distance Passenger Transportation Co., Ltd.	7,500,000.00	7,500,000.00	-	-	7,500,000.00
Shanghai Xinqing Property Management Co, Ltd.	6,643,853.80	6,643,853.80	(6,643,853.80)	-	-
Suzhou KFC Co., Ltd.	5,484,594.60	5,484,594.60	-	-	5,484,594.60
Shanghai Shi'an Haisheng Grand Hotel Co., Ltd.	5,442,000.00	5,442,000.00	-	-	5,442,000.00
Shanghai Business Center Co., Ltd.	5,187,700.00	5,187,700.00	-	-	5,187,700.00
Shanghai Universities Logistics Services Co., Ltd.	4,900,000.00	4,900,000.00	-	-	4,900,000.00
Shanghai West Shanghai Food Technology Co., Ltd.	4,666,666.67	4,666,666.67	-	-	4,666,666.67
Guangzhou Wan Ruo Gu Li Information Technology Co., Ltd.	4,000,000.00	4,000,000.00	-	-	4,000,000.00
Others	39,764,141.80	32,689,921.42	2,139,388.62	(3,037,712.06)	31,791,597.98
Total		<u>3,121,019,836.56</u>	<u>(34,186,737.99)</u>	<u>(69,518,851.95)</u>	<u>3,017,314,246.62</u>

(4) Provision for impairment of available-for-sale financial assets

<i>Investee</i>	<i>Opening balance</i> RMB	<i>Provision</i> RMB	<i>Write off</i> RMB	<i>Exchange differences on foreign currency translation</i> RMB	<i>Closing balance</i> RMB
WeWork Companies Inc.	100,457,280.00	326,602,986.97	-	(24,820,598.57)	402,239,668.40
Crystal Bright Development Limited	-	639,425,280.16	-	-	639,425,280.16
Tianjin Realty Development	34,197,435.00	-	-	-	34,197,435.00
Jin Jiang Metro Cash & Carry Co., Ltd.	20,127,891.43	-	(20,127,891.43)	-	-
Xinyan Property Management (Shanghai) Co., Ltd.	9,554,381.38	-	(9,554,381.38)	-	-
Shanghai Tianma Country Club	7,921,109.43	-	-	-	7,921,109.43
Shanghai Auchan Supermarket Co., Ltd.	6,695,646.57	-	-	-	6,695,646.57
Shanghai Xinqing Property Management Co., Ltd.	6,643,853.80	-	(6,643,853.80)	-	-
Shanghai Shi'an Haisheng Grand Hotel Co., Ltd.	5,442,000.00	-	-	-	5,442,000.00
Guangzhou Wan Ruo Gu Li Information Technology Co., Ltd.	3,500,000.00	-	-	-	3,500,000.00
Shanghai Shenteng Livestock Co., Ltd.	2,959,193.94	-	-	-	2,959,193.94
Guotai Junan Investment Management Co., Ltd.	2,500,000.00	-	-	-	2,500,000.00
Others	18,043,368.46	-	(1,849,759.05)	832,985.82	17,026,595.23
	<u>218,042,160.01</u>	<u>966,028,267.13</u>	<u>(38,175,885.66)</u>	<u>(23,987,612.75)</u>	<u>1,121,906,928.73</u>

13. Long-term receivables

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Long-term lease receivables	<u>75,440,937.11</u>	<u>45,155,624.72</u>
Total	<u>75,440,937.11</u>	<u>45,155,624.72</u>

14. Long-term equity investments

(1) Details of long-term equity investments are as follows:

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Investments in joint ventures	803,445,997.70	826,171,107.66
Investments in associates	<u>7,653,036,287.68</u>	<u>7,028,672,170.90</u>
Sub-total	8,456,482,285.38	7,854,843,278.56
Less: provision for impairment	<u>1,489,504,357.95</u>	<u>1,491,763,374.14</u>
Net value	<u>6,966,977,927.43</u>	<u>6,363,079,904.42</u>

(2) Provision for impairment of long-term equity investments

<i>Investee</i>	<i>Opening balance</i> RMB	<i>Decreases in the</i> <i>year</i> RMB	<i>Closing balance</i> RMB
Shanghai Shendi (Group) Co., Ltd.	1,483,000,000.00	-	1,483,000,000.00
Ganzi Holy Shambhala Tourism Investment Co., Ltd.	3,057,262.29	-	3,057,262.29
Guangzhou Mingyan Information Technology Co., Ltd.	2,259,016.19	(2,259,016.19)	-
Guangzhou Leji Information Technology Co., Ltd.	1,801,815.71	-	1,801,815.71
Shenzhen Space Five Apartment Hotel Management Co., Ltd.	<u>1,645,279.95</u>	<u>-</u>	<u>1,645,279.95</u>
Total	<u>1,491,763,374.14</u>	<u>(2,259,016.19)</u>	<u>1,489,504,357.95</u>

(3) Investments in joint ventures:

<i>Investee</i>	<i>Initial investment</i> RMB	<i>Opening balance</i> RMB	<i>Decrease due to changes in scope of consolidation</i> RMB	<i>Increase in investment</i> RMB	<i>Adjustments to profit or loss</i> RMB	<i>Cash dividends</i> RMB	<i>Adjustments to other comprehensive income</i> RMB	<i>Closing balance</i> RMB
Shanghai Galaxy Hotel Co., Ltd. ("Galaxy Hotel")	363,556,195.70	289,020,562.27	-	-	(11,794,822.27)	-	-	277,225,740.00
Shanghai Jin Jiang Tomson Hotel Company Limited	121,174,226.00	164,609,347.68	-	-	(2,644,850.00)	(13,836,566.00)	9,191.32	148,137,123.00
Shanghai Dazhong Xinya Taxi Co., Ltd.	84,628,129.42	102,533,777.53	-	-	799,100.73	-	-	103,332,878.26
Shanghai Motor Vehicle Driver Training Center	33,105,611.21	58,094,460.09	-	-	3,950,998.00	(4,002,559.00)	-	58,042,899.09
INCA HOTEL HOLDINGS COMPANY LLC ("IHHC")	258,796,093.00	39,061,556.32	-	-	(1,221,616.00)	(1,127,030.00)	-	36,712,910.32
Shanghai Guang Lv Enterprise Management Co., Ltd.	35,000,000.00	35,000,000.00	-	-	28,254,781.12	-	-	63,254,781.12
Shanghai Zhendong Auto Service Co., Ltd.	21,211,895.00	34,326,940.76	-	-	983,981.00	(1,013,942.00)	(78,583.00)	34,218,396.76
Shanghai Jin Mao JinJiang Automobile Service Co., Ltd.	16,940,000.00	30,384,412.99	-	-	1,034,439.00	(2,400,000.00)	-	29,018,851.99
Shanghai Jin Jiang Jia You Auto Service Co., Ltd.	14,614,900.00	20,482,538.35	-	-	(720,733.00)	-	-	19,761,805.35
Beijing Kunlun Hotel Co., Ltd.	193,791,249.00	16,394,042.86	(1,599,058,186.00)	-	1,582,664,143.14	-	-	-
Shanghai Yongda Second-hand Motor Vehicle Operation Co., Ltd.	4,500,000.00	11,056,992.96	-	-	662.00	-	-	11,057,654.96
Shanghai Jin Jiang Sheshan Auto Service Co., Ltd.	500,000.00	6,398,246.14	-	-	(494,476.00)	(49,798.00)	-	5,853,972.14
Shanghai Nissan Car Repair Center	5,643,011.57	6,125,470.19	-	-	20,271.00	-	-	6,145,741.19
Shanghai Tower Jin Jiang Hotel Assets Management Co., Ltd.	30,000,000.00	5,349,602.77	-	-	(1,649,414.00)	-	-	3,700,188.77
Shanghai Petroleum Group Changle Road Petro Station Co., Ltd.	150,000.00	2,608,004.84	-	-	(265,553.00)	(817,198.00)	-	1,525,253.84
Shanghai Jin Jiang Fairmont Hotel Management Co., Ltd.	258,435.00	2,519,030.27	-	-	30,731.00	-	-	2,549,761.27
Shanghai Jin Jiang Del Interactive Co., Ltd.	12,114,623.00	1,785,027.53	-	-	-	-	-	1,785,027.53
Shanghai Jin Jiu Property Management Co., Ltd.	250,000.00	421,094.11	-	-	37,168.00	(41,747.00)	-	416,515.11
Shanghai Jin Jiang Dacang Garden Hotel Management Co., Ltd.	574,000.00	-	-	574,000.00	132,497.00	-	-	706,497.00
Total		<u>826,171,107.66</u>	<u>(1,599,058,186.00)</u>	<u>574,000.00</u>	<u>1,599,117,307.72</u>	<u>(23,288,840.00)</u>	<u>(69,391.68)</u>	<u>803,445,997.70</u>

(4) Investments in associates:

Investee	Initial investment RMB	Opening balance RMB	Increase due to changes in scope of consolidation RMB	Increase in investments RMB	Adjustments to profit or loss RMB	Cash dividends RMB	Adjustments to other comprehensive income RMB	Exchange differences on foreign currency translation RMB	Other decrease RMB	Closing balance RMB
Shanghai Shendi (Group) Co., Ltd.	5,112,662,500.00	5,013,216,913.31	-	-	-	-	-	-	-	5,013,216,913.31
HuaAn Funds Management Co., Ltd.	165,000,000.00	611,267,241.49	-	-	142,122,671.92	(35,000,000.00)	-	-	-	718,389,913.41
Shanghai Pudong International Airport Cargo Terminal Co. Ltd. ("PACTL")	63,130,065.07	267,612,431.62	-	-	88,869,843.00	(89,369,719.00)	-	-	-	267,112,555.62
Shanghai KFC Co., Ltd.	97,977,250.00	231,768,688.37	-	-	118,166,056.00	(130,914,044.00)	-	-	-	219,020,700.37
Shanghai New Union Building Co., Ltd.	382,354,550.42	157,525,133.62	-	-	(37,755,149.01)	-	-	-	-	119,769,984.61
Shanghai Wufeng Shangshi Food Co., Ltd.	83,300,517.99	114,488,065.83	-	-	(12,513,910.26)	-	-	-	-	101,974,155.57
Jiangsu Nanjing Long-distance Passenger Transportation (Group) Co., Ltd.	25,300,000.00	106,491,208.98	-	-	1,208,867.00	(7,590,000.00)	-	-	-	100,110,075.98
Shanghai Interunited Co., Ltd.	61,094,482.20	70,951,981.55	-	-	2,506,284.36	(2,500,000.00)	-	-	-	70,958,265.91
Shanghai Xinxin Construction Development Co., Ltd.	44,000,000.00	68,833,173.87	-	-	14,474,953.64	(8,000,000.00)	-	-	-	75,308,127.51
Shanghai Proton and Heavy Ion Center	100,000,000.00	65,815,012.53	-	-	-	-	-	-	-	65,815,012.53
HRG Jinjiang Travel (China) Co., Ltd.	45,874,232.57	35,206,206.37	-	-	(4,373,053.94)	-	-	-	-	30,833,152.43
Shanghai New Asia Fulihua Catering Co., Ltd.	14,350,000.00	35,402,701.26	-	-	3,053,307.00	(7,644,000.00)	-	-	-	30,812,008.26
Shanghai Zihong Machinery Co., Ltd.	28,778,621.65	28,778,621.65	-	-	(1,465,029.50)	-	-	-	-	27,313,592.15
Jin Jiang International Les Roches Hotel Management College	12,278,226.00	19,510,029.48	-	-	(4,876,898.00)	-	-	-	-	14,633,131.48
Bestech Hotels & Resorts Private Limited	-	12,836,208.00	-	-	-	-	(830,392.00)	-	-	12,005,816.00
Shanghai Shengbo Jin Kang Investment Development Co., Ltd.	3,500,000.00	10,826,787.29	-	-	4,160,574.62	(3,957,348.76)	-	-	-	11,030,013.15
Al Quesir Hotel Company S.A.E	-	10,582,186.99	-	-	1,116,844.12	-	-	996,489.80	-	12,695,520.91
Shenzhen Lianghao Restaurant Management Co., Ltd.	20,400,000.00	9,917,874.22	-	-	1,529,567.00	-	-	-	-	11,447,441.22
Others	-	157,641,704.47	(5,423,459.00)	73,044,167.00	(462,193,819.79)	(40,958,781.00)	(28,352.26)	(573,375.93)	1,029,081,823.77	750,589,907.26
Total		<u>7,028,672,170.90</u>	<u>(5,423,459.00)</u>	<u>73,044,167.00</u>	<u>(145,968,891.84)</u>	<u>(325,933,892.76)</u>	<u>(28,352.26)</u>	<u>(407,278.13)</u>	<u>1,029,081,823.77</u>	<u>7,653,036,287.68</u>

(5) List of significant joint ventures and associates and their key financial information

<u>Investee</u>	<u>Principal place of business</u>	<u>Place of registration</u>	<u>Business nature</u>	<u>Proportion of ownership interests held by the Group</u>		<u>Whether it is of strategic importance to the Group's activities</u>
				<u>31/12/2020</u>	<u>31/12/2019</u>	
Joint ventures: Galaxy Hotel	Shanghai	Shanghai	Hotel operation	50%	50%	Yes
Associates:						
Shanghai Shendi (Group) Co., Ltd.	Shanghai	Shanghai	Entertainment industry investment, properties development and operation etc.	25%	25%	Yes
HuaAn Funds Management Co., Ltd.	Shanghai	Shanghai	Securities investment, fund raising and management	20%	20%	Yes
Shanghai Pudong International Airport Cargo Terminal Co. Ltd. ("PACTL")	Shanghai	Shanghai	Transportation industry	20%	20%	Yes

Key financial information of significant joint ventures:

(i) Galaxy Hotel

	<i>Closing balance</i>	<i>Opening balance</i>
	RMB	RMB
Current assets	28,317,451.33	27,685,115.57
Non-current assets	<u>718,795,551.08</u>	<u>589,864,125.29</u>
Total assets	<u>747,113,002.41</u>	<u>617,549,240.86</u>
Current liabilities	51,751,083.51	37,167,148.31
Non-current liabilities	<u>140,910,438.90</u>	<u>2,340,968.01</u>
Total liabilities	<u>192,661,522.41</u>	<u>39,508,116.32</u>
Net assets	<u>554,451,480.00</u>	<u>578,041,124.54</u>
Share of net assets calculated by proportion of ownership interests	<u>277,225,740.00</u>	<u>289,020,562.27</u>
Carrying amount of equity investment in Galaxy Hotel	<u>277,225,740.00</u>	<u>289,020,562.27</u>
	<i>2020</i>	<i>2019</i>
	RMB	RMB
Operating income	99,290.48	164,190.48
Total net loss and comprehensive income attributable to owner of the parent company	<u>(11,794,822.27)</u>	<u>(4,871,880.39)</u>
Dividends received from Galaxy Hotel	<u>-</u>	<u>-</u>

Key financial information of significant associates:

(ii) Shanghai Shendi (Group) Co., Ltd.

	<i>Closing balance</i>	<i>Opening balance</i>
	RMB	RMB
Current assets	11,964,496,804.09	8,064,975,119.04
Non-current assets	<u>46,930,511,636.25</u>	<u>48,441,199,750.62</u>
Total assets	<u>58,895,008,440.34</u>	<u>56,506,174,869.66</u>
Current liabilities	5,976,205,047.89	5,880,468,782.38
Non-current liabilities	<u>29,424,473,826.88</u>	<u>24,716,125,460.58</u>
Total liabilities	<u>35,400,678,874.77</u>	<u>30,596,594,242.96</u>
Net assets	<u>23,494,329,565.57</u>	<u>25,909,580,626.70</u>
Net assets attributable to owners of the Company	<u>16,249,702,120.10</u>	<u>17,630,573,270.76</u>
Share of net assets calculated by proportion of ownership interests	<u>4,062,425,530.03</u>	<u>4,407,643,317.69</u>
Gross carrying amount of investment in Shanghai Shendi (Group) Co., Ltd.	5,013,216,913.31	5,013,216,913.31
Less: Provision for impairment	<u>1,483,000,000.00</u>	<u>1,483,000,000.00</u>
Carrying amount of investment in Shanghai Shendi (Group) Co., Ltd.	<u>3,530,216,913.31</u>	<u>3,530,216,913.31</u>
	<u>2020</u>	<u>2019</u>
	RMB	RMB
Operating income	5,076,523,387.04	8,620,986,909.16
Total net loss and comprehensive income attributable to owner of the parent company	<u>(1,355,846,970.07)</u>	<u>(163,182,168.47)</u>
Dividends received from Shanghai Shendi (Group) Co., Ltd.	<u>-</u>	<u>-</u>

(iii) HuaAn Funds Management Co., Ltd.

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Current assets	2,171,235,765.01	640,393,167.21
Non-current assets	<u>2,941,860,724.12</u>	<u>3,311,925,690.26</u>
Total assets	<u>5,113,096,489.13</u>	<u>3,952,318,857.47</u>
Current liabilities	1,116,466,717.91	694,941,685.31
Non-current liabilities	404,680,204.17	201,040,964.71
Total liabilities	<u>1,521,146,922.08</u>	<u>895,982,650.02</u>
Net assets	<u>3,591,949,567.05</u>	<u>3,056,336,207.45</u>
Net assets attributable to owner of the Company	<u>3,591,949,567.05</u>	<u>3,056,336,207.45</u>
Share of net assets calculated by proportion of ownership interests	<u>718,389,913.41</u>	<u>611,267,241.49</u>
Carrying amount of equity investment in HuaAn Funds Management Co., Ltd.	<u>718,389,913.41</u>	<u>611,267,241.49</u>
	<i>2020</i> RMB	<i>2019</i> RMB
Operating income	2,670,109,868.40	1,851,695,763.61
Net profit attributable to owner of the parent company	710,613,359.62	449,931,376.93
Other comprehensive income attributable to owner of the parent company	(5,875,504.66)	26,770,150.33
Total comprehensive income attributable to owner of the parent company	<u>704,737,854.96</u>	<u>476,701,527.26</u>
Dividends received from HuaAn Funds Management Co., Ltd.	<u>35,000,000.00</u>	<u>33,000,000.00</u>

(iv) PACTL

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Current assets	763,179,976.47	700,141,075.56
Non-current assets	<u>806,459,935.66</u>	<u>799,691,278.03</u>
 Total assets	 <u>1,569,639,912.13</u>	 <u>1,499,832,353.59</u>
Current liabilities	231,639,514.53	161,770,195.49
Non-current liabilities	<u>2,483,339.24</u>	<u>-</u>
 Total liabilities	 <u>234,122,853.77</u>	 <u>161,770,195.49</u>
 Net assets	 <u>1,335,517,058.36</u>	 <u>1,338,062,158.10</u>
 Net assets attributable to the owner of the parent company	 <u>1,335,517,058.36</u>	 <u>1,338,062,158.10</u>
 Share of net assets calculated by proportion of ownership interests	 <u>267,112,555.62</u>	 <u>267,612,431.62</u>
 Carrying amount of equity investment in PACTL	 <u>267,112,555.62</u>	 <u>267,612,431.62</u>
	 <i>2020</i> RMB	 <i>2019</i> RMB
Operating income	878,749,958.71	859,168,065.47
Total net profit and comprehensive income attributable to the owner of the parent company	<u>444,349,215.98</u>	<u>466,316,870.27</u>
 Dividends received from PACTL	 <u>89,369,719.36</u>	 <u>111,161,956.50</u>

(6) Summary of information of insignificant joint ventures and associates

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Joint ventures:		
Total carrying amount of investments	<u>526,220,257.70</u>	<u>537,150,545.39</u>
Totals of the following items calculated by proportion of ownership interests		
	<i>2020</i> RMB	<i>2019</i> RMB
Net profit	1,610,912,129.99	42,783,167.40
Other comprehensive income	<u>(69,391.68)</u>	<u>129,628.02</u>
Total comprehensive income	<u>1,610,842,738.31</u>	<u>42,912,795.42</u>
	<u><i>Closing balance</i></u> RMB	<u><i>Opening balance</i></u> RMB
Associates:		
Total carrying amount of investments	<u>1,654,316,905.34</u>	<u>904,806,896.11</u>
Totals of the following items calculated by proportion of ownership interests		
	<i>2020</i> RMB	<i>2019</i> RMB
Net profit	(376,961,406.76)	8,987,899.30
Other comprehensive income	<u>(28,352.26)</u>	<u>2,940,232.15</u>
Total comprehensive income	<u>(376,989,759.02)</u>	<u>11,928,131.45</u>

15. Investment properties

	<i>Land use rights</i> RMB	<i>Buildings</i> RMB	<i>Total</i> RMB
Original costs			
Opening balance	77,534,130.38	1,276,127,059.48	1,353,661,189.86
Purchase during the year	-	65,303.00	65,303.00
Value appreciation	-	16,611,000.00	16,611,000.00
Disposals during the year	<u>(20,856,131.05)</u>	<u>(44,315,949.83)</u>	<u>(65,172,080.88)</u>
Closing balance	<u>56,677,999.33</u>	<u>1,248,487,412.65</u>	<u>1,305,165,411.98</u>
Less: Accumulated depreciation and amortization			
Opening balance	19,236,673.50	751,278,939.78	770,515,613.28
Charge for the year	853,220.00	29,468,111.49	30,321,331.49
Disposals	<u>(7,035,241.30)</u>	<u>(42,474,001.73)</u>	<u>(49,509,243.03)</u>
Closing balance	<u>13,054,652.20</u>	<u>738,273,049.54</u>	<u>751,327,701.74</u>
Less: Provision for impairment			
Opening balance	-	771,979.48	771,979.48
Charge for the year	-	-	-
Written off on disposals	<u>-</u>	<u>-</u>	<u>-</u>
Closing balance	<u>-</u>	<u>771,979.48</u>	<u>771,979.48</u>
Carrying amount			
Closing balance	<u>43,623,347.13</u>	<u>509,442,383.63</u>	<u>553,065,730.76</u>
Opening balance	<u>58,297,456.88</u>	<u>524,076,140.22</u>	<u>582,373,597.10</u>

As at 31 December 2020, land use rights of RMB 21,123,200.00 (31 December 2019: RMB 21,123,200.00) were obtained via allocation. As management believes that the useful lives of these land use rights are not determinable and are available for use in the foreseeable future, they are not amortized during the period of ownership.

As at 31 December 2020, the Group have not obtained the title certificates of buildings or land use rights with a total carrying amount of RMB 41,346,661.22 (31 December 2019: RMB 30,347,430.94) .

16. Fixed assets

Changes in fixed assets in the year are as follows:

	Land RMB	Buildings RMB	Machinery equipment RMB	Electronic equipment, appliances and furniture RMB	Transportation vehicles RMB	Commercial vehicles RMB	Expenditures on decoration of hotels and buildings RMB	Total RMB
Original carrying amount								
Opening balance	1,442,995,245.71	16,750,566,001.48	6,370,507,783.19	2,179,765,723.54	156,424,994.25	1,462,367,637.96	1,764,625,800.17	30,127,253,186.30
Movements due to changes in scope of consolidation	-	3,389,325,078.39	(37,987,996.24)	186,353,276.04	4,321,831.83	1,812,274.44	166,400,778.03	3,710,225,242.49
Additions during the year	3,118,187.00	70,733,428.15	103,173,597.14	23,694,330.99	8,263,516.41	4,988,513.00	10,591,734.83	224,563,307.52
Reclassification during the year	-	(2,489,570.87)	-	2,489,570.87	-	-	-	-
Transfer from construction in progress	-	104,484,419.62	-	28,078,922.77	-	-	-	-
Disposals during the year	(566,930.00)	(57,058,758.41)	200,103,851.06	(112,048,842.42)	(24,324,131.87)	(33,327,223.34)	(311,160,341.00)	(559,055,466.04)
Exchange differences on foreign currency translation	12,528,862.52	14,818,291.77	(158,174,310.59)	(8,615,590.79)	-	-	1,153,157.31	(125,856,776.78)
Classified as held-for-sale assets	-	(10,515,878.00)	(1,973,990.00)	(915,933.00)	(415,012.00)	-	(9,537,713.00)	(23,358,526.00)
Closing balance	1,458,075,365.23	20,259,863,012.13	6,363,600,092.14	2,386,526,168.55	142,229,861.67	1,362,543,482.40	1,977,825,071.25	33,950,663,053.37
Less: Accumulated depreciation								
Opening balance	67,853,005.54	8,087,623,928.04	4,439,197,719.23	1,234,668,065.07	120,206,938.84	885,194,968.69	1,327,795,275.75	16,162,539,901.16
Movements due to changes in scope of consolidation	-	(40,736,265.84)	(52,145,850.52)	164,010,570.24	(3,052,412.10)	1,721,660.27	68,243,290.52	144,145,816.77
Charge for the year	1,588,092.00	489,165,382.47	535,858,151.05	73,814,745.78	12,602,686.62	185,011,989.18	176,492,216.03	1,474,533,263.13
Reclassification	-	(309,036.53)	309,036.53	-	-	-	-	-
Write-back on disposal	(465,803.00)	(45,973,352.15)	(82,191,059.67)	(22,353,849.88)	(27,602,015.70)	(257,444,912.00)	(15,768,593.00)	(451,799,585.40)
Exchange differences on foreign currency translation	(9,160,649.86)	75,637,605.15	(168,883,277.75)	(3,623,595.93)	-	9,147,995.00	(1,954,973.83)	(98,836,897.22)
Classified as held-for-sale assets	-	(6,951,204.00)	(1,561,528.00)	(798,856.00)	(340,230.00)	-	(3,486,907.00)	(13,138,725.00)
Closing balance	59,814,644.68	8,558,457,057.14	4,670,583,190.87	1,445,717,079.28	107,919,791.86	823,631,701.14	1,551,320,308.47	17,217,443,773.44
Less: Provision for impairment								
Opening balance	-	2,496,022.64	137,637,698.11	54,673.83	269,086.48	-	40,874.32	140,498,355.38
Charge for the year	-	102,978,507.40	62,689,559.93	-	(277,660.05)	-	-	165,390,407.28
Written off on disposals	-	(580,319.00)	(5,072,001.76)	(3,146.00)	-	-	-	(5,655,466.76)
Exchange differences on foreign currency translation	-	(611,591.40)	(2,893,071.24)	-	-	-	-	(3,504,662.64)
Classified as held-for-sale assets	-	(1,286,259.00)	(5,569.00)	(6,974.00)	-	-	-	(1,298,802.00)
Closing balance	-	102,996,360.64	192,356,616.04	44,553.83	(8,573.57)	-	40,874.32	295,429,831.26
Carrying amount								
Closing balance	1,398,260,720.55	11,598,409,594.35	1,500,660,285.23	940,764,535.44	34,318,643.38	538,911,781.26	426,463,888.46	16,437,789,448.67
Opening balance	1,375,142,240.17	8,660,446,050.80	1,793,672,365.85	945,042,984.64	35,948,968.93	577,172,669.27	436,789,650.10	13,824,214,929.76

Including, fixed assets acquired through finance lease as follows:

	<i>Land</i> RMB	<i>Buildings</i> RMB	<i>Machinery equipment</i> RMB	<i>Total</i> RMB
Original carrying amounts	130,390,200.00	843,229,283.00	35,285,519.00	1,008,905,002.00
Less: Accumulated depreciation	-	754,123,033.00	24,893,928.00	779,016,961.00
Carrying amounts	<u>130,390,200.00</u>	<u>89,106,250.00</u>	<u>10,391,591.00</u>	<u>229,888,041.00</u>

As at 31 December 2020, buildings for which the Group had not obtained title certificates had a total carrying amount of RMB 182,182,667.48 (31 December 2019: RMB 170,092,976.42).

As at 31 December 2020, a subsidiary of Jinjiang Capital pledged its buildings with a total net book value of RMB 202,132,808.05 as collateral for long-term borrowings. For details, please refer to Note IX 35, note 3(2).

As at 31 December 2020, the buildings and machinery equipment of overseas subsidiaries of Jin Jiang International Investment with a total book value of RMB 862,874,425.03 were used as collaterals for bank borrowings. For details, please refer to Note IX 35, note 3(1).

As at 31 December 2020, the buildings and lands of Shanghai CTS with a total net book value of RMB 8,936,746.93 were pledged as collaterals for bank borrowings. For details, please refer to Note IX 24, note 3.

17. Construction in progress

<i>Item</i>	<i>Opening balance</i> RMB	<i>Addition</i> RMB	<i>Completed and transferred to fixed assets</i> RMB	<i>Completed and transferred to intangible assets</i> RMB	<i>Completed and transferred to long-term prepaid expenses</i> RMB	<i>Exchange differences on foreign currency translation</i> RMB	<i>Closing balance</i> RMB
Series renovation of limited serviced hotels	504,640,660.93	374,491,461.00	(184,743,019.00)	-	(239,863,054.00)	3,949,994.00	458,476,042.93
Renovation of full-serviced hotels and other hotels	1,659,397,470.94	970,739,530.51	(209,515,516.58)	(153,893,290.00)	(97,381,070.04)	(80,638,371.24)	2,088,708,753.59
Renovation of restaurants	3,024,371.29	219,216,234.17	(198,470,791.00)	-	(11,964.00)	(12,377,891.02)	11,379,959.44
Decoration and renovation of office area and equipment	183,728,254.75	1,466,718.70	(3,638,738.30)	-	-	-	181,556,235.15
Vehicles not ready for intended use	3,196,809.24	2,269,841.00	(524,021.00)	-	-	-	4,942,629.24
Total original carrying amount	2,353,987,567.15	<u>1,568,183,785.38</u>	<u>(596,892,085.88)</u>	<u>(153,893,290.00)</u>	<u>(337,256,088.04)</u>	<u>(89,066,268.26)</u>	2,745,063,620.35
Less: Provision for impairment	<u>30,698,728.26</u>						<u>32,746,090.44</u>
Net value	<u>2,323,288,838.89</u>						<u>2,712,317,529.91</u>

18. Intangible assets

	Land use rights RMB	Taxi operation license RMB	Long-term lease right to operating income RMB	Trademarks and brands RMB	Patent and related rights RMB	Membership right RMB	Non-patent technology RMB	Software and others RMB	Total RMB
Original carrying amount									
Opening balance	7,039,646,386.50	227,244,083.85	1,378,748,007.19	12,164,183,370.01	625,918,786.80	442,426,855.35	6,520,000.00	2,377,504,414.62	24,262,191,904.32
Increase due to changes in scope of consolidation	138,261,861.19	-	-	-	-	-	3,499,920.00	-	141,761,781.19
Increase due to transfers of subsidiaries and joint ventures	12,914,769.10	-	-	-	-	-	-	-	12,914,769.10
Additions during the year	266,765,747.13	-	-	-	446,639.18	-	-	552,997,516.83	820,209,903.14
Transfer from construction in progress	-	-	-	-	-	-	-	153,893,290.00	153,893,290.00
Classified as held-for-sale assets	(14,230,400.00)	-	-	-	-	-	-	-	(14,230,400.00)
Disposals	(28,980,174.00)	-	(69,120,000.00)	-	-	-	-	(4,089,449.32)	(102,189,623.32)
Exchange differences on foreign currency translation	(545,155.37)	-	8,731,740.56	(327,476,521.60)	-	(6,037,375.63)	-	(8,534,691.48)	(333,862,003.52)
Closing balance	<u>7,413,833,034.55</u>	<u>227,244,083.85</u>	<u>1,318,359,747.75</u>	<u>11,836,706,848.41</u>	<u>626,365,425.98</u>	<u>436,389,479.72</u>	<u>10,019,920.00</u>	<u>3,071,771,080.65</u>	<u>24,940,689,620.91</u>
Less: Accumulated amortization									
Opening balance	1,251,614,530.59	6,030,352.00	358,246,099.20	995,750.26	393,847,844.15	70,133,041.60	-	1,385,389,422.08	3,466,257,039.88
Increase due to changes in scope of consolidation	49,321,648.91	-	-	-	-	-	3,499,920.00	-	52,821,568.91
Charge for the year	237,826,808.76	-	62,811,961.80	239,150.00	196,807.73	19,836,057.59	-	211,048,786.26	531,959,572.14
Written-back on disposals	(10,842,595.00)	-	(30,984,827.64)	-	-	-	-	(3,120,748.00)	(44,948,170.64)
Exchange differences on foreign currency translation	-	-	-	24,536.00	-	-	-	(586,115.00)	(561,579.00)
Closing balance	<u>1,527,920,393.26</u>	<u>6,030,352.00</u>	<u>390,073,233.36</u>	<u>1,259,436.26</u>	<u>394,044,651.88</u>	<u>89,969,099.19</u>	<u>3,499,920.00</u>	<u>1,592,731,345.34</u>	<u>4,005,528,431.29</u>
Less: Provision for impairment									
Opening balance	-	-	-	-	368,823.10	-	-	58,230,971.24	58,599,794.34
Charge for the year	-	12,107,000.00	-	-	-	-	-	-	12,107,000.00
Exchange differences on foreign currency translation	-	-	-	-	-	-	-	-	-
Closing balance	<u>-</u>	<u>12,107,000.00</u>	<u>-</u>	<u>-</u>	<u>368,823.10</u>	<u>-</u>	<u>-</u>	<u>58,230,971.24</u>	<u>70,706,794.34</u>
Carrying amount									
Closing balance	<u>5,885,912,641.29</u>	<u>209,106,731.85</u>	<u>928,286,514.39</u>	<u>11,835,447,412.15</u>	<u>231,951,951.00</u>	<u>346,420,380.53</u>	<u>6,520,000.00</u>	<u>1,420,808,764.07</u>	<u>20,864,454,395.28</u>
Opening balance	<u>5,788,031,855.91</u>	<u>221,213,731.85</u>	<u>1,020,501,907.99</u>	<u>12,163,187,619.75</u>	<u>231,702,119.55</u>	<u>372,293,813.75</u>	<u>6,520,000.00</u>	<u>933,884,021.30</u>	<u>20,737,335,070.10</u>
Remaining amortization period	5 to 60 years	with no definite useful life	11 to 13 years	Part of trademark right has useful lives of 1 to 10 years; others have no definite life	2 to 15 years	20 years	with no definite usefullife	2 to 28 years	

As at 31 December 2020, land use rights of RMB 150,121,800.00 (31 December 2019: RMB 150,121,800.00) have been obtained with government investment. As management believes that the useful lives of these land use rights are not determinable and are available for use in the foreseeable future, they are not amortized during the period of ownership.

As at 31 December 2020, land use rights of RMB 203,335,970.23 (31 December 2019: RMB 203,335,970.23) were obtained via allocation. As management believes that the useful lives of these land use rights are not determinable and are available for use in the foreseeable future, they are not amortized during the period of ownership.

19. Goodwill

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Original carrying amount		
Opening balance	13,606,931,688.21	13,634,380,415.01
Increase (decrease) in the year	<u>747,831,564.73</u>	<u>(27,448,726.80)</u>
Closing balance	<u>14,354,763,252.94</u>	<u>13,606,931,688.21</u>
Less: Provision for impairment		
Opening balance	193,500,414.33	193,500,414.33
Increases in the year	<u>-</u>	<u>-</u>
Closing balance	<u>193,500,414.33</u>	<u>193,500,414.33</u>
Carrying amount		
Closing balance	<u>14,161,262,838.61</u>	<u>13,413,431,273.88</u>
Opening balance	<u>13,413,431,273.88</u>	<u>13,440,880,000.68</u>

(1) The details of the original carrying amount of the Group's goodwill are set out as follows:

	Opening balance RMB	Increase (decrease) in the year RMB	Exchange differences on foreign currency translation RMB	Closing balance RMB
Keystone	5,766,874,767.03	-	-	5,766,874,767.03
GDL	4,892,547,147.95	-	123,341,493.36	5,015,888,641.31
Radisson Hospitality AB and Radisson Holdings Inc	1,529,179,963.77	-	40,990,749.47	1,570,170,713.24
Vienna and Longevity Village	668,816,710.56	-	-	668,816,710.56
Pictet Huitong Network Technology (Shanghai) Co., Ltd. ("HUBS1")	428,206,217.97	-	-	428,206,217.97
Shanghai East Jin Jiang Hotel Co., Ltd. (" East Jin Jiang")	143,981,550.32	-	-	143,981,550.32
Smartel Hotel management Co., Ltd. ("Smartel")	51,785,803.21	-	-	51,785,803.21
Shanxi Jinguang Inn Management Co., Ltd. (" Shanxi Jinguang")	40,171,417.85	-	-	40,171,417.85
The Kunlun Jing An Hotel ("Kunlun Jing An")	23,446,418.54	-	-	23,446,418.54
Xi'an Xijing International Hotel Co., Ltd. (" Xi'an Xijing")	17,373,911.00	-	-	17,373,911.00
Jin Jiang Inn Hotel Investment Co., Ltd.	17,118,867.00	-	-	17,118,867.00
Sofitel Shanghai Hyland Hotel Co., Ltd.	11,002,693.00	(11,002,693.00)	-	-
Jin Jiang Inn Hotel Co., Ltd.	5,201,426.72	-	-	5,201,426.72
Shenzhen Duzhuhua Inn Management Co., Ltd. ("Duzhuhua")	3,740,756.59	-	-	3,740,756.59
Shanghai Jing An Bakery Co., Ltd.	3,576,117.39	-	-	3,576,117.39
Shanghai Jinjiang International Travel Center Co., Ltd.	1,057,987.58	-	-	1,057,987.58
Shanghai Wonderful Food Co., Ltd.	1,245,947.02	-	-	1,245,947.02
Shanghai Xintiantian Cold Logistics Co., Ltd. ("Xintiantian")	972,584.60	-	-	972,584.60
Shanghai Jinjiang International JTB Exhibition Co., Ltd.	631,400.11	-	-	631,400.11
Beijing Kunlun Hotel Co., Ltd. ("Beijing Kunlun") (Note 1)	-	594,502,014.90	-	594,502,014.90
Total	13,606,931,688.21	583,499,321.90	164,332,242.83	14,354,763,252.94

Note 1: The increase in the year represented the goodwill arising from the acquisition of Beijing Kunlun amounting to RMB 594,502,014.90 (Note IX 70).

(2) Provisions for impairment of goodwill are as follows:

	Opening and closing balances RMB
East Jin Jiang	143,981,550.32
Shanxi Jinguang	40,171,417.85
Duzhuhua	3,740,756.59
Shanghai Jing An Bakery Co., Ltd.	3,576,117.39
Shanghai Jinjiang International Travel Center Co., Ltd.	1,057,987.58
Xintiantian	972,584.60
Total	193,500,414.33

(i) Allocation of goodwill to cash generating unit

For the purpose of impairment test, goodwill has been allocated to cash-generating units attributable to overseas service hotel operation and management segment, cash-generating unit attributable to domestic service hotel operation and management segment and cash-generating unit of other management segments.

	<i>Original carrying amount RMB</i>	<i>Provision for impairment RMB</i>	<i>Carrying amount RMB</i>
Overseas service hotel operation and management segment			
GDL	5,015,888,641.31	-	5,015,888,641.31
Radisson Hotel	1,570,170,713.24	-	1,570,170,713.24
Domestic service hotel operation and management segment			
Keystone	5,766,874,767.03	-	5,766,874,767.03
Vienna and Longevity Village	668,816,710.56	-	668,816,710.56
HUBS1	428,206,217.97	-	428,206,217.97
East Jin Jiang	143,981,550.32	143,981,550.32	-
Smartel	51,785,803.21	-	51,785,803.21
The Kunlun Jing An Hotel	23,446,418.54	-	23,446,418.54
Shanxi Jinguang	40,171,417.85	40,171,417.85	-
Xi'an Xijing	17,373,911.00	-	17,373,911.00
Jin Jiang Inn Hotel Investment Co., Ltd.	17,118,867.00	-	17,118,867.00
Jin Jiang Inn Hotel Co., Ltd.	5,201,426.72	-	5,201,426.72
Duzhuhua	3,740,756.59	3,740,756.59	-
Beijing Kunlun	594,502,014.90	-	594,502,014.90
Other business segments			
Others	<u>7,484,036.70</u>	<u>5,606,689.57</u>	<u>1,877,347.13</u>
Total	<u>14,354,763,252.94</u>	<u>193,500,414.33</u>	<u>14,161,262,838.61</u>

(ii) the key assumptions and basis for calculating the recoverable amount of above cash generating units are as follows:

A. Cash generating units of overseas service hotel operation and management segment

The recoverable amount of the asset group of overseas service hotel operation and management segment is determined based on the present value of the estimated future cash flows. The future cash flows are determined based on the assessment of third-party appraisal institution or the financial budget of the management. The key assumptions used in estimating the present value of expected future cash flows is: estimate the expected growth rate and discounting rate of the average income from available-for-rent guest rooms based on the past performance of the asset group and the management's expectation on market. Among them, the key assumptions used in estimating the present value of GDL's future cash flows is: estimate the expected growth rate (2021: income from guest rooms expected to be 85% of 2019, 2021 to 2025: a CAGR of hotel business about 5.8%, after 2025: about 1.4%) and discounting rate before tax (directly-operated hotels: about 8.45%, franchisee and managed hotels: about 14.4%) of the average income from available-for-rent guest rooms based on the past performance of the asset group and the expectation on market, among which, the growth rate of income from available-for-rent guest rooms after 2025 is determined based on the inflation rate of the countries where the hotels are operated. The key assumption used in estimating the present value of Radisson Hotel's future cash flows is: estimate the expected growth rate (6.94%-14.71%) and discounting rate before tax (about 11.35%) of the average income from available-for-rent guest rooms based on the past performance of the cash generating units and the expectation on market. Management believes that any reasonable change in the above assumptions will not result in the total book value of the asset groups of GDL and Radisson Hotel exceeding their recoverable amounts.

B. Domestic Hotel Operations and Management Business Segment Asset Group

Except for Smartel, the recoverable amounts of the asset group of domestic hotel operation and management segment is determined based on the present value of expected future cash flows. The future cash flows are determined based on the assessment of third-party appraisal institution or the financial budget of the management. The key assumption used in estimating the present value of expected future cash flows is: estimate the expected growth rate and discounting rate of the average income from available-for-rent guest rooms based on the past performance of the cash generating units and the management's expectation on market.

Among them, the key assumptions used in estimating the present value of Keysone's future cash flows is: estimate the expected growth rate (2021: income from guest rooms expected to be 99% of 2019, 2021 to 2025: a CAGR of hotel business about 12%, after 2025: about 2%) and discounting rate before tax (about 14.9%) of the average income from hotel business based on the past performance of the cash generating units and the expectation on market, among which, the growth rate of income from hotel business after 2025 is determined based on the inflation rate of the country where the hotels are operated.

The key assumption used in estimating the present value of Vienna and Longevity Village's future cash flows is: estimate the expected growth rate (2021: income from guest rooms expected to be 95% of 2019, 2021 to 2025: a CAGR of hotel business about 5%, after 2025: 2%) and discounting rate before tax (about 17.56%) of the average income from available-for-rent guest rooms based on the past performance of the cash generating units and the expectation on market.

The recoverable amount of Smartel is determined based on the fair value net of cost of disposal. The key assumption used to estimate the fair value and cost of disposal is: estimate the cost of disposing the properties held by Smartel based on the cost of disposal of properties of the same type in the market.

The key assumption used in estimating the present value of Beijing Kunlun's future cash flows is: estimate the expected growth rate (2021: income from guest rooms expected to be 95% of 2019, 2021 to 2025: a CAGR of hotel business about 5%, after 2025: 2%) and discounting rate before tax (about 17.56%%) of the average income from available-for-rent guest rooms based on the past performance of the cash generating units and the expectation on market.

Except for East Jin Jiang, Shanxi Jinguang and Duzhuhua, management believes that any reasonable change in the above assumptions will not result in that total carrying amount of the cash generating units of domestic service hotel operation and management segment exceeds its recoverable amount. For East Jin Jiang, Shanxi Jinguang and Duzhuhua, the management makes full provision for impairment of goodwill based on expected recoverable amount of asset group.

C. Cash generating units of other business segments

The recoverable amount of the cash generating units of other business segment is determined based on the present value of expected future cash flows. The future cash flows are determined based on the management's budget.

20. Long-term deferred expenses

	Opening balance RMB	Increase due to changes in scope of consolidation RMB	Increase in the year RMB	Transfer from construction in progress RMB	Amortization for the year RMB	Decrease in the year RMB (2)	Exchange differences on foreign currency translation RMB	Closing balance RMB
Expenditures on improvement and decoration of fixed assets leased in	4,042,760,693.89	-	47,673,865.47	337,256,088.04	(649,096,354.30)	(19,860,561.00)	4,546,895.90	3,763,280,628.00
Expenditures relating to the use right of properties of Peace Hotel (note 1)	50,930,000.31	-	-	-	-	-	-	50,930,000.31
Prepaid rents and others	<u>133,381,038.90</u>	<u>1,992,770.89</u>	<u>25,269,997.65</u>	<u>-</u>	<u>(25,935,498.69)</u>	<u>(55,319,931.68)</u>	<u>(261,059.05)</u>	<u>79,127,318.02</u>
Total original carrying amount	4,227,071,733.10	<u>1,992,770.89</u>	<u>72,943,863.12</u>	<u>337,256,088.04</u>	<u>(675,031,852.99)</u>	<u>(75,180,492.68)</u>	<u>4,285,836.85</u>	3,893,337,946.33
Less: Provision for impairment								<u>1,291,516,337.27</u>
Total								<u>2,601,821,609.06</u>

Note 1: The expenditures relating to use right of properties of Peace Hotel represents the allowance for staff, relocation compensation and relevant charges on delivery paid by Shanghai Peace Hotel Co., Ltd. ("Peace Hotel"), the subsidiary of Jinjiang Capital, to Shanghai Foreign Trade Enterprises Co., Ltd to obtain the use rights of part of the properties.

Note 2: The decrease in the year represented the prepaid rents of RMB 55,319,931.68 carried forward based on actual utilization and the subsequent adjustments of RMB 19,860,561.00 upon the construction completion.

21. Deferred tax assets/deferred tax liabilities

Deferred tax assets and deferred tax liabilities that are not offset are as follows:

Deferred tax assets

	<i>Deductible temporary differences and deductible losses</i>		<i>Deferred tax assets</i>	
	<i>Closing balance</i>	<i>Opening balance</i>	<i>Closing balance</i>	<i>Opening balance</i>
	RMB	RMB	RMB	RMB
Deductible tax losses	8,359,660,930.90	5,031,639,391.00	2,027,837,244.45	1,244,284,650.48
Provision for impairment of assets	1,881,403,371.02	1,799,658,684.29	467,065,471.34	448,443,037.03
Employee benefits payable	955,779,282.86	896,940,731.56	237,910,158.07	223,377,184.89
Book-tax difference of rental fees recognized using straight-line method	3,282,541,764.68	463,111,484.40	820,635,440.92	115,777,871.10
Accrued expenses	161,701,209.80	92,636,038.28	40,148,594.97	24,083,192.47
Intangible assets amortization difference	86,682,329.59	89,389,489.92	21,670,582.40	22,347,372.48
Deferred income from membership card and points received in advance	585,109,689.65	588,912,923.29	141,345,287.78	143,443,283.77
Unrealized profit of internal transactions	39,889,859.44	102,067,720.44	10,021,749.11	22,056,313.11
Fixed assets depreciation difference	529,999,978.43	443,836,833.58	111,788,751.80	79,403,767.70
Long-term prepaid expenses amortization difference	9,329,501.00	9,998,204.00	2,332,375.00	2,499,551.00
Changes in fair value of available-for-sale financial assets recognized in other comprehensive income	112,339,740.26	-	28,084,935.05	-
Others	899,198,138.13	757,861,363.74	219,389,247.69	199,322,440.38
Total	<u>16,903,635,795.76</u>	<u>10,276,052,864.50</u>	<u>4,128,229,838.58</u>	<u>2,525,038,664.41</u>

The Group's management assessed that it is probable to obtain sufficient taxable income to deduct the deductible temporary differences and deductible tax losses in the future period, and therefore recognized the above relevant deferred tax assets.

The following deductible temporary differences and deductible tax losses for which the deferred tax assets are not recognized are as follows:

	<i>Closing balance</i>	<i>Opening balance</i>
	RMB	RMB
Deductible temporary differences	1,143,019,258.08	711,582,128.00
Deductible tax losses	<u>4,902,081,721.76</u>	<u>5,223,522,757.86</u>
Total	<u>6,045,100,979.84</u>	<u>5,935,104,885.86</u>

As the Group's management believes that the Group is not able to generate sufficient income to utilize the above deductible temporary differences in the foreseeable future period, and thus the relevant deferred tax assets are not recognized in the balance sheet.

Deductible tax losses, for which deferred tax assets are not recognized, will expire in the following years:

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
2020	-	466,524,651.60
2021	803,196,926.51	992,636,103.64
2022	933,270,672.81	856,781,176.98
2023	879,921,907.42	1,226,751,718.78
2024	761,355,735.36	1,680,829,106.86
2025 and subsequent years	<u>1,524,336,479.66</u>	<u>-</u>
 Total	 <u><u>4,902,081,721.76</u></u>	 <u><u>5,223,522,757.86</u></u>

Deferred tax liabilities

	<i>Taxable temporary differences</i>		<i>Deferred tax liabilities</i>	
	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Adjustments to the fair value of assets in business combination not involving enterprises under common control	17,892,888,857.86	14,179,463,616.06	4,756,493,819.18	3,528,903,390.87
Changes in fair value of held-for-trading financial assets	897,408,282.14	-	225,401,995.28	-
Changes in fair value of available-for-sale financial assets with fair value changes recognized in other comprehensive income	537,347,858.31	2,507,387,153.34	137,024,703.10	628,468,621.30
Fixed assets depreciation difference	598,563,503.16	596,032,927.32	147,263,469.54	149,880,250.38
Finance lease cost	78,633,023.49	83,516,808.47	20,303,046.65	21,564,039.95
Unrealized profit of internal transactions	89,733,295.00	89,733,295.00	22,433,324.00	22,433,324.00
Intangible assets amortization difference	258,007,181.44	343,005,676.00	77,240,883.03	74,696,394.50
Others	<u>257,398,303.75</u>	<u>48,341,121.37</u>	<u>64,621,271.05</u>	<u>9,864,745.81</u>
 Total	 <u><u>20,609,980,305.15</u></u>	 <u><u>17,847,480,597.56</u></u>	 <u><u>5,450,782,511.83</u></u>	 <u><u>4,435,810,766.81</u></u>

Deferred tax assets or liabilities to be listed at net amount after offset:

<i>Category</i>	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Deferred tax assets	<u><u>2,669,581,094.04</u></u>	<u><u>1,090,007,339.96</u></u>
Deferred tax liabilities	<u><u>3,992,133,767.29</u></u>	<u><u>3,000,779,442.36</u></u>

22. Other non-current assets

	<i>Closing balance</i>	<i>Opening balance</i>
	RMB	RMB
Time deposits	1,120,000,000.00	1,120,000,000.00
Circulation right for equity separation (Notes 1)	136,533,445.57	136,533,445.57
Rental and other deposits	130,268,629.00	117,158,552.42
Financial products (Note 2)	107,238,492.70	100,990,000.00
Entrusted loans	191,545,066.60	64,268,867.50
Underground building rental fees	48,393,722.00	51,326,031.26
Prepayments for purchase of fixed assets	31,909,269.00	28,500,000.00
Civil aviation deposit	2,100,000.00	2,100,000.00
Others	<u>57,440,007.43</u>	<u>72,934,902.03</u>
 Sub-total	 1,825,428,632.30	 1,693,811,798.78
Less: Provision for impairment	<u>36,666,225.00</u>	<u>-</u>
 Total	 <u>1,788,762,407.30</u>	 <u>1,693,811,798.78</u>

Note 1: In prior years, according to the equity division reformation plan, the Group, as the ultimate controlling party, paid the book value corresponding to the shareholders of circulation shares of JJ and Jin Jiang Investment, amounting to RMB 86,940,101.00 and RMB 49,593,344.57, respectively.

Note 2: Financial products include: (1) The collective fund trust plans of RMB 17,246,003.82 established and managed by Shanghai Aijian Trust and Investment Co., Ltd. and the Jinlei fund trust plan of RMB 54,992,488.88 (31 December 2019: RMB 60,990,000.00) established and managed by Zhongrong International Trust Co., Ltd. as entrusted by Jin Jiang International Investment. (2) Financial products of RMB 35,000,000.00 purchased by subsidiaries of Jinjiang Capital (31 December 2019: RMB 40,000,000.00). The expiration periods of above wealth management products are all longer than one year.

23. Provision for impairment losses of assets

	Opening balance RMB	Increase due to changes in scope of consolidation RMB	Charge during the year RMB	Reversal during the year RMB	Written-off during the year RMB	Charge off during the year RMB	Decrease due to changes in scope of consolidation RMB	Exchange differences on foreign currency translation RMB	Reclassification RMB	Closing balance RMB
Bad debt provision	819,749,842.44	456,155.86	396,807,174.80	(68,952,408.76)	-	(1,118,060.72)	(45,468.00)	(26,208,830.31)	-	1,120,688,405.31
Provision for impairment of inventory	3,293,979.68	2,238,884.60	-	(46,664.89)	-	-	-	-	-	5,486,199.39
Provision for impairment of available-for-sale financial assets	218,042,160.01	100,457,280.00	966,028,267.13	-	(37,342,899.84)	-	(100,457,280.00)	(24,820,598.57)	-	1,121,906,928.73
Provision for impairment of long-term equity investments	1,491,763,374.14	-	-	-	-	(2,259,016.19)	-	-	-	1,489,504,357.95
Provision for impairment of investment properties	771,979.48	-	-	-	-	-	-	-	-	771,979.48
Provision for impairment of fixed assets	140,498,355.38	-	165,390,407.28	-	(5,655,466.76)	-	-	(3,504,662.64)	(1,298,802.00)	295,429,831.26
Provision for impairment of intangible assets	58,599,794.34	-	12,107,000.00	-	-	-	-	-	-	70,706,794.34
Provision for impairment of construction in progress	30,698,728.26	-	22,685,400.32	-	-	-	-	(20,638,038.14)	-	32,746,090.44
Provision for impairment of goodwill	193,500,414.33	-	-	-	-	-	-	-	-	193,500,414.33
Provision for impairment of long-term deferred expenses	1,251,008,956.95	-	40,507,380.32	-	-	-	-	-	-	1,291,516,337.27
Other non-current assets	-	-	36,666,225.00	-	-	-	-	-	-	36,666,225.00
Loans and advances	-	-	22,029,750.00	-	-	-	-	-	-	22,029,750.00
Total	4,207,927,585.01	103,152,320.46	1,662,221,604.85	(68,999,073.65)	(42,998,366.60)	(3,377,076.91)	(100,502,748.00)	(75,172,129.66)	(1,298,802.00)	5,680,953,313.50

24. Assets with restricted ownerships

	Closing balance RMB	Opening balance RMB
Equity pledges (note 1)	3,456,820,130.75	3,333,252,865.40
Collateral for borrowings (note 2)	1,158,352,331.42	1,052,874,236.71
Deposit reserve (note 3)	484,626,310.48	417,472,000.00
Pledged deposits (note 4)	16,041,975.00	109,749,676.11
Bank acceptance deposits (note 5)	90,066,265.50	94,794,633.45
Collateral for notes payable (note 6)	40,000,000.00	40,000,000.00
Guaranteed deposits (note 7)	5,557,074.70	6,812,085.00
Restricted bank deposits due to litigation (note 8)	2,305,498.09	4,947,615.00
Tourism quality deposits (note 9)	338,200.00	4,600,000.00
Bank deposits that are frozen for dormant bank accounts being unused for a long time (note 10)	3,075,256.88	1,473,291.45
Letters of credit ("L/C") deposit (note 11)	-	1,402,600.25
Total	<u>5,257,183,042.82</u>	<u>5,067,379,003.37</u>

Note 1: These represent Keystone's net equity of RMB 3,456,820,130.75 pledged by subsidiaries of the Group for bank borrowings (refer to Note IX 35 for details).

Note 2: These are net fixed assets of RMB 862,874,425.03 pledged by the overseas subsidiaries of the Group for bank borrowings (refer to Note IX 35 for details); inventories of RMB 84,408,351.41 pledged by Jin Jiang Investment for short-term borrowings (refer to Note IX 25 for details); fixed assets of RMB 202,132,808.05 pledged by JJ for long-term borrowings (refer to Note IX 35 for details); and net fixed assets of RMB 8,936,746.93 pledged by Shanghai CTS for short-term borrowings (refer to Note IX 25 for details).

Note 3: This represents the Group's finance company's contribution to legal deposit reserve in People's Bank of China as per regulations.

Note 4: Pledged deposits are bank deposits of USD 642,000.00 and EUR 1,477,000.00 (equivalent to RMB 16,041,975.00 in total) pledged by the subsidiaries of Jin Jiang International Investment for issuance of letters of credit and corporate credit cards.

Note 5: This represents the bank acceptance deposit of Jin Jiang Investment.

Note 6: This represents the inventories of RMB 40,000,000.00 pledged by Jin Jiang Investment for notes payable.

Note 7: This represents guaranteed deposits of Jin Jiang Travel and JJ, amounting to RMB 4,420,000.00 and RMB 1,000,000.00, respectively.

Note 8: This represents the bank deposits of a subsidiary of JJ, which has been restricted due to litigation. For details, refer to Note IX 40.

Note 9: This represents tourism quality deposits of Jin Jiang Travel and Shanghai Education Development.

Note 10: This represents bank deposits that are frozen for bank accounts being unused for a long time of JJ.

Note 11: This represents L/C deposit deposited in bank by JHJ and Jin Jiang Commerce for the use of settlements via L/C.

25. Short-term borrowings

Category	Closing balance			Opening balance		
	Foreign currency	Exchange rate	RMB	Foreign currency	Exchange rate	RMB
Credit borrowings						
RMB (note 1)	4,261,750,000.00	1.0000	4,261,750,000.00	5,660,900,000.00	1.0000	5,660,900,000.00
EUR (note 2)	46,677,298.44	8.0250	374,585,320.00	1,041,596.35	7.8155	8,140,596.27
USD	2,971,000.00	6.5249	19,385,477.94			
Pledged borrowings						
RMB	52,495,504.00	1.0000	52,495,504.00	112,108,351.41	1.0000	112,108,351.41
Secured borrowings						
EUR (note 3)	150,000,000.00	8.0250	1,203,750,000.00	-	-	-
Total			<u>5,911,966,301.94</u>			<u>5,781,148,947.68</u>

Note 1: As at 31 December 2020, credit borrowings dominated in RMB are borrowings of RMB 4,261,750,000.00 borrowed by the Company, Jinjiang Capital and Jin Jiang International Investment from the third-party commercial banks, with borrowing interest rates of 1.20%-5.22% p.a..

Note 2: As at 31 December 2020, the pledged borrowings dominated in EUR are the borrowing of EUR 46,677,298.44 (equivalent to RMB 374,585,320.00) borrowed by GDL from third-party commercial banks, with floating interest rates.

Note 3: As at 31 December 2020, secured borrowings dominated in EUR are the borrowings of EUR 100,000,000.00 and EUR 50,000,000.00 (equivalent to RMB 802,500,000.00 and RMB 401,250,000.00, respectively) obtained by Jin Jiang International Investment from Shanghai Pudong Branch of China Construction Bank, both with an annual interest rate of 3M LIBOR+0.7% and with terms from 27 May 2020 to 26 May 2021 and 28 April 2020 to 27 April 2021, respectively. The Company provides full guarantees for these borrowings.

As at 31 December 2020, the Group does not have any overdue short-term borrowings.

26. Customer deposits and deposits from banks and other financial institutions

<i>Item</i>	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Deposits from enterprises obtained by finance company	<u>229,355,448.44</u>	<u>149,102,233.13</u>

27. Notes payable

<i>Item</i>	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Bank acceptance notes	<u>116,350,000.00</u>	<u>120,734,832.00</u>

Total notes payable that are matured but not paid at the end of the year are RMB Nil.

28. Accounts payable

<i>Ageing</i>	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Within 1 year (inclusive)	3,033,391,531.93	2,998,671,041.14
1 to 2 years (inclusive)	23,360,013.75	1,864,670.01
2 to 3 years (inclusive)	1,060,395.99	48,587,542.45
More than 3 years	<u>44,868,043.88</u>	<u>-</u>
Total	<u>3,102,679,985.55</u>	<u>3,049,123,253.60</u>

As at 31 December 2020, the Group has no individual accounts payable with significant amount exceeding RMB 20 million (inclusive) and aged longer than one year.

29. Receipts in advance

Ageing	Closing balance RMB	Opening balance RMB
Within 1 year (inclusive)	1,787,530,348.12	1,616,594,653.35
More than 1 year	<u>35,371,621.60</u>	<u>25,201,685.71</u>
Total	<u>1,822,901,969.72</u>	<u>1,641,796,339.06</u>

At the end of the current year, the Group had no significant receipts in advance with aging of more than 1 year and amount exceeding RMB 20 million (inclusive).

30. Employee benefits payable

Item	Opening balance RMB	Increase in the year RMB	Decrease in the year RMB	Closing balance RMB
Short-term employee benefits	2,121,251,028.40	7,827,305,902.09	(8,138,599,225.09)	1,809,957,705.40
Defined contribution plan (note)	315,115,809.36	225,059,662.85	(254,760,230.87)	285,415,241.34
Termination benefits	<u>176,083,130.16</u>	<u>18,260,470.47</u>	<u>(14,807,068.33)</u>	<u>179,536,532.30</u>
Total	<u>2,612,449,967.92</u>	<u>8,070,626,035.41</u>	<u>(8,408,166,524.29)</u>	<u>2,274,909,479.04</u>

Item	Opening balance RMB	Accrued during the year RMB	Paid during the year RMB	Closing balance RMB
Wages or salaries, bonuses, allowances and subsidies	1,489,857,408.02	6,736,836,772.08	(7,144,040,629.40)	1,082,653,550.70
Staff welfare	11,639,716.56	257,262,250.99	(234,558,792.63)	34,343,174.92
Social security contributions				
Basic medical insurance	61,408,137.62	212,131,458.13	(184,927,649.40)	88,611,946.35
Work injury insurance	4,824,169.95	5,415,789.60	(4,624,754.81)	5,615,204.74
Maternity insurance	7,196,527.17	17,925,965.25	(17,793,480.87)	7,329,011.55
Supplementary medical insurance	5,195,112.68	420,075.89	(2,268,014.79)	3,347,173.78
Overseas social security contributions	125,658,952.16	200,163,623.04	(161,514,455.20)	164,308,120.00
Housing funds	110,212,869.16	247,647,223.06	(240,672,819.08)	117,187,273.14
Defined contribution plan	315,115,809.36	225,059,662.85	(254,760,230.87)	285,415,241.34
Termination benefits	176,083,130.16	18,260,470.47	(14,807,068.33)	179,536,532.30
Labor union and Staff education fund	28,514,197.87	63,598,277.68	(66,391,885.22)	25,720,590.33
Other short-term benefits	<u>276,743,937.21</u>	<u>85,904,466.37</u>	<u>(81,806,743.69)</u>	<u>280,841,659.89</u>
Total	<u>2,612,449,967.92</u>	<u>8,070,626,035.41</u>	<u>(8,408,166,524.29)</u>	<u>2,274,909,479.04</u>

Note: According to the pension and unemployment insurance plan set up by the government institutions, the Company and its domestic subsidiaries are required to pay monthly to these plans according to the average salary of staff in prior year and a certain percentage. Apart from these monthly payments, the Company and its domestic subsidiaries are no longer required to have any further payment obligations. Relevant expenses for these plans are recorded in the profit or loss for current period or the costs of the related assets.

The Company and its domestic subsidiaries shall pay RMB 216,767,616.00 and RMB 8,292,046.85 (2019: RMB 571,946,689.05 and RMB 17,661,466.67) respectively to the pension insurance and unemployment insurance schemes for the year. As at 31 December 2020, there were RMB 277,930,094.03 and RMB 7,485,147.31 (31 December 2019: RMB 307,126,759.25 and RMB 7,989,050.11) of pension insurance and unemployment insurance remained unpaid.

31. Tax payable

	<i>Opening balance</i> RMB	<i>Increase in the year</i> RMB	<i>Decrease in the year</i> RMB	<i>Closing balance</i> RMB
VAT payable	256,316,800.73	735,118,304.22	(686,227,610.19)	305,207,494.76
Income tax payable	1,128,641,029.64	553,436,615.87	(519,119,396.69)	1,162,958,248.82
Property tax payable	26,938,830.27	222,575,211.18	(219,275,191.23)	30,238,850.22
Land appreciation tax payable	1,627,945.21	-	-	1,627,945.21
Other taxes	131,686,483.77	62,240,191.30	(70,505,911.77)	123,420,763.30
Total	<u>1,545,211,089.62</u>	<u>1,573,370,322.57</u>	<u>(1,495,128,109.88)</u>	<u>1,623,453,302.31</u>

32. Other payables

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Interests payable	105,387,591.74	67,235,805.92
Dividends payable	330,415,355.02	291,334,032.21
Other payables	<u>2,361,344,600.78</u>	<u>3,584,561,406.73</u>
Total	<u><u>2,797,147,547.54</u></u>	<u><u>3,943,131,244.86</u></u>

(1) Interests payable

	<i>Closing balance</i>	<i>Opening balance</i>
	RMB	RMB
Interests payable on borrowings	<u>105,387,591.74</u>	<u>67,235,805.92</u>

At the end of the current year, the Group had no unpaid overdue interest.

(2) Dividends payable

	<i>Closing balance</i>	<i>Opening balance</i>
	RMB	RMB
SASAC of Shanghai Municipal Government	64,911,571.96	194,176,919.04
Minority interests of the subsidiaries of the Group	<u>265,503,783.06</u>	<u>97,157,113.17</u>
 Total	 <u>330,415,355.02</u>	 <u>291,334,032.21</u>

(3) Other payables

<i>Nature</i>	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Temporary receipts and advances	585,569,330.13	1,289,430,220.86
Accrued expenses	291,722,867.26	871,017,503.06
Deposits, security deposits and guarantee deposits	527,246,436.82	420,178,589.43
Transaction agent services fees of Radisson Hotel	286,323,975.00	294,261,390.50
Balances with related parties	55,702,956.45	76,326,646.72
Accrued tax involved in significant replacement of assets and underlying transactions (note 2)	58,623,448.29	58,623,448.29
Equity transfer obligation (note 1)	41,025,000.00	41,025,000.00
Land transferring fees and tax for transfer of land	92,903,032.00	38,944,028.42
Compensation payable based on profit or loss for the period in which Galaxy Hotel is disposed (note 3)	36,961,754.00	36,961,754.16
Restructuring expenses of RHAB	-	46,767,952.00
Project cooperation payables (note 4)	30,000,000.00	30,000,000.00
Relocation compensation payable	43,400,633.08	28,626,401.08
Amounts due to subsidiaries for acquisitions of equity	4,450,000.00	35,609,620.24
Payable on guarantee expenses for management contract (note 5)	275,646,251.20	-
Others	<u>31,768,916.55</u>	<u>316,788,851.97</u>
Total	<u>2,361,344,600.78</u>	<u>3,584,561,406.73</u>

As at 31 December 2020, the Group's significant other payables with aging of longer than 1 year and amounts exceeding RMB 20 million (inclusive) comprise:

- (1) Payable of RMB 41,025,000.00 regarding equity transfer obligation arising from disposal of Rural Commercial Bank. The balance remained unsettled as the counterparty has not requested for such payment during the reporting period.
- (2) Accrued tax of RMB 58,623,448.29 in respect of significant replacement of assets and underlying transactions, which will be paid after the completion of relevant tax settlement work.
- (3) According to the equity transfer agreement of Galaxy Hotel, Jinjiang Capital should pay to the equity acquirer the compensation of RMB 36,961,754.00 for the profit or loss for the period of acquisition. The balance remained unsettled as the counterparty has not requested for such payment during the reporting period.
- (4) In prior years, Keystone received cooperation payment of RMB 30,000,000.00 from a third party for the co-development of a commercial property. The balance remained unsettled as the counterparty has not requested for such payment during the reporting period.

As at 31 December 2020, the individual significant other payables with aging of more than 1 year and amounts exceeding RMB 20 million (inclusive) newly recognized in 2020 comprise:

- (5) In 2020, in accordance with the franchise management contracts signed by Radisson Hotel, the overseas business segment of the Group's subsidiary, with relevant hotel owners, which are based on the actual performance of relevant hotels during the COVID-19 pandemic, a provision of RMB 275,646,251.20 was provided as compensation estimated by the Group as the brand manager to relevant hotel owners.

As at 31 December 2020, apart from the above items, the Group's other payables mainly represent the accrued rental expenses etc., advances, various deposits and security deposits etc., which are all recognized in normal course of business.

33. Non-current liabilities due within one year

	<i>Closing balance</i>	<i>Opening balance</i>
	RMB	RMB
Long-term borrowings due within one year (details refer to Note IX 35)	945,244,554.08	2,082,362,739.37
Bonds payable due within one year (details refer to Note IX 37)	8,794,228,949.80	-
Long-term payables due within one year (details refer to Note IX 38)	<u>1,235,543,288.45</u>	<u>639,502,913.38</u>
Total	<u>10,975,016,792.33</u>	<u>2,721,865,652.75</u>

34. Other current liabilities

	<i>Closing balance</i>	<i>Opening balance</i>
	RMB	RMB
Land collection fees received in advance (Note 1)	-	360,640,000.00
Equity acquisition fees received in advance (Note 2)	463,960,000.00	577,215,134.00
Others	<u>16,992,288.00</u>	<u>-</u>
 Total	 <u>480,952,288.00</u>	 <u>937,855,134.00</u>

Note 1: This represents the receipts in advance in relation to a land-use-right previously held by the Company and located in Longhua Street, Xuhui District, Shanghai City. The transfer of land use right had been completed up to 31 December 2020.

Note 2: At 31 December 2020, equity acquisition fees received in advance represent that:

- (1) The Company signed an equity transfer agreement with Neoglory Holdings Group Co., Ltd, in order to transfer the 16.19% equity interests of Shanghai Joyu Culture Communication Co., Ltd. to the counterparty. As at 31 December 2020, the Company received an advanced payment of RMB 270,000,000.00 and a guarantee deposit of RMB 193,960,000.00 from Neoglory Holdings Group Co., Ltd. The transfer of equity, however, had not been completed as at 31 December 2020.
- (2) The Company signed an equity transfer agreement with Wumei Technology Group, Inc., in order to transfer the equity interests of Jin Jiang Metro Cash & Carry Co., Ltd., Xinyan Property Management (Shanghai) Co., Ltd. and Xinsheng Property Management (Shanghai) Co., Ltd. to the counterparty. At 31 December 2019, the Company received an advanced payment for the equity transfer of RMB 113,255,134.00 from Wumei Technology Group, Inc. The equity transfer was completed in 2020.

35. Long-term borrowings

	Closing balance			Opening balance		
	Foreign currency	Exchange rate	RMB	Foreign currency	Exchange rate	RMB
Credit borrowings (note 1)						
RMB	3,350,897,783.00	1.0000	3,350,897,783.00	3,093,687,783.01	1.0000	3,093,687,783.01
EUR	2,723,643,330.76	8.0250	21,841,187,728.98	2,370,274,992.04	7.8155	18,524,884,200.26
USD	70,744,508.94	6.5249	461,600,846.38	119,900,000.00	6.9762	836,446,380.03
GBP	-	-	-	70,000,000.00	9.1501	640,507,000.00
PLN	23,916,216.42	1.7599	42,090,150.00	32,411,233.68	1.8359	59,503,783.91
INR	5,537,116.35	0.0841	465,450.00	9,172,591.10	0.0988	906,252.00
DKK	-	-	-	150,546.16	1.0459	157,456.23
BRL	5,032,009.40	1.2551	6,315,675.00	-	-	-
Guranteed borrowings (note 2)						
RMB	-	1.0000	-	2,707,658.55	1.0000	2,707,658.55
EUR	4,000,000.00	8.0250	32,100,000.00	-	-	-
CHF	6,402,356.40	7.3502	47,058,599.98	-	-	-
Mortgage borrowings (note 3)						
USD	58,907,317.91	6.5249	384,364,358.55	80,423,000.00	6.9762	561,046,932.61
PLN	30,811,762.08	1.7599	54,225,620.09	31,052,292.84	1.8359	57,008,904.42
Pledged loans (note 4)						
RMB	2,459,000,000.00	1.0000	2,459,000,000.00	4,059,000,000.00	1.0000	4,059,000,000.00
Sub-total of long-term borrowings			<u>28,679,306,211.98</u>			<u>27,835,856,351.02</u>
Less: Long-term borrowings due within one year						
Including: Credit borrowings						
RMB	7,000,000.00	1.0000	7,000,000.00	1,018,780,000.00	1.0000	1,018,780,000.00
EUR	205,806.60	8.0250	1,651,597.98	4,000,000.00	7.8155	31,262,000.00
PLN	10,831,196.82	1.7599	19,061,823.00	5,961,116.47	1.8359	10,944,013.73
DKK	-	-	-	150,546.16	1.0459	157,456.23
USD	-	-	-	-	-	-
Guranteed borrowings						
EUR	4,000,000.00	8.0250	32,100,000.00	-	-	-
Mortgage borrowings						
USD	28,419,000.00	6.5249	185,431,133.10	2,146,000.00	6.9762	14,970,925.22
PLN	-	-	-	3,403,422.95	1.8359	6,248,344.19
Pledged loans						
RMB	700,000,000.00	1.0000	700,000,000.00	1,000,000,000.00	1.0000	1,000,000,000.00
Sub-total of long-term loans due within one year			<u>945,244,554.08</u>			<u>2,082,362,739.37</u>
Total			<u>27,734,061,657.90</u>			<u>25,753,493,611.65</u>

Note 1: As at 31 December 2020, the credit borrowings represent the borrowings of the Group from third party commercial banks and other third parties totally equivalent to RMB 25,702,557,633.36, of which the interest rate ranges 0.6% - 4.28%.

Note 2: As at 31 December 2020, the secured borrowings represent the loans borrowed by Jin Jiang International Investment of CHF 6,402,356.40 (equivalent to RMB 47,058,599.98) from the Swiss government and EUR 4,000,000.00 (equivalent to RMB 32,100,000.00) by the Group.

Note 3: As at 31 December 2020, mortgage loans include:

- (1) The overseas subsidiary of Jin Jiang International Investment borrowed loans of USD 58,907,317.91 (equivalent to RMB 384,364,358.55) from third-party commercial banks, of which, the portion due within one year is RMB 185,431,133.10, with an interest rate of 6.70% p.a., with collaterals of buildings and machinery equipment with net book values totalling RMB 862,874,425.03.
- (2) The subsidiary of GDL borrowed a loan of PLN 30,811,762.08 (equivalent to RMB 54,225,620.00) from overseas banks, of which, the portion due within one year is RMB 8,154,878.29. The collaterals are the buildings with a net book value of RMB 202,132,808.05 held by the subsidiary, and its annual interest rate is 2.7 percent higher interbank borrowing rate of the Polish banks for the three months.

Note 4 As at 31 December 2020, pledged borrowings are mainly loans of RMB 2,459,000,000 borrowed by JJ from the Export-Import Bank of China. The annual interest rate is floating and its weighted average rate is 3.60%. The loan term is 18 February 2016 to 18 February 2022, and the loan is with a pledge of 81.0034% equity of its subsidiary, Keystone. The amount of the portion due within one year is RMB 700,000,000.00.

36. Customer deposits

	<i>Closing balance</i>	<i>Opening balance</i>
	RMB	RMB
Customer deposits	427,505,448.44	308,752,233.13
Less: Customer deposits due within one year	229,355,448.44	149,102,233.13
 Total	 198,150,000.00	 159,650,000.00

37. Bonds payable

<i>Short form and code for bonds</i>	<i>Opening balance RMB</i>	<i>Repayment (addition) RMB</i>	<i>Accrued interest for the current year RMB</i>	<i>Interest paid in the current year RMB</i>	<i>Exchange differences on foreign currency translation RMB</i>	<i>Closing balance RMB</i>
16 Jin Jiang MTN001 (note 1)	3,072,186,977.89	-	120,197,288.26	(117,000,000.00)	-	3,075,384,266.15
16 Jin Jiang MTN002 (note 2)	1,701,040,134.54	-	58,858,124.48	(53,550,000.00)	-	1,706,348,259.02
ISIN: XS1748883458 (note 3)	3,933,943,403.63	-	5,938,338.95	(5,938,338.95)	78,553,021.00	4,012,496,424.63
18 Jin Jiang 01-143517 (note 4)	520,561,647.22	-	26,259,866.63	(26,250,000.00)	-	520,571,513.85
18 Jin Jiang 02-155042 (note 5)	1,004,481,819.96	-	41,819,252.40	(41,800,000.00)	-	1,004,501,072.36
ISIN: XS1843462497&ISIN: XS1843461846 (note 6)	1,960,471,244.00	(1,960,471,244.00)	91,974,525.00	(91,974,525.00)	-	-
ISIN: XS2050910418 (note 7)	3,899,918,021.27	-	45,922,318.47	(10,345,197.42)	93,967,532.82	4,029,462,675.14
20 Jin Jiang MTN001 (note 8)	-	2,000,000,000.00	33,499,999.95	-	-	2,033,499,999.95
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Sub-total	16,092,603,248.51	39,528,756.00	424,469,714.14	(346,858,061.37)	172,520,553.82	16,382,264,211.10
Less: Bonds payable due within one year	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-	8,794,228,949.80
Total	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	16,092,603,248.51	-	-	-	-	7,588,035,261.30

- Note 1: This represents the medium-term note issued by the Company on 28 April 2016, with a par value of RMB 3,000 million, coupon rate of 3.90% with a term of 5 years, expiring on 27 April 2021.
- Note 2: This represents the medium-term note issued by the Company on 13 October 2016, with a par value of RMB 1,700 million, coupon rate of 3.15% with a term of 5 years, expiring on 12 October 2021.
- Note 3: This represents credit enhanced bond dominated in EUR issued by the subsidiary of the Company on 25 January 2018, with a total par value of EUR 500 million, coupon rate of 0.817% with a term of 3 years, expiring on 25 January 2021.
- Note 4: This represents the medium-term note issued by the Company on 16 March 2018, with a par value of RMB 500 million, coupon rate of 5.25% with a term of 5 years, expiring on 16 March 2023.
- Note 5: This represents the medium-term note issued by the Company on 20 November 2018, with a par value of RMB 1 billion, coupon rate of 4.18% with a term of 5 years, expiring on 20 November 2023.
- Note 6: This represents bond dominated in EUR issued by the subsidiary of the Company, RHAB, with a par value of EUR 250 million, coupon rate of 6.785%, expiring on 15 July 2023. The bond dominated in EUR is pledged with principal assets of RHAB.
- Note 7: This represents bond dominated in EUR issued by a subsidiary of the Company on 26 September 2019, with a par value of EUR 500 million, coupon rate of 1.00%, with a term of 5 years, expiring on 25 September 2024.
- Note 8: This represents the medium-term note issued by the Company on 15 May 2020, with a par value of RMB 2 billion, coupon rate of 2.68% with a term of 3 years, expiring on 14 May 2023.

38. Long-term payables

Category	Closing balance RMB	Opening balance RMB
Land related payable (note 1)	1,174,740,000.00	1,796,359,166.00
Payments for acquisition of minority interests (note 2)	818,344,563.42	1,009,521,486.04
Operating rents payable	191,601,178.15	194,246,197.34
Finance lease payable	174,212,474.16	174,750,211.33
Decoration related payable payable in relation to the acquisition of equity of GT SEA (note 3)	36,963,150.00	34,442,908.50
Onerous long-term lease contracts (note 4)	7,334,850.00	7,526,326.46
Others	-	6,534,278.32
	<u>12,804,962.24</u>	<u>10,626,748.41</u>
Total	<u>2,416,001,177.97</u>	<u>3,234,007,322.40</u>
Including: Long-term payables due within one year	1,235,543,288.45	639,502,913.38
Long-term payables due after one year	<u>1,180,457,889.52</u>	<u>2,594,504,409.02</u>

Note 1: The land related payable represent the payables of RMB 305,800,000 and RMB 868,940,000 in relation to the acquisitions of land use rights of Yangtze River and of Shanghai Hongqiao Economic & Technological Development Zone United Development Co., Ltd., respectively.

Note 2: According to the equity transfer agreements with Keystone, Sarovar, Hôtels et Préférence and Vienna and Longevity Village, the Group has granted their former shareholders the rights to sell the residual equity interests to the Group at the prices calculated using agreed method within the agreed period. The Group has recorded relevant liabilities according to the present value of expected future cash flows corresponding to the right exercised by the original shareholders, with changes in fair values of such liabilities recognized in profit or loss. In the year, the Group recognized gains of RMB 162,052,252.23 due to changes in fair value of the above obligations.

Note 3: This represents the remaining consideration payable for acquisition of GT SEA by JJ for the year.

Note 4: The payable relating to the onerous long-term lease contracts represent the difference between the present value of the future cash to be collected from the non-cancellable lease contracts entered into by Keystone, which has been assessed upon the acquisition of Keystone by JJ, and their fair values at the acquisition date. The losses from the long-term lease contracts are amortized over the residual period of corresponding lease contracts.

Finance lease payables are as follows:

<i>Category</i>	<i>Minimum finance lease payments</i>	
	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
1st year subsequent to balance sheet date	28,862,646.00	17,229,712.00
2nd year subsequent to balance sheet date	13,717,815.00	16,136,014.00
3rd year subsequent to balance sheet date	12,197,176.00	13,815,455.00
Future years	<u>123,092,312.16</u>	<u>217,809,353.33</u>
 Total	 177,869,949.16	 264,990,534.33
 Less: Unrecognized financing charge	 <u>3,657,475.00</u>	 <u>90,240,323.00</u>
 Finance lease payable	 <u>174,212,474.16</u>	 <u>174,750,211.33</u>
 Including: Finance lease payables due within one year	 27,652,395.45	 18,999,710.56
Finance lease payables due after one year	<u>146,560,078.63</u>	<u>155,750,500.77</u>
 39. Long-term employee benefits payable		
	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Termination benefits (note 1)	788,037,623.71	450,681,053.12
Deferred compensation plan (note 2)	87,511,958.80	95,301,868.21
Long-term incentive plan (note 3)	33,300,266.01	13,987,281.00
Net liabilities of defined benefit plan payables (note 4)	<u>123,292,063.99</u>	<u>205,164,049.84</u>
 Total	 <u>1,032,141,912.51</u>	 <u>765,134,252.17</u>

Note 1: As at 31 December 2020, the long-term employee benefits payable comprise the termination benefits payable of RMB 788,037,623.71 arising from the termination plan, early retirement, employee welfare plan during the period in which the hotel is overall closed for decoration of Jinjiang Capital, Jin Jiang North and Shanghai CTS.

Note 2: Radisson Hospitality Inc. ("America Radisson Hotel") has a deferred compensation plan under which employees at a certain level of America Radisson Hotel can defer part of their basic salary or bonuses to be paid at a certain time point in the future. For employees who choose to be paid at a certain time point in the future, the deferred compensation payable is recognized as long-term employee benefits, and for employees who choose to be paid at the time of demission, the deferred compensation payable is recognized as post-employment benefits.

Note 3: America Radisson Hotel has a long-term incentive plan under which the senior management personnel of America Radisson Hotel can acquire corresponding incentive bonuses when operating performance and capital management have reached a certain standard within the specified service period.

Note 4: The defined benefit plans of the Group are provided by GDL, RHAB, Jin Jiang Tour and Jin Jiang Investment respectively.

The Group is exposed to actuarial risks associated with defined benefit plan, which comprise interest rate risk, longevity risk and inflation risk. The decrease in rate of return from government bonds will result in increase in the present value of defined benefit plan obligations. The present value of obligations under defined benefit plan is calculated based on the best estimated mortality rate of employees participating the plan. Therefore, the increase in the expected lives of the participants of the plan will result in the increase in plan obligations. In addition, the present value of obligations under defined benefit plan relates to the future payment standard of the plan, while the payment standard is determined based on inflation rate. Therefore, the increase in inflation rate will result in the increase in liabilities of the plan.

40. Provisions

<i>Item</i>	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Pending litigation and claims (note 1)	48,347,580.00	52,189,372.65
Onerous contracts (note 2)	<u>11,046,272.99</u>	<u>15,631,000.00</u>
Total	<u>59,393,852.99</u>	<u>67,820,372.65</u>

Note 1: As at 31 December 2020, this represents the provision on pending litigation and claims against a subsidiary of JJ due to property leases and disputes with vendors, etc. And as at 31 December 2020, bank deposit of RMB 2,305,498.09 (31 December 2019: RMB 4,947,615.00) was frozen due to these litigation and claims.

41. Deferred income

	<i>Opening balance</i> RMB	<i>Increase in the year</i> RMB	<i>Decrease in the year</i> RMB	<i>Exchange differences on foreign currency translation</i> RMB	<i>Closing balance</i> RMB
Relocation compensation for auto insurance quick claim settlement center	21,115,087.47	-	(959,776.47)	-	20,155,311.00
Government grants related to assets	33,013,514.21	57,583,418.00	(8,286,232.76)	-	82,310,699.45
Government grants related to income	2,769,832.41	500,749.59	-	-	3,270,582.00
Customer loyalty programs	638,081,622.31	4,230,163.71	(16,822,807.99)	(32,101,443.00)	593,387,535.03
Income from deferred initial fee and others	157,694,746.48	2,738,035.64	(17,579,158.60)	(9,403,720.31)	133,449,903.21
Total	<u>852,674,802.88</u>	<u>65,052,366.94</u>	<u>(43,647,975.82)</u>	<u>(41,505,163.31)</u>	<u>832,574,030.69</u>

42. Other non-current liabilities

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Marketing fund (note)	52,774,727.00	70,877,849.76
Others	<u>29,993,277.71</u>	<u>7,276,176.57</u>
Total	<u>82,768,004.71</u>	<u>78,154,026.33</u>

Note: Marketing fund represents the brand promotion fees for brand promotion in the future that GDL charges from franchise hotels.

43. Paid-in capital

	<i>Opening and closing balances</i>	
	<i>RMB</i>	<i>Proportion</i> %
State-owned capital	<u>2,000,000,000.00</u>	<u>100.00</u>

44. Capital reserve

2020:

<i>Item</i>	<i>Opening balance</i> RMB	<i>Increase in the</i> <i>year</i> RMB	<i>Closing balance</i> RMB
Capital premium	425,485,013.96	153,799,187.22	579,284,201.18
Including: Capital invested by investors	3,739,627,441.36	-	3,739,627,441.36
Difference arising from acquisition of minority interests (Note IX 69)	(2,683,493,550.45)	144,002,402.61	(2,539,491,147.84)
Disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary	56,499,857.56	-	56,499,857.56
Returned dividends by investor which was paid in prior years	56,271,200.00	-	56,271,200.00
Capital invested by minority interests	3,609,080.51	-	3,609,080.51
Grant of drag-along right	(752,836,481.85)	-	(752,836,481.85)
Others	5,807,466.83	9,796,784.61	15,604,251.44
Other capital reserves	1,672,513,099.63	21,616,153.51	1,694,129,253.14
Including: State-owned interests transfer (note 1)	1,265,873,261.96	9,157,903.51	1,275,031,165.47
Waive of debts by investor	384,691,273.00	-	384,691,273.00
Other changes in investees other than net profit or loss, other comprehensive income and profit distribution	21,948,564.67	-	21,948,564.67
Others	-	12,458,250.00	12,458,250.00
Transfer from capital reserve under the previous accounting system	<u>1,898,189,327.06</u>	<u>-</u>	<u>1,898,189,327.06</u>
Total	<u>3,996,187,440.65</u>	<u>175,415,340.73</u>	<u>4,171,602,781.38</u>

Note 1: The decrease in state-owned interest transfer for the year is mainly the capital reserve of RMB 9,157,903.51 arising from the allocation of 100% equity of Gao Xiao Taxi (高校出租车) to the Company by Shanghai Municipal Education Commission and Shanghai Institute of Physical Education.

2019:

<i>Item</i>	<i>Opening balance</i> RMB	<i>Increase in the year</i> RMB	<i>Decrease in the year</i> RMB	<i>Closing balance</i> RMB
Capital premium	803,520,783.01	651,216,077.14	(1,029,251,846.19)	425,485,013.96
Including: Capital invested by investors	3,439,627,441.36	300,000,000.00	-	3,739,627,441.36
Difference arising from acquisition of minority interests	(1,654,241,704.26)	-	(1,029,251,846.19)	(2,683,493,550.45)
Disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary	56,499,857.56	-	-	56,499,857.56
Returned dividends by investor which was paid in prior years	56,271,200.00	-	-	56,271,200.00
Capital invested by minority interests	3,609,080.51	-	-	3,609,080.51
Grant of drag-along right	(1,104,052,558.99)	351,216,077.14	-	(752,836,481.85)
Others	5,807,466.83	-	-	5,807,466.83
Other capital reserves	1,615,242,273.79	57,270,825.84	-	1,672,513,099.63
Including: State-owned interests transfer	1,208,602,436.12	57,270,825.84	-	1,265,873,261.96
Waive of debts by investor	384,691,273.00	-	-	384,691,273.00
Other changes in investee other than net profit or loss, other comprehensive income and profit distribution	21,948,564.67	-	-	21,948,564.67
Transfer from capital reserve under the previous accounting system	1,898,189,327.06	-	-	1,898,189,327.06
Total	4,316,952,383.86	708,486,902.98	(1,029,251,846.19)	3,996,187,440.65

45. Specific reserve

<i>Item</i>	<i>Opening balance</i> RMB	<i>Increase in the year</i> RMB	<i>Decrease in the year</i> RMB	<i>Closing balance</i> RMB
Safety funds	-	13,975,259.17	(13,975,259.17)	-

46. Surplus reserve

	<i>Statutory surplus reserve</i> RMB	<i>Discretionary surplus reserve</i> RMB	<i>Total</i> RMB
2020:			
Opening balance	631,160,474.77	106,535,086.29	737,695,561.06
Charge for the year	<u>45,913,097.59</u>	<u>-</u>	<u>45,913,097.59</u>
Closing balance	<u>677,073,572.36</u>	<u>106,535,086.29</u>	<u>783,608,658.65</u>
2019:			
Opening balance	602,816,433.66	106,535,086.29	709,351,519.95
Charge for the year	<u>28,344,041.11</u>	<u>-</u>	<u>28,344,041.11</u>
Closing balance	<u>631,160,474.77</u>	<u>106,535,086.29</u>	<u>737,695,561.06</u>

The statutory surplus reserve may be used for making up the losses of the Company, enlarging the production and operation of the Company or increasing the Company's registered capital.

47. Retained earnings

	<i>2020</i> RMB	<i>2019</i> RMB
Retained earnings at beginning of year	8,465,329,607.14	7,918,964,663.82
Add: Net profit attributable to owners of the parent company in current year	<u>261,602,726.43</u>	<u>805,051,717.27</u>
Profit available for distribution to shareholder	8,726,932,333.57	8,724,016,381.09
Less: Appropriation for statutory surplus reserve	45,913,097.59	28,344,041.11
Less: Dividends distribution (note 1)	<u>103,746,955.92</u>	<u>230,342,732.84</u>
Total	<u>8,577,272,280.06</u>	<u>8,465,329,607.14</u>

Note 1: According to the requirement of the document Hu Guo Zi Wei Ping Jia [2019] No. 161, the Company should pay profit to SASAC of Shanghai Municipal Government at 25% of net profit attributable to the owner of the Company in the Group's consolidated financial statements after deducting the statutory reserve appropriated for the year.

According to the requirement of the document Hu Guo Zi Wei Ping Jia [2020] No. 1, the Company should pay profit to SASAC of Shanghai Municipal Government at 30% of net profit attributable to the owner of the Company in the Group's consolidated financial statements after deducting the statutory reserve appropriated for the year. Therefore, the Company made an appropriation of profit payable of RMB 64,911,571.96 for the year 2020 and made supplementary payment of RMB 38,835,383.96 for the year 2019. The total profits to be appropriated to the owner is amounting to RMB 103,746,955.92.

Note 2: As at 31 December 2020, the Group's retained earnings include the surplus reserve of RMB 1,394,275,088.46 (31 December 2019: RMB 1,296,357,996.38), which were appropriated by its subsidiaries.

48. Operating income

	2020 RMB	2019 RMB
Operating income from principal activities		
- Hotel rooms and catering service	15,436,734,949.03	27,059,626,993.86
- Passenger transportation and logistics service	4,119,431,836.63	5,010,048,385.98
- Tourism service	584,804,770.61	2,280,372,047.70
- Trading business	42,969,771.31	80,482,957.92
- Real estate business	67,248,125.59	103,465,147.52
- Others	<u>1,395,577,051.29</u>	<u>1,449,053,780.60</u>
Sub-total	21,646,766,504.46	35,983,049,313.58
Other operating income	<u>25,980,818.43</u>	<u>29,484,867.00</u>
Total	<u>21,672,747,322.89</u>	<u>36,012,534,180.58</u>

49. Interest income/expenses of financial institutions

	2020		2019	
	Income RMB	Expenses RMB	Income RMB	Expenses RMB
Total	132,201,958.00	60,738,760.00	114,672,274.81	55,275,107.20

50. Operating costs

	2020 RMB	2019 RMB
Operating cost of principal activities		
- Hotel rooms and catering service	7,616,164,213.43	7,421,961,229.86
- Passenger transportation and logistics service	3,671,903,505.70	4,355,236,876.44
- Tourism service	538,436,871.67	2,054,265,622.12
- Trade business	27,626,333.96	45,444,432.66
- Real-estate business	38,572,094.69	42,572,313.03
- Others	558,733,642.03	438,418,545.31
Sub-total	12,451,436,661.48	14,357,899,019.42
Other operating costs	9,516,034.34	9,638,526.29
Total	12,460,952,695.82	14,367,537,545.71

51. Taxes and levies

	2020 RMB	2019 RMB
Property tax	237,465,546.29	347,815,898.78
Urban construction and maintenance tax	25,714,964.38	38,030,213.77
Education surcharge	16,876,752.14	26,639,842.34
Others	<u>83,817,961.87</u>	<u>31,935,141.16</u>
Total	<u>363,875,224.68</u>	<u>444,421,096.05</u>

52. Costs and expenses by nature

	2020 RMB	2019 RMB
Employee benefits expenses	8,341,240,421.94	10,334,609,632.74
Costs of raw materials and product consumed	2,998,661,663.92	4,678,979,671.59
Depreciation of fixed assets and investment properties	1,504,854,594.62	1,460,722,972.46
Energy and materials consumption	966,610,220.52	1,521,213,119.29
Repair and maintenance	536,288,618.60	769,421,579.30
Travel agency commission	410,518,464.10	822,715,239.06
Advertising expenses	683,632,738.23	1,191,945,213.51
Consulting fee	669,910,914.66	892,037,059.22
Amortization of intangible assets	531,959,572.14	606,902,871.43
Amortization of long-term deferred expenses	675,031,852.99	578,091,338.39
Leasing expenses	1,809,610,543.51	2,103,516,881.54
Cleaning expenses	148,276,059.62	241,439,547.44
Transportation expenses	2,688,825,508.89	2,581,517,965.63
Insurance expenses	51,661,578.08	50,604,747.97
Labor costs	350,323,465.82	700,094,968.51
Others	<u>3,667,554,675.53</u>	<u>4,867,311,222.63</u>
Total	<u>26,034,960,893.17</u>	<u>33,401,124,030.71</u>

53. Financial expenses

	<u>2020</u> RMB	<u>2019</u> RMB
Interest expense	1,579,278,746.13	1,502,335,825.83
Interest income	(247,267,617.20)	(262,761,254.67)
Net exchange losses	14,637,630.41	10,324,915.56
Other financial expenses	<u>107,397,623.83</u>	<u>113,732,998.23</u>
 Total	 <u>1,454,046,383.17</u>	 <u>1,363,632,484.95</u>

54. Exchange losses (gains) of financial institutions

	<u>2020</u> RMB	<u>2019</u> RMB
Exchange losses (gains) of finance company	<u>3,909,392.00</u>	<u>(1,283,460.62)</u>

55. Other income

<i>Item</i>	2020 RMB	2019 RMB	<i>Related to assets / income</i>
Pandemic related subsidies	419,916,356.90	-	Related to income
Industry sponsorship funds	70,374,399.64	84,677,079.73	Related to income
Super-deduction of VAT	31,833,517.53	19,614,849.37	Related to income
Tax refunds	15,607,049.47	9,184,858.44	Related to income
Supporting funds from Huangpu District Finance Bureau	1,300,000.00	3,300,000.00	Related to income
Enterprise supporting funds	4,626,723.34	3,057,658.46	Related to income
Jinjiang One-stop Tourism Platform Project	1,073,487.62	2,044,907.31	Related to assets
Special funds for the reconstruction and expansion of the agricultural base	-	1,741,516.64	Related to income
Financial supporting funds	6,388,281.85	2,190,080.27	Related to income
Relocation compensation for auto insurance quick claim settlement center	959,776.47	959,776.68	Related to assets
Supporting funds for Fashion Tour project	1,327,000.00	919,000.00	Related to assets
Supporting funds for Metropole Hotel project	3,979,250.00	787,050.00	Related to assets
Subsidy for Wusong cruise delivery project	179,926.00	179,926.08	Related to assets
Subsidy for Wusong cold chain project	101,855.00	101,855.01	Related to income
Supporting funds of Baoshan Shipping Economic Zone	750,000.00	-	Related to income
Involvement and support funds of Expo Development Committee	426,200.00	-	Related to income
Other subsidy relating to income	12,293,735.18	7,190,223.33	Related to income
Other subsidy relating to assets	45,993.00	585,765.03	Related to assets
Total	<u>571,183,552.00</u>	<u>136,534,546.35</u>	

56. Investment income

	2020 RMB	2019 RMB
Long-term equity investments	2,959,667,872.18	377,189,893.07
Including: Investment income under equity method	1,453,148,415.88	353,720,644.48
Gains on disposal of long-term equity investments (note 1)	1,506,519,456.30	2,792,562.24
Fair value adjustments arising from acquisition in stages	-	20,676,686.35
Gain from trading financial assets	58,284,411.96	37,461,999.34
Available-for-sale financial assets	2,574,431,598.18	922,490,822.80
Including: Gains on disposal of available-for-sale financial assets	2,299,249,296.75	417,495,892.00
Dividends distribution declared by the investees corresponding to available-for-sale financial assets	275,182,301.43	504,994,930.80
Income from entrusted loans	8,076,380.11	17,266,262.62
Others	46,319,716.11	9,553,367.57
	<u>5,646,779,978.54</u>	<u>1,363,962,345.40</u>
Total		

Note 1: Details of gains on disposal of long-term equity investments are as follows:

	2020 RMB	2019 RMB
Gains from liquidation of Shanghai Jinyi Real Estate Development Co., Ltd.	-	2,800,037.87
Losses from liquidation of Shanghai Jin Jiang International Trade Co., Ltd.	-	(7,475.63)
Sofitel Shanghai Hyland Hotel Co., Ltd.	1,166,880,016.00	-
Others	339,639,440.30	-
	<u>1,506,519,456.30</u>	<u>2,792,562.24</u>
Total		

There is no significant restriction on the repatriation of the Group's investment income.

57. Gains from changes in fair value

	2020 RMB	2019 RMB
Trading financial assets	137,514,250.03	10,492,947.62
Drag-along right	128,936,169.19	(3,800,000.00)
Others	4,693,509.66	1,502,431.29
	<u>271,143,928.88</u>	<u>8,195,378.91</u>

58. Assets impairment losses

	2020 RMB	2019 RMB
Bad debt losses	349,884,516.04	(18,442,217.49)
Losses from decline in value of inventories	(46,664.89)	(2,650.36)
Impairment losses of long-term equity investments	-	1,645,279.95
Impairment losses of construction in progress	22,685,400.32	1,831,090.96
Impairment losses of intangible assets	12,107,000.00	2,973,713.48
Impairment losses of fixed assets	165,390,407.28	18,380,739.34
Impairment losses of available-for-sale financial assets	966,028,267.13	99,419,040.00
Impairment losses of other non-current assets	36,666,225.00	-
Impairment losses of long-term deferred expenses	40,507,380.32	116,601,358.08
	<u>1,593,222,531.20</u>	<u>222,406,353.96</u>

59. Non-operating income

	2020 RMB	2019 RMB
Government grants	22,993,060.03	20,048,490.44
Compensation income	27,516,903.00	20,007,439.30
Payables that do not need to be paid	16,921,601.85	18,394,604.77
Incomes from fines and confiscation	83,051.00	1,109,189.52
Others	<u>27,927,875.94</u>	<u>9,327,813.76</u>
 Total	 <u>95,442,491.82</u>	 <u>68,887,537.79</u>

60. Non-operating expenses

	2020 RMB	2019 RMB
Sponsorship and donation expenses	12,015,302.45	20,980,268.57
Project termination losses	2,353,515.00	7,981,859.60
Losses from retirement of fixed assets	15,680,652.02	4,878,417.92
Penalty and confiscation	14,827,618.17	3,616,785.31
Compensation losses	38,261.67	92,167.40
Supplementary medical insurance for retired employees (note 1)	67,570,000.00	-
Others	<u>26,926,415.27</u>	<u>39,372,764.20</u>
 Total	 <u>139,411,764.58</u>	 <u>76,922,263.00</u>

Note 1: To relieve the medical burden of retired employees, a subsidiary of the Group, Shanghai Food Group Co., Ltd., has bought supplementary medical insurance for retired employees since 2011, at an annual expense around RMB 17 million. In addition to RMB 16.57 million paid for the supplementary medical insurance for retired employees in 2020, the Group obtained a compensation of RMB 51.04 million for the relocation of land at No. 82 Shajing road, which cannot be consumed through normal operating income in subsequent years. Accordingly, the Group made an additional provision of RMB 51 million on supplementary medical insurance for retired employees.

61. Income tax expenses

	2020 RMB	2019 RMB
Current tax expense calculated according to tax laws and relevant requirements	727,944,061.12	1,022,978,024.02
Changes in deferred tax	(929,476,870.45)	(200,362,748.39)
Tax filing differences from prior year	(31,183,202.30)	(12,570,358.60)
VAT (CAVE)	<u>9,256,135.83</u>	<u>24,106,314.16</u>
 Total	 <u>(223,459,875.80)</u>	 <u>834,151,231.19</u>

Reconciliation of income tax expenses to the accounting (losses) profit is as follows:

	2020 RMB	2019 RMB
Profit (losses) before taxation	(577,050,600.66)	2,682,463,009.21
Income tax expenses calculated at 25%	(144,262,650.16)	670,615,752.30
Effect of different tax rates of subsidiaries	84,890,667.02	11,075,974.22
Tax impact of non-deductible expense	399,201,747.65	112,452,011.36
Tax impact of tax-free income	(534,069,541.05)	(226,612,024.50)
Tax impact of unrecognized deductible tax losses and deductible difference	278,402,664.96	233,857,322.75
Tax impact of utilizing deductible tax losses and deductible temporary difference previously not recognized	(333,379,417.01)	(36,843,942.22)
Tax impact of changes in tax rates	34,513,982.33	6,047,868.79
Withholding income tax	35,552,491.69	58,048,891.47
Tax filing differences from prior year	(31,183,202.30)	(12,570,358.60)
Overseas VAT (CAVE) (note)	6,942,101.86	18,079,735.62
Others	<u>(20,068,720.79)</u>	<u>-</u>
 Income tax expense	 <u>(223,459,875.80)</u>	 <u>834,151,231.19</u>

Note: According to the tax laws and regulations of France, the CAVE can be deducted from taxable income and thus it is presented here as a deductible item.

62. Government grants

	2020 RMB	2019 RMB
Receipts of government grants relating to assets		
- Food group park reconstruction fund	237,000.00	995,000.00
- Subsidy for scientific research projects of food research	-	300,000.00
- Supporting funds for Metropole Hotel project	5,500,000.00	-
- Supporting funds for Fashion Tour project	5,000,000.00	-
- GDL hotel property supporting project	46,846,418.00	-
 Receipts of government grants relating to income		
- Support fund for enterprises (note 1)	106,029,483.83	94,976,799.00
- Tax subsidy (note 2)	15,607,049.47	9,309,690.68
- Financial incentives	6,333,163.38	6,346,586.06
- Financial subsidies (note 3)	4,751,449.34	2,680,944.61
- Pandemic related subsidies (note 4)	419,916,356.90	-
- Others	<u>2,038,303.49</u>	<u>2,961,119.12</u>
 Total	 <u>612,259,224.41</u>	 <u>117,570,139.47</u>

Note 1: Support fund for enterprises represent the key enterprise industrial support fund, technology development support fund and other support funds etc. received by the Group.

Note 2: Tax subsidy represents the tax refunds received by the Group.

Note 3: Financial subsidies represent the financial allocation and subsidies etc. received by the Group from the township governments and district governments.

Note 4: Pandemic related subsidies refer to the special subsidies received by the Group during the COVID-19 pandemic period.

63. Other comprehensive income

(1) Items of other comprehensive income

	2020			2019		
	Pre-tax amount RMB	Income tax RMB	After-tax amount RMB	Pre-tax amount RMB	Income tax RMB	After-tax amount RMB
Other comprehensive income that will not be subsequently reclassified to profit or loss: Remeasurement of changes in defined benefit plans	(9,420,326.75)	(724,947.00)	(8,695,379.75)	(13,863,572.97)	(3,204,609.02)	(10,658,963.95)
Other comprehensive income that will be subsequently reclassified to profit or loss: Share of other comprehensive income of the investee accounted for under equity method	(821,753.20)	(297,702.75)	(524,050.45)	9,257,119.64	-	9,257,119.64
Sub-total	(821,753.20)	(297,702.75)	(524,050.45)	9,257,119.64	-	9,257,119.64
Gains or losses from changes in the fair value of available-for-sale financial assets	(3,186,798,937.59)	(128,281,001.61)	(3,058,517,935.98)	1,913,085,883.40	173,931,769.42	1,739,154,113.98
Less: amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period	534,821,650.22	145,399,814.57	389,421,835.65	384,127,879.04	73,902,313.02	310,225,566.02
Sub-total	(3,721,620,587.81)	(273,680,816.18)	(3,447,939,771.63)	1,528,958,004.36	100,029,456.40	1,428,928,547.96
Effective portion of profit or loss from cash flow hedging instruments	3,723,338.65	276,175.00	3,447,163.65	(2,093,765.76)	622,247.30	(2,716,013.06)
Sub-total	3,723,338.65	276,175.00	3,447,163.65	(2,093,765.76)	622,247.30	(2,716,013.06)
Exchange differences on foreign currency translation	(408,438,746.42)	-	(408,438,746.42)	168,659,243.79	-	168,659,243.79
Sub-total	(408,438,746.42)	-	(408,438,746.42)	168,659,243.79	-	168,659,243.79
Total	(4,136,578,075.53)	(274,427,290.93)	(3,862,150,784.60)	1,690,917,029.06	97,447,094.68	1,593,469,934.38

(2) Changes in other comprehensive income are as follows:

	<i>Share of other comprehensive income of the investee accounted for under equity method</i> RMB	<i>Gains or losses arising from changes in fair value of available-for-sale financial assets</i> RMB	<i>Exchange differences on foreign currency translation</i> RMB	<i>Effective portion of profit or loss from cash flow hedging instruments</i> RMB	<i>Remeasurement of changes in defined benefit plans</i> RMB	<i>Total</i> RMB
Opening balance of previous year	492,835,222.57	613,313,371.85	24,258,274.40	1,056,786.73	(3,578,164.96)	1,127,885,490.59
Changes for the year	<u>7,192,225.20</u>	<u>1,293,164,490.59</u>	<u>92,413,807.44</u>	<u>(3,454,848.58)</u>	<u>(6,455,064.27)</u>	<u>1,382,860,610.38</u>
Closing balance of previous year	<u>500,027,447.77</u>	<u>1,906,477,862.44</u>	<u>116,672,081.84</u>	<u>(2,398,061.85)</u>	<u>(10,033,229.23)</u>	<u>2,510,746,100.97</u>
Opening balance of current year	500,027,447.77	1,906,477,862.44	116,672,081.84	(2,398,061.85)	(10,033,229.23)	2,510,746,100.97
Changes for the year	<u>(297,670.95)</u>	<u>(3,294,630,167.25)</u>	<u>(161,622,503.85)</u>	<u>3,024,140.15</u>	<u>(6,302,500.50)</u>	<u>(3,459,828,702.40)</u>
Closing balance of current year	<u>499,729,776.82</u>	<u>(1,388,152,304.81)</u>	<u>(44,950,422.01)</u>	<u>626,078.30</u>	<u>(16,335,729.73)</u>	<u>(949,082,601.43)</u>

64. Cash and cash equivalents

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Cash and bank		
Including: Cash on hand	14,430,857.30	19,752,686.84
Bank deposits available on demand	14,379,357,278.33	17,520,097,654.22
Other monetary funds available on demand	35,960,784.68	17,871,458.34
Cash with restricted usage	<u>602,010,580.65</u>	<u>641,251,901.26</u>
Closing balance of cash and cash equivalents	15,031,759,500.96	18,198,973,700.66
Less: Cash with restricted usage	<u>(602,010,580.65)</u>	<u>(641,251,901.26)</u>
Closing balance of cash and cash equivalents available on demand	<u>14,429,748,920.31</u>	<u>17,557,721,799.40</u>

65. Supplementary information to the cash flow statement

(1) Reconciliation of net (losses) / profit to cash flow from operating activities:

	2020 RMB	2019 RMB
Net (losses) profit	(353,590,724.86)	1,848,311,778.02
Add: Provision for impairment losses of assets	1,593,222,531.20	222,406,353.96
Depreciation of fixed assets	1,474,533,263.13	1,514,633,106.30
Depreciation of investment properties	30,321,331.49	31,302,022.22
Amortization of intangible assets	531,959,572.14	570,541,805.75
Amortization of long-term deferred expenses	675,031,852.99	656,445,876.91
Gains on disposal of fixed assets, intangible assets and other long-term assets	(750,367,027.33)	(594,749,541.77)
Losses from retirement of fixed assets	15,680,652.02	-
Gain on changes in fair values	(271,143,928.88)	(8,195,378.91)
Financial expenses	1,597,825,768.54	1,512,660,741.39
Investment income	(5,646,779,978.54)	(1,363,962,345.40)
(Increase) decrease in deferred tax assets	(1,607,658,689.13)	558,922,401.28
Increase (decrease) in deferred tax liabilities	673,134,537.23	(640,504,579.65)
(Decrease) increase in inventories	41,346,413.32	(10,094,822.98)
Decrease (increase) in receivables from operating activities	876,459,740.62	(348,508,811.22)
Decrease in payables from operating activities	(1,141,022,218.57)	(176,654,718.86)
 Net cash (outflow) inflow from operating activities	 <u>(2,261,046,904.63)</u>	 <u>3,772,553,887.04</u>

(2) Significant investing and financing activities that do not involving cash:

	<i>2020</i> RMB	<i>2019</i> RMB
Exchange of non-monetary assets	2,304,962,611.27	-
Acquisition of non-current assets with debt	<u>-</u>	<u>2,888,400.00</u>
 Total	 <u>2,304,962,611.27</u>	 <u>2,888,400.00</u>

(3) Net changes in cash and cash equivalents:

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Closing balance of cash and cash equivalents	14,429,748,920.31	17,557,721,799.40
Less: opening balance of cash and cash equivalents	<u>17,557,721,799.40</u>	<u>21,389,655,351.28</u>
 Net decrease in cash and cash equivalents	 <u>(3,127,972,879.09)</u>	 <u>(3,831,933,551.88)</u>

66. Other cash flows relating to operating activities

	2020 RMB	2019 RMB
Proceeds from other operating activities		
Proceeds from government grant	612,259,224.41	117,570,139.47
Proceeds from interest, fees and commission charged by finance company	132,201,958.00	114,672,274.81
Proceeds from interest income obtained by group companies other than the finance company	271,349,511.34	266,229,838.53
Changes in deposit reserve	-	74,149,838.69
Net increase in customer deposits	118,753,215.31	17,935,966.35
Others	<u>54,366,819.41</u>	<u>8,064,951.74</u>
 Sub-total	 <u>1,188,930,728.47</u>	 <u>598,623,009.59</u>
 Payments for other operating activities		
Payment of selling expenses and administrative expenses	3,371,161,143.54	5,744,363,925.90
Bank charges paid by group companies other than the finance company	107,397,623.83	113,732,998.23
Payments of interest, fees and commission paid by finance company	60,738,760.00	55,275,107.20
Changes in deposit reserve	67,154,310.48	-
Others	<u>244,469,547.98</u>	<u>174,048,509.65</u>
 Sub-total	 <u>3,850,921,385.83</u>	 <u>6,087,420,540.98</u>

67. Other cash flows relating to investing activities

	2020 RMB	2019 RMB
Payments for other investing activities		
Acquisition of time deposits	-	1,120,000,000.00
Payment of construction deposits	-	3,138,484.30
Acquisition-related expenses and agent fee	<u>23,893,738.01</u>	<u>1,262,358.13</u>
 Sub-total	 <u>23,893,738.01</u>	 <u>1,124,400,842.43</u>

68. Other cash flows relating to financing activities

	2020 RMB	2019 RMB
Proceeds for other financing activities		
Recovery of time deposits and wealth management products pledged for borrowings upon maturity (including principal and interest)	-	<u>1,249,036,810.55</u>
Sub-total	<u>-</u>	<u>1,249,036,810.55</u>
Payments for other financing activities		
Finance lease cost paid	<u>18,999,710.56</u>	<u>12,388,485.81</u>
Sub-total	<u><u>18,999,710.56</u></u>	<u><u>12,388,485.81</u></u>

69. Transactions where changes in owner's equity of subsidiaries occur but control over subsidiaries still exists

In 2020, the Group's subsidiary, Aplite Holdings AB, acquired the remaining 5.88% of RHAB held by minority interest, with a total consideration of EUR 31,133,663.87 (equivalent to RMB 243,116,554.43). Upon the completion of the transaction, the shareholding proportion of Aplite Holdings AB in RHAB increased to 100%.

The effect of the transaction on minority interest and owner's equity attributable to the parent company:

	RHAB RMB
Cost of purchase - cash	243,116,554.43
Less: Net asset of the subsidiary calculated based on the proportion of equity acquired	<u>126,274,339.08</u>
Differences	<u><u>116,842,215.35</u></u>
Including: Adjustments to capital reserve	<u><u>(78,607,887.67)</u></u>

In 2020, the Group's subsidiary Jinjiang Capital signed an agreement with Shanghai Hongqiao Economic & Technological Development Zone United Development Co., Ltd. ("Hongqiao United Company") to increase its capital in Shanghai Yangtze River Hotel Co., Ltd. ("Yangtze River Hotel"). Under the agreement, Jinjiang Capital and Hongqiao United Company agreed to increase capital of RMB 435,474,252.00 and RMB 874,525,748.00 in Yangtze River Hotel, respectively. Before the capital increase, the equities of Yangtze River Hotel held by Jinjiang Capital and Hongqiao United Company was 66.67% and 33.33%, respectively, and Jinjiang Capital remained control right over Yangtze River Hotel. After the capital increase, the equities of Yangtze River Hotel held by Jinjiang Capital and Hongqiao United Company has been changed to 50% and 50%, respectively, and Jinjiang Capital still holds the control right.

The effect of the transaction on minority interest and owners' equity attributable to the Company:

	<i>Yangtze River Hotel</i> RMB
Equity disposal consideration - cash	874,525,748.00
Less: Net asset of subsidiaries calculated based on the proportion of equity acquired	<u>315,315,267.00</u>
Differences	<u>559,210,481.00</u>
Including: Adjustments to capital reserve	<u>419,407,860.75</u>

In 2020, the Group's subsidiary JJ was involved in the following equity disposal transactions:

- Transfer of 70% equities of Shanghai Jinjiang Dahua Hotel Co., Ltd. to Jin Jiang International Investment through non-public transfer under agreement;
- Transfer of 100% equities of Jin Jiang Inn Hotel Investment Co., Ltd. in Hedong District of Tianjin, held by its wholly owned subsidiary Shanghai Jinjiang International Hotel Investment Co., Ltd. to Jinjiang Capital through non-public transfer under agreement; and
- Transfer of 100% equities of Ningbo Jinbo Hotel Co., Ltd., 70% equities of Shanghai Dishuihu Jin Jiang Inn Hotel Co., Ltd., 70% equities of Tianjin Hujian Hotel Investment Co., Ltd., 70% equities of Shenyang Songhuajiang Street Jin Jiang Inn Hotel Co., Ltd., 51% equities of Tianjin Jin Jiang Inn Hotel Co., Ltd., 70% equities of Changchun Jinlv Investment management Co., Ltd. And 51% equities of Zhengjiang Jingkou Jin Jiang Inn Hotel Co., Ltd. held by its wholly owned subsidiary Jin Jiang Inn Hotel Co., Ltd. to Jinjiang Capital through non-public transfer under agreement.

The effect of the transaction on minority interest and owners' equity attributable to the Company:

	<i>Hotels originally held by JJ</i> RMB
Cost of purchase - cash	503,139,035.18
Less: Net asset of subsidiaries calculated based on the proportion of equity acquired	281,548,358.33
Differences	221,590,676.85
Including: Adjustments to capital reserve	(192,643,759.10)

70. Business combination not involving enterprises under common control

(1) Business combination not involving enterprises under common control

In the current year, the Group, as the acquirer, carried out business combinations not involving enterprises under common control, of which the basic information are as follows.

(a) Basic information of the transactions

Acquisition of Beijing Kunlun Hotel Co., Ltd.

On 8 March 2019, the Group's subsidiaries Jinjiang Capital and Jin Jiang International Investment signed a cooperation framework agreement on equity reconstructing and replacement project with Shanghai International Group Assets Management Co., Ltd. ("International Asset Management"), another shareholder of Beijing Kunlun Hotel Co., Ltd. ("Beijing Kunlun"), and had obtained 12.5% and 8.43% equities of International Asset Management, respectively, under the agreement. Upon the completion of these two transactions, the shareholding percentage of the Group in Beijing Kunlun increased from 47.5% to 68.43%, and Beijing Kunlun is thus included in the scope of consolidation as one of the Group's subsidiaries.

The information of the acquiree and related transactions are summarized as follows:

Name of acquiree	Time point at which the equity is obtained	Cost for acquiring the equity RMB	Proportion of equity obtained %	Acquisition method	Acquisition date	Basis for determining the acquisition date	Acquiree's income from the acquisition date to the year end RMB	Acquiree's net losses from the acquisition date to the year end RMB
Beijing Kunlun	30 November 2020	2,304,962,611.27	68.43	Equity replacement	30 November 2020	The date on which the control over the acquiree is obtained	21,098,877.11	(1,404,684.70)

(b) The acquiree's identifiable assets, liabilities at the acquisition date

	<i>Beijing Kunlun (note)</i>	
	<i>Carrying amount</i>	<i>Fair value</i>
	RMB	RMB
Assets:		
Cash and bank	31,213,092.80	31,213,092.80
Other current assets other than cash and bank	20,906,773.14	20,906,773.14
Fixed assets and intangible assets	687,652,270.69	4,059,278,710.44
Other non-current assets other than fixed assets and intangible assets	<u>17,693,672.94</u>	<u>17,693,672.94</u>
Sub-total of assets	<u>757,465,809.57</u>	<u>4,129,092,249.32</u>
Liabilities:		
Current liabilities	785,882,709.01	785,882,709.01
Other non-current liabilities	<u>725,849.92</u>	<u>843,632,459.86</u>
Sub-total of liabilities	<u>786,608,558.93</u>	<u>1,629,515,168.87</u>
Net assets	(29,142,749.36)	2,499,577,080.45
Less: minority interests	<u>-</u>	<u>-</u>
Net assets obtained	<u>(29,142,749.36)</u>	<u>2,499,577,080.45</u>

Note: There is no active market for identifiable net assets in Beijing Kunlun. To determine its fair value, the Group invited an independent appraiser to assess the fair value of its identifiable net assets. The Group determines the fair value of net identifiable assets at the acquisition date based on the assessment results.

(c) Cost of combination and goodwill

	<i>Beijing Kunlun</i>
	RMB
Cost of combination - fair value of non-cash assets	2,304,962,611.27
Less: Acquired interest in the fair value of identifiable assets	<u>1,710,460,596.15</u>
Goodwill	<u>594,502,015.12</u>

(d) Cash flows from acquisition of subsidiaries

	<i>Beijing Kunlun</i> RMB
Acquisition cost of subsidiaries - cash	-
Less: Cash and cash equivalents held by the acquiree	<u>31,213,092.80</u>
Net cash payment in the current year	<u><u>31,213,092.80</u></u>

71. Allocation of state-owned equity

(1) Basic information of the transaction

On 1 January 2020, Shanghai Municipal Education Commission and Shanghai Institute of Physical Education allocated 100% equity of Shanghai Gao Xiao Taxi Co., Ltd. (上海高校出租汽车有限公司) to the Group at carrying amount in accordance with the relevant approval document issued by SASAC.

The financial position of the allocated company on 1 January 2020 is as follows:

	<i>Carrying amount</i> RMB
Assets:	
Cash and bank	4,194,444.62
Other current assets other than cash and bank	2,792,815.79
Fixed assets	<u>5,481,552.79</u>
Sub-total of assets	<u>12,468,813.20</u>
Liabilities:	
Current liabilities	3,310,909.59
Other non-current liabilities	<u>-</u>
Sub-total of liabilities	<u><u>3,310,909.59</u></u>
Net assets	9,157,903.61
Less: Minority interests	<u>-</u>
Net assets obtained	<u><u>9,157,903.61</u></u>

(2) Information of cash flow

	<i>Carrying amount</i> RMB
Consideration paid by allocated company	-
Less: Cash and cash equivalents held by the acquiree	<u>4,194,444.62</u>
Net cash from acquisition of subsidiaries	<u>(4,194,444.62)</u>

72. Segment reporting

According to the Group's internal organization structure, management requirements and internal reporting system, the Group has divided its operating business into 6 reporting segments, which are determined based on the business nature of the companies. The Group's management evaluates the operating results of these segments regularly, in order to determine the allocation of resources and assess their performance.

Information of segment reporting are disclosed according to segment accounting policies and measurement standards, the measurement basis should be corresponding with that of financial statements.

	Hotel rooms and catering		Tourism		Passenger transportation and logistics		Real estate		Trade		Finance		Undistributed projects		Mutual deduction between segments		Total		
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	
Operating income	14,952,264,439.79	27,835,274,073.54	869,379,370.09	2,672,115,948.87	5,423,907,808.28	5,060,894,401.55	218,848,662.84	278,095,180.72	152,141,304.34	135,218,840.50	112,217,914.33	48,346,490.04	76,189,781.22	97,261,520.17	15,611,062.48	(645,564,801.26)	(287,806,535.53)	21,804,949,280.89	36,127,206,455.39
External revenue	433,277,502.94	182,584,344.42	14,293,301.73	112,469,132.07	52,644,066.39	277,864.00	-	-	-	-	-	-	17,122,852.96	15,611,062.48	-	-	-	-	-
Inter-segment revenue	14,518,986,936.85	27,652,689,729.12	855,086,068.36	2,560,656,816.80	4,871,263,741.89	4,782,989,937.55	218,848,662.84	278,095,180.72	152,141,304.34	135,218,840.50	112,217,914.33	48,346,490.04	59,066,928.26	81,650,457.69	15,611,062.48	(645,564,801.26)	(287,806,535.53)	21,804,949,280.89	36,127,206,455.39
Total operating income	15,385,541,942.73	28,017,858,417.96	1,011,899,749.06	2,733,799,414.49	5,423,907,808.28	5,060,894,401.55	271,492,729.23	306,022,843.73	152,141,304.34	135,218,840.50	112,217,914.33	48,346,490.04	93,312,634.18	112,872,582.65	(645,564,801.26)	(287,806,535.53)	21,804,949,280.89	36,127,206,455.39	
Operating costs																			
Cost of external transactions	5,868,764,861.46	7,596,213,666.98	1,503,774,533.11	2,165,092,132.79	4,899,274,469.90	4,377,606,740.18	141,244,935.58	105,176,601.74	119,178,487.65	122,057,716.75	16,730,378.15	33,612,715.81	12,723,789.97	23,053,078.66	333,333.34	(37,100,987.18)	(208,886,349.79)	12,621,691,455.82	14,422,812,652.91
Cost of inter-segment transactions	2,196,488.11	80,621,617.72	34,293,301.73	112,469,132.07	52,644,066.39	277,864.00	-	-	-	-	-	-	17,122,852.96	15,611,062.48	-	-	-	-	-
Total operating costs	5,870,961,349.57	7,676,835,284.70	1,538,067,834.84	2,277,561,264.86	4,951,918,536.29	4,377,606,740.18	141,244,935.58	105,176,601.74	119,178,487.65	122,057,716.75	16,730,378.15	33,612,715.81	12,723,789.97	23,053,078.66	333,333.34	(37,100,987.18)	(208,886,349.79)	12,621,691,455.82	14,422,812,652.91
Reconciling items:																			
Business tax and levies	302,636,673.63	386,481,192.81	16,980,172.93	12,783,639.12	16,878,483.44	15,333,459.86	7,370,871.78	12,679,644.38	3,314,041.26	2,917,621.25	2,324,976.38	2,178,975.80	14,370,005.26	12,046,562.73	-	-	363,875,224.68	444,421,096.05	
Selling expenses	8,358,701,646.69	10,736,010,600.53	154,739,533.56	253,426,251.93	422,130,431.94	395,791,151.84	30,763,214.59	39,318,805.74	17,007,247.97	15,965,494.54	5,222,316.91	408,223.73	21,199,405.09	33,005,853.27	-	-	9,006,063,796.75	11,473,926,381.58	
Administrative expenses	3,961,694,223.78	6,855,251,336.60	192,561,667.37	268,520,867.03	150,582,229.04	151,919,997.57	74,387,900.79	67,709,228.16	22,187,148.56	33,627,967.29	177,812,654.80	43,343,644.89	554,091,394.84	257,889,393.56	(565,372,818.58)	(118,602,331.68)	4,567,944,400.60	7,559,660,103.42	
Research and development expenses	25,908,668.42	27,846,200.00	39,125,551.85	25,920,652.90	3,639,480.48	-	-	-	-	-	-	-	-	2,046,997.69	-	-	66,751,911.32	59,453,339.07	
Financial expenses (including profit or loss of finance company)	1,011,776,285.55	786,761,847.87	(95,138,586.42)	(8,684,443.18)	(1,282,063.55)	(7,422,670.71)	(36,337,653.10)	(37,276,581.13)	(18,209,846.44)	(21,733,847.40)	(16,088,718.45)	107,949,690.74	516,249,335.32	536,559,748.12	96,987,022.06	6,185,290.02	1,457,855,775.17	1,362,349,024.33	
Impairment losses of assets	609,708,183.95	129,929,216.03	108,395,462.68	4,444,121.48	16,307,437.72	983,040.01	858,713,938.98	(7,999,129.39)	(63,641.72)	-	-	-	98,976,784.98	161,149.59	-	-	1,593,222,531.20	222,406,353.96	
Gains or losses on changes in fair value	289,873,668.74	(18,399,758.76)	2,475.85	3,256,961.21	(18,734,831.56)	27,145,341.46	-	-	-	-	-	-	-	-	-	-	(3,800,000.00)	271,143,528.88	
Investment income	980,591,555.92	237,629,746.38	28,838,601.76	92,455,198.18	132,940,958.91	183,432,065.63	2,537,437,940.12	33,638,117.95	64,907,944.53	69,249,871.73	432,196,613.35	772,287,727.52	1,523,762,490.51	908,197,746.31	(53,896,026.56)	(938,127,070.30)	5,646,779,879.54	1,363,982,345.40	
Gains on disposal of assets	(20,999,055.53)	8,288,769.69	(14,295.78)	(172,322.11)	372,483,434.31	401,655.72	83,629,687.40	50,267,586.00	80,393.70	11,539,650.67	80,393.70	348,147,308.91	493,412,962.02	48,920,617.49	-	-	750,367,027.33	599,627,959.69	
Other income	512,482,533.47	111,299,047.33	15,509,407.40	12,694,288.20	18,998,362.44	3,905,175.78	11,443,929.96	4,718,879.87	3,822,912.59	243,924.20	1,548,789.19	-	7,377,636.95	3,673,230.89	-	-	671,183,552.00	1,365,534,546.35	
Operating profit	(2,993,896,186.26)	1,757,759,528.06	(898,495,698.12)	12,061,125.83	466,704,583.89	380,080,437.24	1,744,335,182.41	164,847,747.01	127,728,786.03	63,443,466.63	363,742,082.78	534,164,191.51	851,753,965.49	637,650,835.03	(193,974,044.12)	(859,509,596.89)	(533,081,327.90)	2,690,487,734.42	
Non-operating income	78,415,207.80	115,470,433.57	2,941,794.93	3,463,117.67	9,552,831.18	10,984,811.53	1,843,151.23	511,236.42	6,343,529.88	5,235.54	2,331,687.03	3,567,284.41	(5,895,710.23)	(104,899.35)	-	-	(64,909,682.00)	95,442,491.82	
Non-operating expenses	50,187,651.49	55,996,791.06	255,952.91	(729,462.37)	4,196,017.85	791,386.28	16,437,154.56	6,718,904.75	68,349,354.01	12,650.43	325,822.97	856,989.65	(349,799.21)	14,462,808.26	-	-	(1,087,555.06)	139,411,764.59	
Total profit	(2,965,678,528.95)	1,817,333,170.57	(896,809,596.10)	16,253,125.87	471,061,397.22	390,173,862.49	1,729,761,178.99	158,840,076.69	65,722,961.90	63,438,051.74	365,747,346.64	538,874,516.27	846,116,054.47	623,953,327.42	(193,974,044.12)	(923,331,723.83)	(577,050,600.96)	2,882,463,009.21	
Income tax	(534,921,746.53)	637,873,680.50	114,742,281.28	(8,567,297.27)	97,254,400.80	59,061,818.83	16,486,225.60	21,564,765.14	43,578,684.36	1,283,245.06	37,451,827.09	117,601,601.39	1,948,451.60	5,333,417.54	-	-	(223,459,875.80)	834,151,231.19	
Net profit	(2,430,756,783.42)	1,179,459,490.07	(1,010,551,847.38)	24,821,023.14	373,806,986.42	331,112,043.66	1,713,274,953.48	137,075,313.54	22,144,277.54	62,152,806.68	328,296,119.75	419,272,914.88	844,169,602.87	617,749,909.88	(193,974,044.12)	(923,331,723.83)	(353,590,724.86)	1,848,311,778.02	
Total assets	61,699,636,785.39	70,409,498,623.51	3,688,685,137.40	3,590,754,668.00	5,840,533,648.30	5,547,524,983.66	3,004,824,337.49	4,091,490,883.21	1,874,941,557.34	1,785,707,995.76	23,085,243,513.61	26,850,850,208.13	34,861,908,750.56	35,188,498,872.64	(31,020,659,323.11)	(40,891,705,298.51)	103,035,114,406.9	106,572,620,936.4	
Total liabilities	42,832,577,988.84	42,893,311,750.68	1,232,163,398.61	1,486,632,287.58	1,677,740,823.05	1,386,577,533.35	561,261,816.68	777,364,270.32	643,072,043.32	515,625,876.89	21,272,570,062.83	21,037,681,213.91	16,025,749,905.53	16,717,847,987.63	(12,180,961,946.98)	(12,942,381,749.61)	82,090,434,962.96	82,090,434,962.96	
Supplementary information																			
Depreciation and amortization	2,229,787,901.70	2,280,480,287.36	220,082,797.57	223,161,051.58	223,958,769.54	230,025,883.69	20,460,977.65	21,191,396.66	5,617,308.02	5,781,954.18	-	-	11,938,265.27	12,282,237.71	-	-	2,711,846,019.75	2,722,922,811.18	
Impairment losses recognized in the current period	609,708,183.95	129,929,216.03	108,395,462.68	444,121.48	16,307,437.72	983,040.01	858,713,938.98	(7,999,129.39)	(63,641.72)	(26,131.96)	-	-	98,976,784.98	161,149.59	-	-	1,593,222,531.20	222,406,353.96	
Capital expenditure	2,531,496,418.47	2,691,756,178.95	61,276,964.45	30,577,282.38	12,970,001.74	20,135,218.14	5,648,066.84	8,136,755.91	31,557,622.42	67,214.13	-	-	1,401,658.59	3,498,662.18	-	-	2,612,824,667.71	2,753,951,311.69	
Including: Expenditure arising from construction in progress	1,551,561,290.30	1,919,226,822.77	4,449,974.87	5,504,462.62	10,375,085.99	4,369,284.22	5,392,954.22	-	-	-	-	-	(574,842.70)	-	-	-	1,568,183,785.38	1,939,788,265.36	
Expenditure arising from purchase of fixed assets	215,643,441.59	459,295,947.52	908,773.02	1,935,582.94	4,582,466.92	9,760,132.15	1,288,238.75	2,743,801.69	31,557.62	67,214.13	-	-	1,976,501.29	4,209,722.42	-	-	224,430,979.19	478,012,400.85	
Expenditure arising from purchase of intangible assets	764,291,686.58	313,233,408.67	55,918,216.56	22,917,236.82	-	-	-	-	-	-	-	-	-	-	-	-	-	820,209,903.14	336,150,645.49

X. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

(1) Nature of major related parties:

<i>Name of related company</i>	<i>Related party relationship</i>
Shanghai Shendi (Group) Co., Ltd.	Associate of the Company
Shanghai One-day Trip Co., Ltd.	Associate of the Company
HRG Jinjiang Travel (China) Co., Ltd.	Associate of the Company
Shanghai Interunited Co., Ltd.	Associate of the Company
Shanghai Wufeng Shangshi Food Co., Ltd.	Associate of the Company
Shanghai Xinxin Construction Development Co., Ltd.	Associate of the Company
Shanghai Proton and Heavy Ion Center	Associate of the Company

The above companies are collectively referred to as associates of the Company.

Shanghai New Union Building Co., Ltd. (“New Union Building”)	Associate of Jin Jiang International Investment
Afrinord Hotel Investment A/S	Associate of Jin Jiang International Investment
Al Quesir Hotel Company S.A.E	Associate of Jin Jiang International Investment

The above companies are collectively referred to as associates of Jin Jiang International Investment.

Shanghai Zhendong Auto Service Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Jin Mao JinJiang Automobile Service Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Dazhong Xinya Taxi Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Jin Jiang Jia You Auto Service Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Nissan Car Repair Center	Joint venture of Jinjiang Capital
Shanghai Motor Vehicle Driver Training Center Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Petroleum Group Changle Road Petro Station Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Jin Jiang Sheshan Auto Service Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Yongda Second-hand Motor Vehicle Operation Co., Ltd.	Joint venture of Jinjiang Capital
IHHC	Joint venture of Jinjiang Capital
Shanghai Jin Jiang Tomson Hotel Company Limited	Joint venture of Jinjiang Capital
Shanghai Jin Jiang Fairmont Hotel Management Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Jin Jiang Del Interactive Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Tower Jin Jiang Hotel Assets Management Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Galaxy Hotel Co., Ltd.	Joint venture of Jinjiang Capital
Shanghai Jin Jiang Dacang Garden Hotel Management Co., Ltd. (上海锦江大仓花园饭店管理有限公司)	Joint venture of Jinjiang Capital

<i>Name of related company</i>	<i>Related party relationship</i>
Wuxi Jin Jiang Hotel Co., Ltd.	Associate of Jinjiang Capital
Jiangsu Jin Jiang Nanjing Hotel Co., Ltd.	Associate of Jinjiang Capital
Shanghai KFC Co., Ltd.	Associate of Jinjiang Capital
Shanghai New Asia Fulihua Catering Co., Ltd.	Associate of Jinjiang Capital
Shanghai Yoshinoya Fast Food Co., Ltd.	Associate of Jinjiang Capital
Jin Jiang International Les Roches Hotel Management College	Associate of Jinjiang Capital
Jiangsu Nanjing Long-distance Passenger Transportation (Group) Co., Ltd.	Associate of Jinjiang Capital
Shanghai Pudong International Airport Cargo Terminal Co. Ltd. ("PACTL")	Associate of Jinjiang Capital
Shanghai Jin Jiang Passenger Transportation Co., Ltd.	Associate of Jinjiang Capital
Shanghai Yonda Cefiro Auto Sales and Services Co., Ltd.	Associate of Jinjiang Capital
Shanghai Huangpu River Cruise Co., Ltd.	Associate of Jinjiang Capital
Shanghai Juxing Property Management Co., Ltd.	Associate of Jinjiang Capital
Shanghai FASCO Tour & Travel Co., Ltd.,	Associate of Jinjiang Capital
Shanghai Wubei Parking Garage Co., Ltd.	Associate of Jinjiang Capital
Shanghai Xinjin Hotel Management Co., Ltd.	Associate of Jinjiang Capital
Shanghai Eastern Air international Travel & Transport Co., Ltd.	Associate of Jinjiang Capital

The above companies are collectively referred to as joint ventures and associates of Jinjiang Capital.

Shanghai Xinshangshi International Trade Co., Ltd.	Associate of Food Group
Shanghai Jin Yi Food Inspection Co., Ltd.	Associate of Food Group

The above companies are collectively referred to as associates of Food Group.

(2) Significant related party transactions and the amounts

(a) Sales and purchase

	2020 RMB	2019 RMB
<u>Revenue from sales</u>		
Joint ventures and associates of Jinjiang Capital	6,388,681.19	15,057,149.01
Associates of Jin Jiang International Investment	-	367,370.77
	6,388,681.19	15,424,519.78
Total	6,388,681.19	15,424,519.78
<u>Revenue from rendering of services</u>		
Joint ventures and associates of Jinjiang Capital	21,184.42	21,636,269.50
Associates of the Company	2,607,972.03	6,658,483.15
	2,629,156.45	28,294,752.65
Total	2,629,156.45	28,294,752.65
<u>Revenue from vehicle operation</u>		
Associates of the Company	34,001,124.42	40,938,893.64
Joint ventures and associates of Jinjiang Capital	577,462.85	28,800.00
Associates of Jin Jiang International Investment	-	46,922.12
	34,578,587.27	41,014,615.76
Total	34,578,587.27	41,014,615.76
<u>Cost of purchase of goods</u>		
Joint ventures and associates of Jinjiang Capital	499,430.29	7,195,699.40
Associates of the Company	136,724.06	500,052.34
Associates of Food Group	16,259,921.09	14,426,540.90
	16,896,075.44	22,122,292.64
Total	16,896,075.44	22,122,292.64
<u>Cost of receipts of services</u>		
Joint ventures and associates of Jinjiang Capital	11,859.80	66,455.67
Associates of the Company	-	58,018.00
	11,859.80	124,473.67
Total	11,859.80	124,473.67

(b) Other businesses

	2020 RMB	2019 RMB
<u>Lease income</u>		
Associates of Jin Jiang International Investment	11,540,064.78	15,386,753.04
Joint ventures and associates of Jinjiang Capital	1,176,000.00	1,363,101.26
Associates of the Company	-	1,066,260.00
	12,716,064.78	17,816,114.30
<u>Administrative income</u>		
Joint ventures and associates of Jinjiang Capital	1,090,834.06	2,315,261.15
<u>Lease expenditure</u>		
Joint ventures and associates of Jin Jiang International Investment	399,102.87	-
Joint ventures and associates of Jinjiang Capital	-	4,744,767.55
	399,102.87	4,744,767.55
<u>Interest income</u>		
Joint ventures and associates of Jinjiang Capital	2,687,660.90	-
Associates of Jin Jiang International Investment	-	1,268,066.04
	2,687,660.90	1,268,066.04
<u>Interest expense</u>		
Joint ventures and associates of Jinjiang Capital	7,776,205.85	8,733,235.65
Associates of Jin Jiang International Investment	2,307.28	1,260.30
	7,778,513.13	8,734,495.95

(c) Guarantees provided to other parties

	2020 RMB	2019 RMB
<u>Guarantees</u>		
Associates of the Company	130,494,737.55	158,520,511.90
Joint ventures and associates of Jinjiang Capital	-	3,000,000.00
Total	130,494,737.55	161,520,511.90

(d) Balances due from/to related parties

<i>Account and name of related party</i>	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
<u>Accounts receivable</u>		
Associates of the Company	8,226,622.67	8,692,542.53
Joint ventures and associates of Jinjiang Capital	4,218,501.19	2,780,787.24
Total	12,445,123.86	11,473,329.77
<u>Interest receivable</u>		
Joint ventures and associates of Jinjiang Capital	1,595.00	328,666.77
<u>Dividends receivable</u>		
Joint ventures and associates of Jinjiang Capital	3,795,000.00	5,619,442.40
Joint ventures and associates of the Company	9,800,000.00	9,800,000.00
Total	13,595,000.00	15,419,442.40
<u>Other receivables</u>		
Joint ventures and associates of Jinjiang Capital	45,364,367.40	47,866,732.72
Associates of the Company	8,407,861.43	9,425,414.40
Total	53,772,228.83	57,292,147.12

<i>Account and name of related party</i>	<i>Closing balance RMB</i>	<i>Opening balance RMB</i>
<u>Loans and advances</u>		
Joint ventures and associates of Jinjiang Capital	<u>54,950,000.00</u>	<u>517,800,000.00</u>
<u>Other current assets</u>		
Joint ventures and associates of Jinjiang Capital	<u>32,000,000.00</u>	<u>33,700,000.00</u>
<u>Other non-current assets</u>		
Associates of Jin Jiang International Investment	4,012,500.00	27,557,453.00
Joint ventures and associates of Jinjiang Capital	<u>4,625,200.00</u>	<u>3,425,200.00</u>
Total	<u>8,637,700.00</u>	<u>30,982,653.00</u>
<u>Payments in advance</u>		
Joint ventures and associates of Jinjiang Capital	<u>1,000,000.00</u>	<u>1,000,000.00</u>
<u>Accounts payable</u>		
Associates of Food Group	5,012,318.97	9,723,083.69
Associates of the Company	22,029.70	1,596,436.42
Joint ventures and associates of Jinjiang Capital	<u>-</u>	<u>330,475.09</u>
Total	<u>5,034,348.67</u>	<u>11,649,995.20</u>
<u>Interests payable</u>		
Joint ventures and associates of Jinjiang Capital	<u>12,052,066.18</u>	<u>17,164,909.01</u>

<i>Account and name of related party</i>	<i>Closing balance RMB</i>	<i>Opening balance RMB</i>
<u>Other payables</u>		
Joint ventures and associates of Jinjiang Capital	80,693,133.78	61,435,207.86
Associates of the Company	<u>273,764.00</u>	<u>14,891,438.86</u>
Total	<u>80,966,897.78</u>	<u>76,326,646.72</u>
<u>Customer deposits and deposits from banks and other financial institutions</u>		
Joint ventures and associates of Jinjiang Capital	<u>121,491,835.62</u>	<u>256,746,211.92</u>

(e) Borrowings from related parties

Details of borrowings from related parties are summarized as follows:

	<i>Accrued during the year RMB</i>	<i>Closing balance of the year RMB</i>	<i>Accrued during the prior year RMB</i>	<i>Closing balance of the prior year RMB</i>
(Repayment) receipt of borrowings				
Joint ventures and associates of Jinjiang Capital	<u>(21,000,000.00)</u>	<u>20,000,000.00</u>	<u>41,000,000.00</u>	<u>41,000,000.00</u>
Total	<u>(21,000,000.00)</u>	<u>20,000,000.00</u>	<u>41,000,000.00</u>	<u>41,000,000.00</u>

XI. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's major financial instruments include cash and bank balances, financial assets at fair value through profit or loss, available-for-sale financial assets, borrowings, bonds payable, accounts receivable, accounts payable, other receivables, other payables, long-term receivables, long-term payables, other current assets, other non-current assets and other non-current liabilities etc. Details of these financial instruments are disclosed in Note IX. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored within a certain range.

1. Risk management objectives and policies

The Group's risk management objectives are to achieve a proper balance between risks and benefits, and minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyze the Group's exposure to various risks, establish an appropriate maximum tolerance to risk and practice risk management, and monitors these exposures regularly and effectively to ensure the risks are controlled within a certain range.

1.1 Market risk

1.1.1. Foreign exchange risk

Foreign exchange risk refers to the risk that fluctuation of fair value or future cash flows will occur because of changes in foreign exchange rates. The Company and its subsidiaries in mainland China mainly operate in mainland China, using RMB for settlement of their principal business activities. Therefore, most of the transactions, assets and liabilities are denominated in RMB. As at 31 December 2020 and 31 December 2019, the foreign currency balances of the Company and its subsidiaries in mainland China mainly concentrate at part of the cash and bank balances and accounts receivable. Therefore, the currency risk exposure of the Company and its domestic subsidiaries primarily associated with USD and EUR. Radisson Hotel, an overseas subsidiary of the Group outside mainland China, operates mainly in Europe and the United States. The main operating activities are accounted for in EUR or USD. Therefore, most transactions, assets and liabilities are dominated in EUR or USD. As at 31 December 2020 and 31 December 2019, the foreign currency balances of Radisson Hotel mainly concentrate at part of the cash and bank balances, accounts receivable and accounts payable. Its currency risk exposure is primarily associated with EUR and USD. GDL, an overseas subsidiary of the Group outside mainland China, operates mainly in Europe. The main operating activities are accounted for in EUR. Therefore, most transactions, assets and liabilities are dominated in EUR. As at 31 December 2020 and 31 December 2019, the foreign currency balances of GDL mainly concentrate at part of the cash and bank balances. Its currency risk exposure is primarily associated with GBP and PLN.

As at 31 December 2020, except for the assets mentioned below use USD, EUR, GBP, AUD and PLN (converted in RMB), the Group's assets and liabilities are settled on the basis of RMB of each entity. The foreign exchange risk arising from the assets and liabilities of such foreign currency balances may have an impact on the Group's operating performance.

	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Cash and bank balances	1,931,027,718.50	716,515,397.31
Accounts receivable	544,166,036.74	184,199,408.94
Other receivables	745,812,396.89	1,635,296,139.26
Accounts payable	646,455,357.46	189,843,481.48
Other payables	178,766,005.74	1,628,359,194.44
Long-term borrowings (including long-term borrowings due within one year)	<u>845,965,204.93</u>	<u>101,354,000.00</u>

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk exposures and migrate the exchange rate fluctuation exposure by purchasing forward foreign exchange contracts etc. from time to time.

1.1.2. Interest rate risk - risk of changes in fair value

The Group's fair value interest rate risk of financial instruments relates primarily to cash and bank balances, fixed-rate entrusted loans, fixed-rate bank borrowings and bonds payable (see Note IX 1, Note IX 10, Note IX 25, Note IX 35, and Note IX 37 for details). The Group currently does not take any measures to hedge interest rate risk exposures.

1.1.3. Interest rate risk - risk of changes in cash flows

The Group's cash flow interest rate risk of financial instruments relates primarily to variable-rate bank borrowings (see Note IX 25 and Note IX 35 for details) and finance lease payable (see note IX 38 for details). It is the Group's policy to keep its borrowings at floating rate of interests so as to eliminate the fair value interest rate risk.

1.1.4. Other price risks

The Group's available-for-sale financial assets and financial assets at fair value through profit or loss are measured at fair value at each balance sheet date. Therefore, the Group is exposed to the risks of changes in the security prices. The Group minimizes the equity security price risks by holding a portfolio of equity securities with different risks.

1.2. Credit risk

As at 31 December 2020, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of other parties to fulfill an obligation and financial guarantees issued by the Group, including the carrying amount of the financial assets has been recognized in the consolidated balance sheet. For financial instruments measured at fair value, the carrying amount reflects the exposure to risks but not the maximum exposure to risks. The maximum exposure to risks will change according to the future changes in fair value.

In order to minimize the credit risk, the Group has established and carried out relevant policies for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debtors at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is low because they are deposited with banks with high credit ratings.

The Group has adopted a policy to ensure that all customers have good credit records. The Group has no other significant concentration of credit risk.

1.3. Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

2. Fair value

Fair values of the financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active markets are determined with reference to quoted market bid prices and ask prices respectively;
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions;

Management of the Group considers that the carrying amounts of financial assets and financial liabilities that are measured at amortized cost approximate their fair values.

3. Sensitivity analysis

The Group adopts sensitivity analysis technique to analyze how the profit and loss for the period and owner's equity would have been affected by reasonably possible changes in the relevant risk variables. As it is unlikely that risk variables will change in an isolated manner, and the interdependence among risk variables will have significant effect on the amount ultimately influenced by the changes in a single risk variable, the following are based on the assumption that the change in each risk variable is on a stand-alone basis.

3.1. Foreign exchange risk

As at 31 December 2020, except for the items presented in Note XI 1.1.1 Foreign exchange risk, the Group's assets and liabilities are all denominated in RMB. The future significant increase in the values of foreign currencies against RMB may result in adverse effect on the Group's operating performance.

The Group's foreign exchange risk exposure is primary associated with USD and GBP. Where all other variables are held constant, the reasonably possible changes in the foreign exchange rate may have the following pre-tax effect on the profit or loss for the year and owner's equity:

Item	Change in exchange rate	Current year		Prior year	
		Effect on profit	Effect on equity	Effect on profit	Effect on equity
		RMB	RMB	RMB	RMB
USD	5% increase against RMB	201,364,860.87	201,364,860.87	16,010,340.84	16,010,340.84
USD	5% decrease against RMB	(201,364,860.87)	(201,364,860.87)	(16,010,340.84)	(16,010,340.84)
GBP	5% increase against RMB	3,623,428.36	3,623,428.36	1,911,334.56	1,911,334.56
GBP	5% decrease against RMB	(3,623,428.36)	(3,623,428.36)	(1,911,334.56)	(1,911,334.56)

3.2. Interest rate risk

The sensitivity analysis on interest rate risk is based on the following assumptions:

- Changes in the market interest rate may influence the interest income or expense of the variable rate financial instruments;
- For fixed rate financial instruments measured at fair value, changes in the market interest rate only influence their interest income or expense;
- Changes in the fair value of derivative financial instruments and other financial assets and liabilities are calculated at the market interest rate as at the balance sheet date, using the method of discounted cash flow analysis.

On the basis of the above assumptions, where all other variables are held constant, the reasonably possible changes in the interest rate may have the following pre-tax effect on the profit or loss for the year and the owner's equity:

Item	Change in interest rate	Current year		Prior year	
		Effect on profit RMB'000	Effect on equity RMB'000	Effect on profit RMB'000	Effect on equity RMB'000
Bank borrowings	0.5% increase	(140,944)	(140,944)	(128,767)	(128,767)
Bank borrowings	0.5% decrease	140,944	140,944	128,767	128,767

3.3 Other price risk

The Group is exposed to the price risk arising from financial assets which are measured at fair value. The changes in market price of shares may have the following pre-tax effect on the profit or loss for the year and the owner's equity:

Item	Change in price	Current year		Prior year	
		Effect on profit RMB'000	Effect on equity RMB'000	Effect on profit RMB'000	Effect on equity RMB'000
Financial assets at fair value through profit or loss	10% increase	118,805	118,805	54,783	54,783
Financial assets at fair value through profit or loss	10% decrease	(118,805)	(118,805)	(54,783)	(54,783)
Available-for-sale financial assets	10% increase	750,120	750,120	-	1,411,226
Available-for-sale financial assets	10% decrease	(750,120)	(750,120)	-	(1,411,226)

4. Transfer of financial assets

Transferred financial assets that have been derecognized but the transferring party continues to be involved in.

During the year, the Group discounted bank acceptance notes of RMB 17,706,180.42 (prior year: RMB 48,521,080.25) to banks. As the main risks and rewards such as interest rate risk associated with these bank acceptance notes have been transferred to banks, the Group derecognized the discounted bank acceptances that have not matured. According to the discount agreement, if the bank acceptance notes fail to be accepted, the relevant bank has the right to request the Group to pay the unsettled balance. As a result, the Group continued to be involved in discounted bank acceptance notes. As at 31 December 2020, the discounted bank acceptance notes that have not matured were RMB 7,526,237.52 (31 December 2019: RMB 13,163,459.55).

XII. CAPITAL MANAGEMENT

The Group manages its capital by optimizing the structure of liabilities and owners' equity so as to ensure the Group entities' ability to maintain as going concern and maximize the return to shareholders. The Group's overall strategy for 2020 and 2019 remains unchanged.

The Group's capital structure consists of the Group's net debt and owner's equity.

The Group is not subject to external mandatory capital management requirement. Management of the Group reviews the Group's capital structure on a regular basis.

XIII. FAIR VALUE

1. The closing fair values of assets and liabilities measured at fair value

Unit: RMB

	31 December 2020				31 December 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Recurring fair value measurement								
(I) Financial assets at fair value through profit or loss								
1. Held-for-trading financial assets	1,188,049,609.19	-	-	1,188,049,609.19	547,630,400.97	-	-	547,630,400.97
2. Derivative financial assets	-	-	-	-	-	195,387.50	-	195,387.50
(II) Available-for-sale financial assets								
1. Equity instrument investments	9,942,807,665.23	-	58,656,115.10	10,001,463,780.33	15,362,560,731.33	-	50,502,113.18	15,413,062,844.51
Total assets continuously measured at fair value	11,130,857,274.42	-	58,656,115.10	11,189,513,389.52	15,910,191,132.30	195,387.50	50,502,113.18	15,960,888,632.98
(III) Held-for-trading financial liabilities								
1. Derivative financial liabilities	-	-	-	-	-	5,426,310.56	-	5,426,310.56
Total liabilities continuously measured at fair value	-	-	-	-	-	5,426,310.56	-	5,426,310.56

2. Basis of determining the market price for recurring and non-recurring fair value measurements categorised within Level 1

The fair value is determined based on the market transaction price.

3. Valuation techniques used and the qualitative and quantitative information of key parameters for recurring and non-recurring fair value measurements categorised within Level 3

Unit: RMB

	<i>Fair value at 31 December 2020</i>	<i>Valuation technique</i>	<i>Inputs</i>
Available-for-sale financial assets	58,656,115.10	Listed company comparison approach	Liquidity discount

4. Fair value of financial assets and financial liabilities that are not measured at fair value

Included in the Group's current assets and current liabilities, the carrying amounts of the financial assets and financial liabilities that are not measured at fair value approximate their fair values.

XIV. CONTINGENCIES

As at 31 December 2020, the Group has provided guarantee for Shanghai Overseas Joint-Investment Co., Ltd. regarding its bank borrowings of USD 19,999,500.00 (equivalent to RMB 130,494,737.55) (31 December 2019: USD19,999,500.00, equivalent to RMB 139,520,511.90).

XV. COMMITMENTS

- (1) Capital commitments

	<i>Closing balance</i> RMB'000	<i>Opening balance</i> RMB'000
Contracted but not recognized in the financial statements:		
- Irrevocable loan commitment	88,644	47,000
- Commitment for acquisition and construction of long-term assets	<u>54,900</u>	<u>489,452</u>
Total	<u><u>143,544</u></u>	<u><u>536,452</u></u>

(2) Operating lease commitments

Up to the balance sheet date, the information on irrevocable operating lease contracts that have been signed are as follows:

	<i>Closing balance</i>	<i>Opening balance</i>
	RMB'000	RMB'000
Minimum lease payments under irrevocable operating leases:		
1st year subsequent to balance sheet date	2,529,411	2,180,804
2nd year subsequent to balance sheet date	2,065,322	2,042,455
3rd year subsequent to balance sheet date	339,503	1,869,998
Subsequent periods	15,640,651	13,913,642
Total	20,574,887	20,006,899

XVI. NON-ADJUSTING EVENTS AFTER THE BALANCE SHEET DATE

On 28 January 2021, the Group's subsidiary JJ received the *Approval of the Non-Public Issuance of Shares by Shanghai Jinjiang International Hotels Development Co. Ltd.* (Zheng Jian Xu Ke [2021] No. 208) issued by China Securities Regulatory Commission, which approves JJ's issuance of no more than 150 million new shares. On 9 March 2021, JJ received proceeds amounting to RMB 4,978,299,985.86 (being the total fund raised RMB 4,999,999,985.80 less the relevant underwriting fee and sponsor fee) remitted by the lead underwriter Shenwan Hongyuan Financing Services Co. to the special RMB account opened with Shanghai Pudong Branch of CCB. The registration and custody procedures for those newly issued shares under this non-public issuance have been completed with Shanghai Branch of China Securities Depository and Clearing Corporation Limited on 19 March 2021.

On 26 February 2021, the Group's subsidiary Shanghai Jin Jiang International Industrial Investment Co., Ltd. ("Jin Jiang Investment") held its 1st interim general meetings of shareholders in 2021, and passed the resolution on the proposal to rename Jin Jiang Investment as Shanghai Jin Jiang Online Network Services Co., Ltd. ("Jin Jiang Online") and changed its business scope. The industrial and commercial registration for these changes have been completed as at the reporting date.

As described in Note IX 8, in 2020, the Group's subsidiaries Jinjiang Capital, Jin Jiang International Investment signed a series of property ownership transaction contracts with Shanghai International and International Asset Management. In March 2021, under one of those contracts, Jinjiang Capital has completed the transaction to transfer its 28.8% equities of Hyland Hotel to International Asset Management for exchange of the latter's 35% equities of Jianguo Hotel. Upon the completion of the transaction, the Group's equities of Hyland Hotel has decreased to 15.19%, while the equities of Jianguo Hotel increased to 100%.