

Jinjiang International Holding Co, Ltd.
Consolidated Financial Statements
and the Auditor's Report

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS
FOR THE YEAR 1 JANUARY 2021 TO 31 DECEMBER 2021
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION
AND ITS ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

AUDITOR'S REPORT

毕马威华振沪审字第 2201413 号

To the Board of Directors of Jinjiang International Holding Co, Ltd.,

Opinion

We have audited the accompanying financial statements of Jinjiang International Holding Co, Ltd. ("Jinjiang International") set out on pages 1 to 180, which comprise the consolidated balance sheets as at 31 December 2021, and the consolidated income statements, the consolidated statements of cash flow and the consolidated statements of changes in owners' equity for the year then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Jinjiang International as at 31 December 2021, 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.

AUDITOR'S REPORT (continued)

毕马威华振沪审字第 2201413 号

Responsibilities of 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 requirements of 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 the financial reporting process of Jinjiang International.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism 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.

AUDITOR'S REPORT (continued)

毕马威华振沪审字第 2201413 号

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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
Shanghai Branch

Certified Public Accountants
Registered in the People's Republic of China

Yang Jie

Shanghai, China

Ni Yingjun

Date: 28 April 2022

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
as at 31 December 2021
(Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>31 December 2021</i>	<i>1 January 2021</i>	<i>31 December 2020</i>
Assets				
Current assets				
Cash at bank and on hand	1	18,792,100,583.21	15,031,759,500.96	15,031,759,500.96
Financial assets held for trading	2	1,378,195,748.76	1,375,130,408.30	-
Financial assets at fair value through profit or loss	2	-	-	1,188,049,609.19
Derivative financial assets	3	86,274,298.15	-	-
Bills receivable	4	41,083,963.29	30,860,897.08	33,715,529.12
Accounts receivable	5	2,678,882,779.74	2,150,959,118.78	2,186,562,010.63
Receivables under financing	6	4,015,299.25	2,854,632.04	-
Prepayments	7	344,233,607.29	261,082,898.24	455,776,164.83
Other receivables	8	1,477,234,235.84	512,964,936.07	519,450,221.68
Inventories	9	368,148,950.05	375,308,400.32	369,781,582.66
Contract assets	10	28,817,788.42	20,664,246.84	-
Assets held for sale	11	18,726,874.00	1,214,756,874.00	1,214,756,874.00
Non-current assets due within one year	12	1,288,620,744.46	31,502,299.77	-
Other current assets	13	<u>1,046,029,740.27</u>	<u>1,079,134,264.90</u>	<u>1,273,997,647.52</u>
Total current assets		<u><u>27,552,364,612.73</u></u>	<u><u>22,086,978,477.30</u></u>	<u><u>22,273,849,140.59</u></u>

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
Consolidated balance sheet
as at 31 December 2021 (continued)
(Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>31 December 2021</i>	<i>1 January 2021</i>	<i>31 December 2020</i>
Assets (continued)				
Non-current assets				
Loans and advances	14	33,834,344.00	32,920,250.00	32,920,250.00
Available-for-sale financial assets	15	-	-	11,896,871,098.22
Long-term receivables	16	523,884,768.62	589,808,685.76	75,440,937.11
Long-term equity investments	17	6,685,092,710.81	6,962,687,224.53	6,966,977,927.43
Investments in other equity instruments	18	11,137,044,071.52	11,792,789,129.58	-
Other non-current financial assets	19	583,730,934.02	669,114,350.11	-
Investment properties	20	532,473,983.73	553,065,730.76	553,065,730.76
Fixed assets	21	15,042,823,964.98	16,207,901,408.30	16,437,789,448.67
Construction in progress	22	1,985,556,635.65	2,712,317,529.91	2,712,317,529.91
Right-of-use assets	23	11,058,546,527.80	11,200,631,504.75	-
Intangible assets	24	18,647,666,151.27	20,632,894,639.61	20,864,454,395.28
Goodwill	25	13,680,717,494.31	14,161,262,838.61	14,161,262,838.61
Long-term deferred expenses	26	3,043,436,663.34	2,561,285,947.01	2,601,821,609.06
Deferred tax assets	27	2,603,707,978.25	2,315,879,137.27	2,669,581,094.04
Other non-current assets	28	3,398,555,768.18	1,673,628,701.65	1,788,762,407.30
Total non-current assets		<u>88,957,071,996.48</u>	<u>92,066,187,077.85</u>	<u>80,761,265,266.39</u>
Total assets		<u>116,509,436,609.21</u>	<u>114,153,165,555.15</u>	<u>103,035,114,406.98</u>

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
Consolidated balance sheet
as at 31 December 2021 (continued)
(Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>31 December 2021</i>	<i>1 January 2021</i>	<i>31 December 2020</i>
Liabilities and owners' equity				
Current liabilities				
Short-term loans	31	5,722,676,747.31	5,926,013,866.61	5,911,966,301.94
Bills payable	32	79,050,000.00	116,350,000.00	116,350,000.00
Accounts payable	33	2,582,966,678.65	2,337,810,803.80	3,102,679,985.55
Advance payments received	34	137,059,908.39	490,870,135.84	1,822,901,969.72
Contract liabilities	35	1,367,047,362.01	1,548,491,269.78	-
Customer deposits and deposits from banks and other financial institutions	36	98,693,752.31	229,355,448.44	229,355,448.44
Employee benefits payable	37	2,372,208,869.94	2,274,909,479.04	2,274,909,479.04
Taxes payable	38	1,319,444,339.57	1,623,465,285.43	1,623,453,302.31
Other payables	39	3,806,036,881.48	2,725,330,622.40	2,797,147,547.54
Liabilities held for sale	11	-	29,724,600.00	29,724,600.00
Non-current liabilities due within one year	40	12,203,546,123.94	12,686,953,886.35	10,975,016,792.33
Other current liabilities	41	<u>644,890,579.73</u>	<u>536,033,191.53</u>	<u>480,952,288.00</u>
Total current liabilities		<u>30,333,621,243.33</u>	<u>30,525,308,589.22</u>	<u>29,364,457,714.87</u>

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
Consolidated balance sheet
as at 31 December 2021 (continued)
(Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>31 December 2021</i>	<i>1 January 2021</i>	<i>31 December 2020</i>
Liabilities and owners' equity (continued)				
Non-current liabilities				
Long-term loans	42	25,121,527,653.84	27,819,249,254.41	27,734,061,657.90
Customer deposits	43	210,500,000.00	198,150,000.00	198,150,000.00
Debentures payable	44	8,905,108,945.60	7,588,035,261.30	7,588,035,261.30
Lease liabilities	45	11,680,037,796.62	12,195,478,444.60	-
Long-term payables	46	456,680,596.65	842,681,362.60	1,180,457,889.52
Long-term employee benefits payable	47	1,062,852,936.32	1,032,141,912.51	1,032,141,912.51
Provisions	48	49,139,321.00	56,372,580.00	59,393,852.99
Deferred income	49	91,447,343.17	107,848,430.13	832,574,030.69
Deferred tax liabilities	27	3,052,148,432.87	3,348,061,283.32	3,992,133,767.29
Other non-current liabilities	50	<u>634,208,053.24</u>	<u>590,458,591.62</u>	<u>82,768,004.71</u>
Total non-current liabilities		<u>51,263,651,079.31</u>	<u>53,778,477,120.49</u>	<u>42,699,716,376.91</u>
Total liabilities		<u>81,597,272,322.64</u>	<u>84,303,785,709.71</u>	<u>72,064,174,091.78</u>

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
 Consolidated balance sheet
 as at 31 December 2021 (continued)
 (Expressed in Renminbi Yuan)

	Note IX	31 December 2021	1 January 2021	31 December 2020
Liabilities and owners' equity (continued)				
Owners' equity				
Paid-in capital	51	2,000,000,000.00	2,000,000,000.00	2,000,000,000.00
Other equity instruments	52	3,003,988,193.33	-	-
Including: Perpetual bonds		3,003,988,193.33	-	-
Capital reserve	53	6,636,124,126.51	4,171,602,781.38	4,171,602,781.38
Other comprehensive income	59	(744,430,650.22)	(941,380,541.44)	(949,082,601.43)
Specific reserve	54	-	-	-
Surplus reserve	55	783,608,658.65	783,608,658.65	783,608,658.65
Retained earnings	56	<u>7,538,127,424.74</u>	<u>7,971,335,118.88</u>	<u>8,577,272,280.06</u>
Total equity attributable to owners of the Company		19,217,417,753.01	13,985,166,017.47	14,583,401,118.66
Non-controlling interests		<u>15,694,746,533.56</u>	<u>15,864,213,827.97</u>	<u>16,387,539,196.54</u>
Total owners' equity		<u>34,912,164,286.57</u>	<u>29,849,379,845.44</u>	<u>30,970,940,315.20</u>
Total liabilities and owners' equity		<u>116,509,436,609.21</u>	<u>114,153,165,555.15</u>	<u>103,035,114,406.98</u>

These financial statements were approved by the Board of Directors of the Company.

The financial statements on pages 1 to 180 were signed by the following persons:

Zhao Qi	Sun Yu	Chen Lin	(Company stamp)
The person in charge of the company (Signature and stamp)	The person in charge of accounting affairs (Signature and stamp)	The head of the accounting department (Signature and stamp)	

Date: 28 April 2022

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
Consolidated income statement
for the year ended 31 December 2021
(Expressed in Renminbi Yuan)

	Note IX	2021	2020
Total operating income		27,777,773,908.20	21,804,949,280.89
Including: Operating income	57	27,649,150,679.33	21,672,747,322.89
Interest income of financial institutions	58	128,623,228.87	132,201,958.00
Less: Total operating costs		21,560,998,043.08	12,521,691,455.82
Including: Operating costs	59	21,499,766,332.08	12,460,952,695.82
Interest expense of financial institutions	58	61,231,711.00	60,738,760.00
Taxes and surcharges	60	376,237,754.54	363,875,224.68
Selling and distribution expenses	61	2,323,783,008.63	9,006,063,796.75
General and administrative expenses	62	5,328,226,670.34	4,567,944,400.60
Research and development expenses	63	51,001,601.14	66,751,911.32
Financial expenses	64	1,410,791,835.38	1,454,046,383.17
Including: Interest expenses		1,512,593,670.40	1,420,339,135.12
Interest income		285,278,188.81	243,793,649.24
Exchange losses of financial institution	65	994,786.00	3,909,392.00
Add: Other income	66	529,856,691.88	571,183,552.00
Investment income	67	2,104,680,673.33	5,646,779,978.54
Including: Income from investment in associates and joint ventures		357,512,182.63	1,453,148,415.88
(Losses) gains from changes in fair value	68	(289,741,595.17)	271,143,928.88
Credit losses reversal	69	17,010,424.95	-
Impairment (loss)	70	(124,178,519.19)	(1,593,222,531.20)
Gains from asset disposals	71	153,223,070.40	750,367,027.33
Operating loss		(883,409,044.71)	(533,081,327.90)
Add: Non-operating income	72	143,746,827.89	95,442,491.82
Less: Non-operating expenses	73	104,671,548.06	139,411,764.58
Loss before income tax		(844,333,764.88)	(577,050,600.66)
Less: Income tax expense	74	(177,320,955.74)	(223,459,875.80)
Net loss		<u>(667,012,809.14)</u>	<u>(353,590,724.86)</u>

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
 Consolidated income statement
 for the year ended 31 December 2021(continued)
 (Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>2021</i>	<i>2020</i>
(1) Net profit classified by continuity of operations (“-” for net losses):			
1. Net loss from continuing operations		(667,012,809.14)	(353,590,724.86)
2. Net profit from discontinued operations		-	-
(2) Net profit classified by ownership:			
1. Attributable net profit (loss) to owners of the Company		(434,360,216.06)	261,602,726.43
2. Non-controlling interests		(232,652,593.08)	(615,193,451.29)
Other comprehensive income, net of tax	76	245,512,278.41	(3,862,150,784.60)
(1) Other comprehensive income (net of tax) attributable to shareholders of the Company		196,949,891.22	(3,459,828,702.40)
1. Items that will not be reclassified to profit or loss:			
a. Remeasurement of defined benefit plan		4,061,852.41	(6,302,500.50)
b. Other comprehensive income recognised under equity method		-	-

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
Consolidated income statement
for the year ended 31 December 2021(continued)
(Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>2021</i>	<i>2020</i>
Other comprehensive income, net of tax (continued)	76		
(1) Other comprehensive income (net of tax) attributable to shareholders of the Company (continued)			
2. Items that may be reclassified to profit or loss			
a. Other comprehensive income recognised under equity method		(174,557.43)	(297,670.95)
b. Gains or losses arising from changes in fair value of available-for-sale financial assets		-	(3,294,630,167.25)
c. Effective portion of gains or losses arising from cash flow hedging instruments		-	3,024,140.15
d. Changes in fair value of investments in other equity instruments		(128,187,672.16)	-
e. Translation differences arising from translation of foreign currency financial statements		321,250,268.40	(161,622,503.85)
(2) Other comprehensive income (net of tax) attributable to non-controlling interests		<u>48,562,387.19</u>	<u>(402,322,082.20)</u>
Total comprehensive income for the year		<u><u>(421,500,530.73)</u></u>	<u><u>(4,215,741,509.46)</u></u>
Attributable to:			
Owners of the Company		(237,410,324.84)	(3,198,225,975.97)
Non-controlling interests		(184,090,205.89)	(1,017,515,533.49)

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
 Consolidated cash flow statement
 for the year ended 31 December 2021
 (Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>2021</i>	<i>2020</i>
Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		27,075,406,567.27	22,494,671,044.15
Refund of taxes		23,024,994.15	15,607,049.47
Net decrease in loans and advances to customers		-	517,800,000.00
Proceeds from other operating activities	77	<u>770,297,730.64</u>	<u>1,173,323,679.00</u>
Sub-total of cash inflows		<u>27,868,729,292.06</u>	<u>24,201,401,772.62</u>
Payment for goods and services		12,961,376,214.31	12,699,904,506.47
Payment to and for employees		8,802,771,473.67	8,822,291,714.58
Payment of various taxes		1,205,425,835.61	1,034,381,070.37
Net increase in loans and advances		872,844.00	54,950,000.00
Payment for other operating activities	77	<u>3,663,116,439.32</u>	<u>3,850,921,385.83</u>
Sub-total of cash outflows		<u>26,633,562,806.91</u>	<u>26,462,448,677.25</u>
Net cash inflow (outflow) from operating activities	77	<u>1,235,166,485.15</u>	<u>(2,261,046,904.63)</u>

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
Consolidated cash flow statement
for the year ended 31 December 2021 (continued)
(Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>2021</i>	<i>2020</i>
Cash flows from investing activities:			
Proceeds from disposal of investments		864,080,188.13	5,916,938,080.07
Investment returns received		522,097,314.54	350,873,484.13
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		269,567,119.13	572,059,262.49
Changes in restricted bank deposits		9,441,361.85	106,395,631.61
Net proceeds from acquisition of subsidiaries and other business units		-	31,213,092.80
		<u>1,665,185,983.65</u>	<u>6,977,479,551.10</u>
Sub-total of cash inflows			
Payment for acquisition of fixed assets, intangible assets and other long-term assets		1,770,036,282.06	2,691,756,031.16
Payment for acquisition of investments		552,517,068.32	4,421,988,388.47
Payment for other investing activities	77	<u>2,900,000,000.00</u>	<u>23,893,738.01</u>
		<u>5,222,553,350.38</u>	<u>7,137,638,157.64</u>
Sub-total of cash outflows			
Net cash outflow from investing activities		<u>(3,557,367,366.73)</u>	<u>(160,158,606.54)</u>

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
Consolidated cash flow statement
for the year ended 31 December 2021 (continued)
(Expressed in Renminbi Yuan)

	<i>Note IX</i>	<i>2021</i>	<i>2020</i>
Cash flows from financing activities:			
Proceeds from investors		4,978,545,167.30	-
Proceeds from borrowings		22,965,671,960.64	14,080,933,633.90
Proceeds from issuance of debentures		<u>5,194,100,000.00</u>	<u>2,000,000,000.00</u>
Sub-total of cash inflows		<u>33,138,317,127.94</u>	<u>16,080,933,633.90</u>
Repayments of borrowings		22,440,412,952.33	14,471,097,287.61
Payment for profit distributions or interests		1,591,070,580.73	2,389,250,409.39
Including: Profits paid to non-controlling shareholders of subsidiaries		294,677,660.49	582,329,021.29
Payment for acquisitions of non-controlling interests		319,844,061.96	243,116,554.43
Payment for other financing activities	77	<u>3,158,640,648.59</u>	<u>18,999,710.56</u>
Sub-total of cash outflows		<u>27,509,968,243.61</u>	<u>17,122,463,961.99</u>
Net cash inflow (outflow) from financing activities		<u>5,628,348,884.33</u>	<u>(1,041,530,328.09)</u>
Effect of foreign exchange rate changes on cash and cash equivalents		<u>495,458,420.83</u>	<u>334,762,960.17</u>
Net increase (decrease) in cash and cash equivalents	77	3,801,606,423.58	(3,127,972,879.09)
Add: Cash and cash equivalents at the beginning of the year		<u>14,429,748,920.31</u>	<u>17,557,721,799.40</u>
Closing balance of cash and cash equivalents	77	<u>18,231,355,343.89</u>	<u>14,429,748,920.31</u>

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
Consolidated statement of changes in owners' equity
for the year ended 31 December 2021
(Expressed in Renminbi Yuan)

	Attributable to owners of the Company							Non-controlling interests	Total owners' equity	
	Paid-in capital	Capital reserve	Other comprehensive income	Other equity instruments	Specific reserve	Surplus reserve	Retained earnings			Sub-total
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
Changes in accounting policies	-	-	7,702,059.99	-	-	-	(605,937,161.18)	(598,235,101.19)	(523,325,368.57)	(1,121,560,469.76)
Balance at 1 January 2021	<u>2,000,000,000.00</u>	<u>4,171,602,781.38</u>	<u>(941,380,541.44)</u>	<u>-</u>	<u>-</u>	<u>783,608,658.65</u>	<u>7,971,335,118.88</u>	<u>13,985,166,017.47</u>	<u>15,864,213,827.97</u>	<u>29,849,379,845.44</u>
Changes in equity during the year										
1. Total comprehensive income	-	-	196,949,891.22	-	-	-	(434,360,216.06)	(237,410,324.84)	(184,090,205.89)	(421,500,530.73)
2. Contribution by owners										
- Transactions with non-controlling interests (Note IX.78)	-	2,139,983,508.84	-	-	-	-	-	2,139,983,508.84	296,581,632.66	2,436,565,141.50
- Contribution by holders of other equity instruments (Note IX.52)	-	-	-	2,998,584,905.66	-	-	-	2,998,584,905.66	-	2,998,584,905.66
- Others	-	324,537,836.29	-	-	-	-	(119,562.36)	324,418,273.93	12,718,939.31	337,137,213.24
3. Appropriation of profits										
- Distributions to owners	-	-	-	-	-	-	6,675,371.95	6,675,371.95	(294,677,660.49)	(288,002,288.54)
- Interest distribution to other equity instrument holders	-	-	-	5,403,287.67	-	-	(5,403,287.67)	-	-	-
4. Specific reserve										
- Accrued	-	-	-	-	12,329,008.12	-	-	12,329,008.12	-	12,329,008.12
- Utilised	-	-	-	-	(12,329,008.12)	-	-	(12,329,008.12)	-	(12,329,008.12)
Sub-total of 1 to 4	<u>-</u>	<u>2,464,521,345.13</u>	<u>196,949,891.22</u>	<u>3,003,988,193.33</u>	<u>-</u>	<u>-</u>	<u>(433,207,694.14)</u>	<u>5,232,251,735.54</u>	<u>(169,467,294.41)</u>	<u>5,062,784,441.13</u>
Balance at 31 December 2021	<u>2,000,000,000.00</u>	<u>6,636,124,126.51</u>	<u>(744,430,650.22)</u>	<u>3,003,988,193.33</u>	<u>-</u>	<u>783,608,658.65</u>	<u>7,538,127,424.74</u>	<u>19,217,417,753.01</u>	<u>15,694,746,533.56</u>	<u>34,912,164,286.57</u>

The notes on pages 14 to 180 form part of these financial statements.

Jinjiang International Holding Co, Ltd.
 Consolidated statement of changes in owners' equity
 for the year ended 31 December 2020 (continued)
 (Expressed in Renminbi Yuan)

	Attributable to owners of the Company						Non-controlling interests	Total owners' 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 in equity during the year									
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. Contribution by owners									
- Transactions with non-controlling interests	-	153,799,187.22	-	-	-	-	153,799,187.22	1,165,644,171.55	1,319,443,358.77
- Effect of equity transferred in with no considerations	-	9,157,903.51	-	-	-	-	9,157,903.51	-	9,157,903.51
- Others	-	12,458,250.00	-	-	-	-	12,458,250.00	83,193.63	12,541,443.63
3. Appropriation of profits									
- Appropriation for surplus reserve	-	-	-	-	45,913,097.59	(45,913,097.59)	-	-	-
- Distributions to owners	-	-	-	-	-	(103,746,955.92)	(103,746,955.92)	(750,675,690.98)	(854,422,646.90)
4. Specific reserve									
- Accrued	-	-	-	13,975,259.17	-	-	13,975,259.17	-	13,975,259.17
- Utilised	-	-	-	(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 180 form part of these financial statements.

I. Basic information

Jinjiang International Holding Co, Ltd. ("the 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, with a period of operation from its establishment to an indefinite period. The Company's unified social credit code is 91310000132220312N and it 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 brokerage and related consulting services etc. The registered capital of the Company is RMB 2 billion. The actual contributions are detailed in Note IX.51. The Company and its subsidiaries are hereinafter referred to as the "Group".

II. Basis of preparation

The Group incurred net losses of RMB 667,012,809.15 for the year 2021. As at 31 December 2021, the Group's current liabilities exceeded its current assets by RMB 2,781,256,630.60. Considering the Group still has sufficient unused bank loan facilities to enable the Group to maintain sufficient liquidity and repay its due debts on time, the Group is able to maintain as a going concern at least for the year 2022. Accordingly, the financial statements have been prepared on a going concern basis.

III. Statement of compliance

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 on the Audit of the Financial Statements of Municipal State-owned Enterprises for the Year 2021" (Hu Guo Zi Wei Shen Ji [2021] No. 412) 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 Group's consolidated financial position as at 31 December 2021, and the consolidated financial performance and consolidated cash flows for the year then ended.

The Company has presented separately the Company's financial statements and the consolidated financial statement for the year ended 31 December 2021, which are issued simultaneously. The Company's standalone financial statements prepared by the Company comprise balance sheets, 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, financial performance and cash flows, they shall also read the Company's standalone financial statements.

IV. Significant accounting policies and accounting estimates

1. Accounting year

The accounting year of the Group is from 1 January to 31 December.

2. Functional currency and presentation currency

The Company's functional currency is Renminbi and these financial statements are presented in Renminbi. The Company's foreign subsidiaries choose the currency of the main economic environment where the operating business is located as its functional currency. 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.5.

3. Basis of accounting and principle of measurement

The Group's financial statements have been prepared on an accrual basis. Except for certain financial instruments which are measured at fair value, the financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

Under historical cost method, the amount of assets was measured at the fair value of cash or cash equivalents or consideration paid at the time of purchase. Liabilities were measured at the amount of money or assets and liabilities due to the current obligations actually received, or a present obligation of the contract amount, or the measurement of cash or cash equivalents in accordance with daily activities to repay the debts of the amount expected to be paid.

Unless otherwise specified, the Group measures fair value as follows:

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.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

Fair value measurements are categorized into three levels based on the degree to which the inputs to the fair value measurements are observable and the significance of 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 that are observable at the measurement date for identical assets or liabilities.
- Level 2 input are inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities.
- Level 3 inputs are inputs that are unobservable for underlying assets or liabilities.

4. Business combinations and the consolidated financial statements

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 combination is classified as either business combinations involving enterprises under common control or 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 enterprises under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess adjusted against retained earnings. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

4.2. Business combinations not involving enterprises under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business 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 recognised as goodwill. If (1) is less than (2), the difference is recognised in profit or loss for the current period. Acquisition-related costs are expensed when incurred. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognised 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 recognises 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 recognised in other comprehensive income and other changes in the owners' 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 recognised in prior reporting periods is transferred to retained earnings and surplus reserve at the date of acquisition.

4.3. Consolidated financial statements

4.3.1. 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 all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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.

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 unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements.

Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in the financial statements.

Non-controlling interests are presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item. When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' share of the opening owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests. Changes in the interest in a subsidiary without a change in control are accounted for as equity transactions.

4.3.2. Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period, through a business combination involving entities 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 involving entities not 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.

4.3.3. Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognised as investment income for the current period. The remaining equity interests is re-measured at its fair value at the date when control is lost, any resulting gains or losses are also recognised 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 recognised in other comprehensive income and transferred to profit or loss when the parent eventually loses control of the subsidiary.

4.3.4. Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders 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.

5. Foreign currency transactions and translation of foreign currency financial statements

5.1 Foreign currency transactions

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates or rates that approximate the spot exchange rates on the dates of the transactions. A rate that approximates the spot exchange rate is a rate determined under a systematic and rational method, such as the weighted average exchange rate.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date, and recognised in profit or loss, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalisation are capitalised as part of the cost of the qualifying asset during the capitalisation period (see Note IV.25); (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 amortised cost) of monetary items are recognised as other comprehensive income. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date.

5.2. Translation of foreign currency financial statements

For the purpose of preparing the consolidated financial statements, foreign currency financial statements of foreign operations are translated into Renminbi at the following methods: all asset and liability line items in the balance sheet are translated at the spot exchange rates at the balance sheet date; owner's equity line items are translated at the spot exchange rates on the dates of the transactions; all line items in the income statement and line items reflecting the amount of profit distribution are translated at the spot exchange rates at the balance sheet date; the difference between the total of asset line items, liability line items and owner's equity line items after translation is recognised as other comprehensive income and included in owners' equity.

Cash flows dominated in foreign currencies and those of foreign subsidiaries are translated using spot exchange rates at the date the cash flows occur. The effect of changes in exchange rates on cash and cash equivalents is presented separately in the statement of cash flows as a reconciling item under "Effect of foreign exchange rate changes on cash and cash equivalents".

Balance at the end of the previous year and actuals of the previous year are presented as translated from the prior year financial statements.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be readily withdrawn on demand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

7. Inventories

The Group's inventories (other than property development) mainly include raw materials, low value consumables, packaging material, work in progress, finished goods, and merchandise etc. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditure 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 represent 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 recognised to fixed assets. It comprises packaging materials and low value consumables etc. The reusable materials are charged to profit or loss upon receipt or amortised using an equal-split amortisation method.

At the balance sheet date, inventories are carried at the lower of cost and net realisable value.

Any excess of the cost over the net realisable value of each item of inventories is recognised as a provision for impairment and is recognised in profit or loss. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes.

8. Long-term equity investments

8.1. Investments in subsidiaries:

In the Group's consolidated financial statements, the subsidiaries are accounted for in accordance with the principles described in Note IV.4.3.

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 entities 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 entities 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.
- An investment in a subsidiary acquired other than through a business combination is initially recognised in accordance with the principles described in Note IV.8.2.

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement unless the investment is classified as held for sale (see Note IV.15). 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 recognises 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 impairment losses (see Note IV.17.2).

8.2. 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 recognised 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.15).

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 recognised 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 recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After the acquisition of the investment, the Group recognises 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 owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution ("other changes in owners' equity"), is recognised 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 owners' equity, the Group recognises 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. Unrealised 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. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.
- The Group discontinues recognising 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 recognising its share of those profits only after its share of the profits has fully covered the share of losses not recognised.

The Group makes provision for impairment of investments in joint ventures and associates in accordance with the principles described in Note IV.17.2.

9. Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses (see Note IV. 17.2). The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale (see Note IV.15).

10. Fixed assets and construction in progress

Fixed assets represent the tangible assets held by the Group for use in the production of goods, rendering of services, for leases to others, or for administrative purposes with useful lives over one year.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note IV.17.2). Construction in progress is stated in the balance sheet at cost less impairment losses (see Note IV.17.2).

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note IV.25) and any other costs directly attributable to bringing the asset to working condition for its intended use.

Construction in progress is transferred to fixed assets when it is ready for its intended use. No depreciation is provided against construction in progress.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of fixed assets are recognised in profit or loss as incurred.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item, and are recognised in profit or loss on the date of retirement or disposal.

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale (see Note IV.15). The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

<i>Category</i>	<i>Estimated useful life</i>	<i>Estimated residual value rate</i>	<i>Annual depreciation rate</i>
Land	-	-	-
Buildings	10 - 60 years	0 - 10%	1.5 - 10.0%
Machinery and equipment	2 - 20 years	0 - 10%	4.5 - 50.0%
Electronic equipments, apparatuses and furniture	2 - 20 years	0 - 10%	4.5 - 50.0%
Motor vehicles	3 - 15 years	3 - 10%	6.0 - 32.3%
Operating equipment	4 - 10 years	4 - 10%	9.0 - 24.0%
Hotel and building renovation costs	3 - 10 years	0 - 5%	9.5 - 33.3%

Useful lives, residual values and depreciation methods are reviewed at least at each year-end.

11. Leases

A contract is lease if the lessor conveys the right to control the use of an identified asset to lessee for a period of time in exchange for consideration.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly specified in a contract and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;
- the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lessee has the right to direct the use of the asset.

For a contract that contains more separate lease components, the lessee and the lessor separate lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate lease components from non-lease components. For a contract that contains lease and non-lease components, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The lessor allocates the consideration in the contract in accordance with the accounting policy in Note IV.21).

11.1. As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is depreciated using the straight-line method. If the lessee is reasonably certain to exercise a purchase option by the end of the lease term, the right-of-use asset is depreciated over the remaining useful lives of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses of right-of-use assets are accounted for in accordance with the accounting policy described in Note IV.17.2.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability is charged to profit or loss or included in the cost of assets where appropriate as incurred.

Under the following circumstances after the commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- there is a change in the amounts expected to be payable under a residual value guarantee;
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments;
- there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

11.2. As a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is a sub-lessor, it assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the finance lease asset. The finance lease receivable is initially measured at an amount equal to the net investment in the lease. The net investment in the lease is measured at the aggregate of the unguaranteed residual value and the present value of the lease receivable that are not received at the commencement date, discounted using the interest rate implicit in the lease.

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are recognised in accordance with the accounting policies in Note IV.16 and Note IV.17.1, respectively. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease income derived from operating leases is recognised in profit or loss using the straight-line method over the lease term. The initial direct costs incurred in respect of the operating lease are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Variable lease payments not included in lease receipts are recognised as income as they are earned.

12. 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 technologies, software and etc..

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note IV.17.2).

For an intangible asset with finite useful life, its cost estimated less residual value and impairment losses is amortised on the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale (see Note IV.15).

Useful lives and amortisation methods of intangible asset with finite useful life are reviewed at least at each year-end.

12.1 Research and development costs

Expenditure during the research phase is expensed when incurred.

Expenses incurred during the development stage that satisfy the following conditions are recognised as intangible assets, while those that do not satisfy the following conditions are accounted for in the profit or loss for the current period:

- (1) it is technically feasible that the intangible asset can be used or sold upon completion;
- (2) there is intention to complete the intangible asset for use or sale;
- (3) the intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset;
- (4) there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;
- (5) the expenses attributable to the development stage of the intangible asset can be measured reliably.

If the expenditures cannot be distinguished between the research phase and development phase, the Group recognises all of them in profit or loss for the period.

13. Goodwill

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving entities under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see IV.17.2). On disposal of an asset group or a set of asset groups, any attributable goodwill is written off and included in the calculation of the profit or loss on disposal.

14. Long-term deferred expenses

Expenditure incurred with beneficial period over one year is recognised as long-term deferred expenses. Long-term deferred expenses are stated in the balance sheet at cost less accumulated amortisation and impairment losses (see Note IV.17.2).

Long-term deferred expenses are amortised over their beneficial periods.

15. Non-current assets and disposal groups held for sale

15.1. Assets held for sale

The Group classified a non-current asset or disposal group as held for sale when the carrying amount of a non-current asset or disposal group will be recovered through a sale transaction rather than through continuing use.

A disposal group refers to a group of assets to be disposed of, by sale or otherwise, together as a whole in a single transaction and liabilities directly associated with those assets that will be transferred in the transaction.

A non-current asset or disposal group is classified as held for sale when all the following criteria are met:

- According to the customary practices of selling such asset or disposal group in similar transactions, the non-current asset or disposal group must be available for immediate sale in their present condition subject to terms that are usual and customary for sales of such assets or disposal groups;
- Its sale is highly probable, that is, the Group has made a resolution on a sale plan and has obtained a firm purchase commitment. The sale is to be completed within one year.

Non-current assets or disposal groups held for sale are stated at the lower of carrying amount and fair value (see Note IV.3) less costs to sell (except financial assets (see Note IV.16) and deferred tax assets (see Note IV.19)) initially and subsequently. Any excess of the carrying amount over the fair value (see Note IV.3) less costs to sell is recognised as an impairment loss in profit or loss.

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

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.

15.2. Discontinued operations

The Group classifies a separate component as a discontinued operation either upon disposal of the operation or when the operation meets the criteria to be classified as held for sale if it is separately identifiable and satisfies one of the following conditions:

- It represents a separate major line of business or a separate geographical area of operations;
- It is part of a single co-ordinated plan to dispose of a separate major line of business or a separate geographical area of operations;
- It is a subsidiary acquired exclusively with a view to resale.

Where an operation is classified as discontinued in the current period, profit or loss from continuing operations and profit or loss from discontinued operations are separately presented in the income statement for the current period. Profit or loss from continuing operation in the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative year.

16. Financial instruments

Financial instruments include cash at bank and on hand, investments in debt and equity securities other than those classified as long-term equity investments (see Note IV.8), receivables, payables, loans and borrowings, debt payable, derivative financial instruments, paid-in capital and other equity instruments.

16.1. Recognition and measurement of financial assets and financial liabilities

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

A financial or financial liability is 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. A trade receivable, without significant financing component or practical expedient applied for one year or less contracts, is initially measured at the transaction price in accordance with the accounting policy in Note IV.21.

16.2. Classification and subsequent measurement of financial assets

(i) Classification of financial assets

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. The instrument meets the definition of equity from the perspective of the issuer.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

(ii) Subsequent measurement of financial assets

- Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

- Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised, reclassified, through the amortisation process or in order to recognise impairment gains or losses.

- Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, impairment and foreign exchange gains and losses are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

- Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

16.3. Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL, financial guarantee liabilities or amortised cost.

- Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liability) or it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

- Financial guarantee liabilities

Financial guarantees are contracts that requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Subsequent to initial recognition, deferred income related to financial guarantee is amortised in profit or loss in accordance with the accounting policies set out in Note IV.21. A financial guarantee liability is measured at the higher of: the amount of the loss allowance determined in accordance with impairment policies of financial instruments (see Notes IV.17.1); and the amount initially recognised less the cumulative amount of income.

- Financial liabilities at amortised cost

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

The Group's debentures payable issued are financial liabilities measured at amortised cost, except for perpetual bonds that meet the definition of other equity instruments (see Note IV.16.6), which the Group measures at amortised cost using the effective interest method.

16.4. Offsetting

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 recognised amounts ;
- The Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

16.5. Derecognition of financial assets and financial liabilities

Financial asset is derecognised 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 recognised in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

16.6. Equity instrument

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

The Group is entitled to an unlimited number of extensions of the perpetual bonds issued by the Group upon maturity. For the coupon interest on the perpetual bond, the Group has the right to defer payment and the Group has no contractual obligation to pay cash or other financial assets and is therefore classified as other equity instruments. Perpetual bonds issued by the Company are calculated as other equity instruments.

17. Impairment of assets

Except for impairment of assets set out in Note IV.7 and Note IV.19, impairment of assets is accounted for using the following principles:

17.1. Impairment of financial assets

The Group recognises loss allowances for expected credit loss (ECL) on:

- financial assets measured at amortised cost;
- contract assets;
- financial investments at fair value through other comprehensive income;
- lease receivables.

Financial assets measured at fair value, including debt investments or equity securities at FVTPL, equity securities designated at FVOCI and derivative financial assets, are not subject to the ECL assessment.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the Group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

For accounts receivable, lease receivables and contract assets, loss allowance always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

For assets other than accounts receivable, lease receivables and contract assets that meet one of the following conditions, loss allowance are measured at an amount equal to 12-month ECLs. For all other financial instruments, the Group recognises a loss allowance equal to lifetime ECLs:

- If the financial instrument is determined to have low credit risk at the balance sheet date;
- If the credit risk on a financial instrument has not increased significantly since initial recognition.

Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt investments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

17.2. Impairment of others 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
- right-of-use assets
- 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 and intangible assets with indefinite useful lives 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, which 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 recognised 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 recognised 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 recognised, it is not reversed in a subsequent period.

18. Employee benefits

18.1. Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

18.2. Post-employment benefits

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

For defined contribution plans, pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable is recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

For defined benefit plans, the Group attributes benefit obligations under a defined benefit plan to periods of service provided by respective employees in accordance with formula determined by the projected unit credit method and charged to profit or loss or recognised as part of the cost of assets. Defined benefit costs are categorised as follows:

- Service costs (include current service cost, past service cost, as well as gains and losses on and settlements);
- Net interest expense or income net of liabilities or assets (including interest income of planned assets, interest expenses of defined benefit plan liabilities and effect of asset ceiling); and
- Changes arising from remeasurement of net liabilities or net assets of defined benefit plans.

Service costs and net interest on the net interest expense or income net of liabilities or assets are charged to profit or loss or recognised as part of the cost of assets. Changes arising from remeasurement of net liabilities or net assets of defined benefit plans (including actuarial gains and losses, return on plan assets net of amounts included in net interest expense or income net of liabilities or assets of defined benefit plans, change in asset limit effect net of amounts included in net interest expense or income net of liabilities or assets) are recognised in other comprehensive income.

18.3. Termination benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

18.4. Other long-term employee benefits

For other long-term benefits, when meeting the determined conditions for withdrawal and deposit plan or defined contribution plan, the Group will conduct accounting treatment according to the determined withdrawal and deposit plan or defined contribution plan.

19. Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised 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 realise 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 losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised 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 recognised 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 utilised. 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 deferred tax 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 realise 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.

20. Provisions

A provision is recognised for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

21. Revenue recognition

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders.

Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group considers all information that is reasonably available to the entity, and maximises the use of observable inputs to estimate the stand-alone selling price.

For a contract with a warranty, the Group analyses the nature of the warranty provided, if the warranty provides the customer with a distinct service in addition to the assurance that the product complies with agreed-upon specifications, the Group recognises the promised warranty as a performance obligation. Otherwise, the Group accounts for the warranty in accordance with the requirements of CAS No.13 *Contingencies*.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where the contract contains a significant financing component, the Group recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term. The Group does not adjust the consideration for any effects of a significant financing component if it expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance;
- or
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

For a performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For a performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

- the Group has a present right to payment for the goods or services;
- the Group has transferred physical possession of the goods to the customer;
- the Group has transferred the legal title of the goods or the significant risks and rewards of ownership of the goods to the customer; and
- the customer has accepted the goods or services.

The Group determines whether it is a principal or an agent, depending on whether it obtains control of the specified good or service before that good or service is transferred to a customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognises revenue in the gross amount of consideration to which it has received (or receivable). Otherwise, the Group is an agent, and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration, or is the established amount or proportion.

For the sale of a product with a right of return, the Group recognises revenue when the Group obtains control of that product, in the amount of consideration to which the Group expects to be entitled in exchange for the product transferred (i.e. excluding the amount of which expected to be returned), and recognises a refund liability for the products expected to be returned. Meanwhile, an asset is recognised in the amount of carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value of returned products), and carry forward to cost in the amount of carrying amount of the transferred products less the above costs. At the end of each reporting period, the Group updates its assessment of future sales return liability. If there is any change, it is accounted for as a change in accounting estimate.

A non-refundable upfront fee (e.g. hotel pre-franchise service income, etc.) that the Group charges a customer at or near contract inception is included in transaction price. The Group assesses whether the fee relates to the transfer of a promised good or service. If the non-refundable upfront fee relates to a good or service, and the good or service is a separate performance obligation, revenue is recognised based on transaction price allocated to the good or service at the time of transfer. If the non-refundable upfront fee relates to a good or service, but the good or service is not a separate performance obligation, revenue is recognised based on transaction price allocated to the separate performance obligation when the separate performance obligation included the good or service performs. If the non-refundable upfront fee does not relate to a good or service, the upfront fee is an advance payment for future goods or services and, therefore, would be recognised as revenue when those future goods or services are provided.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognises loss allowances for expected credit loss on contract assets (see Note IV.17.1). Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

The following is the description of accounting policies regarding revenue from the Group's principal activities:

21.1. Hotel room service income

The Group adopts the output method to determine the progress of performance for hotel room service income, which is based on the value of the goods or services transferred to the customer and recognises revenue over time.

21.2. Hotel franchise fee income

The Group's franchise revenue comprises pre-franchise service income, ongoing franchise and labour dispatch service income.

For pre-franchise service income, the Group adopts input method to determine the appropriate progress of performance, that is, the progress of the performance is determined according to the Group's input for fulfilling its performance obligations. When the outcome of that performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

The Group adopts the output method to determine the progress of performance for ongoing franchise and labour dispatch service income, which is based on the value of the goods or services transferred to the customer and recognises revenue over time.

21.3. Loyalty points

Additional purchase options for customers include customer loyalty points. If the option provides a material additional purchase option, the Group recognises the option as a performance obligation, and recognises revenue when those future goods or services are transferred or when the option expires. If the stand-alone selling price for a customer's option to acquire additional goods or services is not directly observable, the Group estimates it, taking into account all relevant information, including the difference in the discount that the customer would receive when exercising the option or without exercising the option, and the likelihood that the option will be exercised.

21.4. Sale of goods

Revenue is recognised as per transaction prices allocated to the performance obligation when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods to customers.

21.5. Rendering of services

Revenue is measured at the fair value of the consideration under the contract with customer, except for amounts received on behalf of third parties. Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant services to the customers. Services income is recognised when the Group satisfies a performance obligation is satisfied at a point in time, unless the income meets the criteria of satisfying a performance obligation over time.

21.6. Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable effective interest rate.

22. Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract that it would not have incurred if the contract had not been obtained, e.g. an incremental sales commission. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. Other costs of obtaining a contract are expensed when incurred.

If the costs to fulfil a contract with a customer are not within the scope of inventories or other accounting standards, the Group recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to an existing contract or to a specifically identifiable anticipated contract, including direct labour, direct materials, allocations of overheads (or similar costs), costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Assets recognised for the incremental costs of obtaining a contract and assets recognised for the costs to fulfil a contract (the “assets related to contract costs”) are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate and recognised in profit or loss for the current period. The Group recognises the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity otherwise would have recognised is one year or less.

The Group recognises an impairment loss in profit or loss to the extent that the carrying amount of an asset related to contract costs exceeds:

- remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

23. Government grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contributions from the government in the capacity as an investor in the Group.

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value.

A government grant related to an asset is recognised as deferred income and amortised over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in other income or non-operating income in the periods in which the expenses or losses are recognised. Or included in other income or non-operating income directly.

A government grant related to Group’s business activities, is recognised as other income based on the substance of economic activities; a government grant not related to the Group’s daily activities is recognised in non-operating income and expenses.

24. Specific reserve

The Group recognises a safety production costs in the specific reserve pursuant to relevant government regulations, with a corresponding increase in the costs of the related products or expenses.

According to Cai Qi [2012] No.16 Notice on "Regulations on Appropriation and Utilisation of Corporate Safety Production Costs", part of the Group's subsidiaries are required to make appropriation of safety production costs in the specific reserve in respect of the transportation business since 14 February 2012. Such appropriation is 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 specific reserve.

When the safety fund is subsequently used for revenue expenditure, the specific reserve is reduced accordingly. On utilisation of the safety production costs for fixed assets, the specific reserve is reduced as the fixed assets are recognised, which is the time when the related assets are ready for their intended use; in such cases, an amount that corresponds to the reduction in the specific reserve is recognised in accumulated depreciation with respect to the related fixed assets. As a consequence, such fixed assets are not depreciated in subsequent periods.

25. Borrowing costs

Borrowing costs incurred directly attributable to the acquisition and construction of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as financial expenses when incurred.

During the capitalisation period, the amount of interest (including amortisation of any discount or premium on borrowing) to be capitalised in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition and construction of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- To the extent that the Group borrows funds generally and uses them for the acquisition, construction of a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalisation is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition and construction that are necessary to prepare the asset for its intended use are in progress, and ceases when the assets become ready for their intended use. Capitalisation of borrowing costs is suspended when the acquisition and construction activities are interrupted abnormally for a period of more than three months.

26. Hedge accounting

Hedge accounting is a method which recognises in profit or loss (or other comprehensive income) the gain or loss on the hedging instrument and the hedged item in the same accounting period(s) to represent the effect of risk management.

Hedged items are items that expose the Group to risks of changes in fair value or cash flows and that are designated as being hedged and can be reliably measured. The Group's hedged items include floating rate borrowings that expose the Group to the risk of variability in cash flows and a firm commitment that is settled with a fixed amount of foreign currency and that exposes the Group to foreign currency risk and etc.

A hedging instrument is a designated financial instrument whose changes in fair value or cash flows are expected to offset changes in the fair value or cash flows of the hedged item.

The Group assesses at the inception of a hedging relationship, and on an ongoing basis, whether the hedging relationship meets the hedge effectiveness requirements. A hedging relationship is regarded as having met the hedge effectiveness requirements if all of the following conditions are satisfied:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from the economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of the hedged item.

When a hedging relationship no longer meets the hedge effectiveness requirements due to the hedge ratio, but the risk management objective of the designated hedging relationship remains unchanged, the Group rebalances the hedging relationship. Rebalancing refers to the adjustments made to the designated quantities of the hedged item or the hedging instrument of an already existing hedging relationship for the purpose of maintaining a hedge ratio that complies with the hedge effectiveness requirements.

The Group discontinues applying hedge accounting in any of the following circumstances:

- The hedging relationship no longer meets the risk management objective on the basis of which it qualified for hedge accounting.
- The hedging instrument expires or is sold, terminated or exercised.
- There is no longer an economic relationship between the hedged item and the hedging instrument or the effect of credit risk starts to dominate the value changes that result from that economic relationship.
- The hedging relationship no longer meets other criteria for applying hedge accounting.

27. Profit distributions to owners

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

28. 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 Company is under common control only from the State and that have no other related party relationships are not regarded as related parties.

29. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system after taking the materiality principle into account. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's 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. Segment accounting policies are consistent with those for the consolidated financial statements.

V. Significant accounting estimates and judgements

In the process of adopting accounting policies described in Note IV, the Group needs to make judgements, estimates and assumptions on the carrying amounts of financial statement items that cannot be accurately measured due to the inherent uncertainties in the operating activities. These judgements, estimates and assumptions are based on the management's historical experience, with the consideration of other relevant factors. Actual results may differ from the Group's estimates.

1. Significant accounting estimates

Note IV contains information about the accounting estimates relating to depreciation and amortisation of assets such as fixed assets, right-of-use assets, intangible assets and etc.. Note IX contain information about the accounting estimates relating to provisions for impairment of various types of assets. Other significant accounting estimates are as follows:

1.1. Useful lives of fixed assets

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.

1.2. Useful lives of renovation cost 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 amortises the operating leasehold improvement at the shorter among the actual useful life, operating period and the lease term. If the beneficial period of the operating leasehold improvement and the decoration is different from the previous estimates, management of the Group will make adjustments as appropriate.

1.3. Useful lives 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 amortisation 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.

1.4. Useful lives 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 amortisation 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.

1.5. Impairment of accounts receivable and other receivables

Management of the Group reviews the ECLs of accounts receivable and other receivables and assesses the credit risks of financial assets on an ongoing basis to estimate the provisions for bad and doubtful debts of accounts receivable and other receivables. Whereas indicated by any events or changes in circumstances that credit risk increases significantly or there are credit-impaired financial assets, the provision for bad and doubtful debts is made for the accounts receivable and other receivables, which is an accounting estimate. As at 31 December 2021, the carrying amount of the Group's accounts receivable and other receivables is RMB 5,245,335,063.75 (2020: RMB 3,801,919,437.62), and the balance of recognised impairment is RMB 1,089,218,048.17 (2020: 1,095,907,195.31).

1.6. Impairment of non-financial assets other than goodwill

According to the accounting policies in Note IV.17.2, 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.

1.7. 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 discount 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 2021, the carrying amount of the Group's goodwill is RMB 13,874,217,908.64 (2020: RMB 14,354,763,252.94), and the balance of recognised impairment is RMB 193,500,414.33 (2020: RMB 193,500,414.33).

2. Significant accounting judgements

2.1. Deferred tax assets / deferred tax liabilities

Management of the Group has offset deferred income tax assets and deferred income tax liabilities against each other in accordance with the accounting policies relating to income tax. As at 31 December 2021, the carrying amount of the Group's deferred tax assets without offsetting was RMB 3,930,618,458.12 (2020: RMB 4,128,229,838.58).

Deferred tax assets and deferred tax liabilities are calculated at the applicable income 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 income tax rate is determined based on the current tax regulations and the circumstances of the Group. If the expected income tax rate is different from previous estimates, management of the Group will make adjustments as appropriate.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. If it is expected that sufficient taxable income will not be available to utilise 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 2021, the Group has deductible temporary differences of RMB 2,263,270,386.33 (2020: RMB 1,143,019,258.08) and deductible tax losses of RMB 6,076,185,679.29 (2020: RMB 4,902,081,721.76) for which the deferred tax assets are not recognised.

2.2. Equity instrument

Perpetual debt equity instruments issued by the Group are not required to be settled by the Group's own equity instruments. The instrument does not have any terms with contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer. Therefore, the Group presented the perpetual debt equity instruments as equity instruments.

2.3. Bills receivable and receivables under financing

The Group's certain subsidiaries settle payments with suppliers by endorsing bank acceptance bills, and discount and derecognise some of the bank acceptance bills as required for daily funding management. Therefore, the Group classifies bank acceptance bills endorsed or discounted but not yet matured into banks with high credit ratings and banks with average credit ratings based on the credit ratings of the accepting banks; among them, bank acceptance bills issued by banks with high credit ratings are classified as financial assets at FVOCI and presented as receivables under financing because the Group manages its business within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; bank acceptance bills and commercial acceptance bills issued by banks with average credit ratings are not derecognised after endorsement or discounting.

For bills held by the Group at the end of the year that have not been endorsed or discounted, of which, bank acceptance bills issued by banks with high credit ratings, the Group classifies them as financial assets at FVOCI and presents them as receivables under financing (see Note IX.7 *Receivables under financing* for details); for bank acceptance bills and commercial acceptance bills issued by banks with average credit ratings, the Company classifies these bills as financial assets measured at amortised cost and presents them as bills receivable.

VI. Changes in accounting policies, accounting estimates and corrections of prior year errors

1. Description and reasons of changes in accounting policies

In 2021, the Group has adopted the following newly revised accounting standards and implementation guidance and illustrative examples issued by the MOF:

- CAS No.22 - *Financial Instruments: Recognition and Measurement (Revised)*, CAS No.23 - *Transfer of Financial Assets (Revised)*, CAS No.24 - *Hedge Accounting (Revised)* and CAS No.37 - *Presentation and Disclosures of Financial Instruments (Revised)* (collectively “the new financial instruments standards”)
- CAS No.14 - *Revenue (Revised)* (“the new revenue standard”)
- CAS No.21 - *Lease (Revised)* (Caikuai [2018] No.35) (“new lease standard”)
- *The Accounting Treatment of COVID-19-Related Rent Concessions (Caikuai [2020] No.10)* and *Notice of Extending the Applicable Period of ‘Accounting Treatment of COVID-19 Related Rent Concessions’ (Caikuai [2021] No.9)*
- CAS Bulletin No.14 (Caikuai [2021] No.1) (“Bulletin No. 14”)
- CAS Bulletin No.15 (Caikuai [2021] No.35) (“Bulletin No. 15”)

1.1. The new financial instruments standards

The new financial instruments standards revise CAS No.22 - *Financial instruments: Recognition and measurement*, CAS No.23 - *Transfer of Financial assets* and CAS No.24 - *Hedging* issued by the MOF in 2006 and CAS No.37 - *Presentation and Disclosures of Financial Instruments* revised by the MOF in 2014 (collectively “the previous financial instruments standards”).

The new financial instruments standards contain three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under new financial instruments standards is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. New financial instruments standards cancel the previous categories of held to maturity investments, loans and receivables and available for sale financial assets under previous financial instruments standards. Under new financial instruments standards, derivatives embedded in contracts where the host is a financial asset are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

New financial instruments standards replace the “incurred loss” model in previous financial instruments standards with the ECL model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in previous financial instruments standards.

In accordance with the transitional provisions in the new financial instruments standards, the Group has retrospectively applied the classification and measurement (including impairment) requirements to the financial instruments that have not been derecognised at the date of initial application (i.e. 1 January 2021). The comparative information has not been restated. The Group recognised any difference between the previous carrying amount and the new carrying amount at the date of initial application in the opening retained earnings or other comprehensive income.

1.1.1 The effects on the classification of financial instruments

- JHJ International Transportation Co., Ltd. (a subsidiary of the Group) has discounted or endorsed some of the bank acceptance bills according to the needs of its daily funding management. The bank acceptance bills are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. On 1 January 2021, the Group reclassified the subsidiary's bank acceptance bills of RMB 2,854,632.04 to financial assets at FVOCI, and presented as receivables under financing.
- The Group held an unquoted equity investment that was measured at cost net of impairment loss, with a carrying amount of RMB 3,017,314,246.62 and accumulated loss allowance of RMB 1,084,504,270.64 as at 31 December 2020. On 1 January 2021, in consideration of long-term strategy, the Group elected to designate the equity investment as financial asset at FVOCI, and presented as an investment in other equity instruments.
- The Group held unquoted equity investments that were measured at fair value and at cost net of impairment loss, with a carrying amount of RMB 10,001,463,780.33 and RMB 1,895,407,317.89, respectively, as at 31 December 2020. On 1 January 2021, in consideration of long-term strategy, the Group elected to designate the equity investment as financial asset at FVOCI, and presented as an investment in other equity instruments.

In respect of the effects on the classifications of the two items mentioned above, the Group adjusted the difference between the fair value and the previous carrying amount of unquoted equity investments as at 1 January 2021 of RMB 12,180,797.58 (before taxation), net of deferred tax effect of RMB 3,045,199.40, to other comprehensive income at the beginning of the year.

- As at 31 December 2020, the carrying amount of other current assets and wealth management products of other non-current assets measured at amortised cost held by the Group was RMB 286,442,994.76. As at 1 January 2021, for trading purpose, the Group designated the financial assets as financial assets at fair value through profit or loss and presented as financial assets held for trading and other non-current financial assets. Changes in classification have no impact on the retained earnings at the beginning of the year.
- As at 31 December 2020, the carrying amount of cost less unquoted equity investments measured at impairment loss held by the Group was RMB 116,262,766.22. As at 1 January 2021, for trading purpose, the Group designated the equity investments as financial assets at fair value through profit or loss and presented as financial assets held for trading and other non-current financial assets. In respect of the effect on the classification, the Group adjusted the difference between the fair value and the previous carrying amount of the assets as at 1 January 2021 of RMB 453,489,388.24 (before taxation), net of deferred tax effect of RMB 113,372,347.06, to retained earnings at the beginning of the year.

Financial assets are classified and measured in accordance with the previous financial instrument standards and the new financial instruments standards. The comparison of the results is as follows:

Previous Financial Instrument Standards (31 December 2020)			New Financial Instruments Standards (1 January 2021)		
Items	Category	Carrying amount	Items	Category	Carrying amount
Cash at bank and on hand	Amortised cost (loans and receivables)	15,031,759,500.96	Cash at bank and on hand	Amortised cost	15,031,759,500.96
FVTPL	FVTPL (held for trading)	1,188,049,609.19	Financial assets held for trading	FVTPL (standards' requirement)	1,375,130,408.30
Derivative financial assets	FVTPL (held for trading)	-	Derivative financial assets	FVTPL (standards' requirement)	-
Bills receivable	Amortised cost (loans and receivables)	33,715,529.12	Bills receivable	Amortised cost	30,860,897.08
Accounts receivable	Amortised cost (loans and receivables)	2,186,562,010.63	Receivables under financing	FVOCI	2,854,632.04
Other receivables	Amortised cost (loans and receivables)	519,450,221.68	Accounts receivable	Amortised cost	2,150,959,118.78
Other current assets	Amortised cost (loans and receivables)	211,228,487.03	Receivables under financing	FVOCI	-
Available-for-sale financial assets	FVOCI (debt instruments)	-	Other receivables	Amortised cost	512,964,936.07
	FVOCI (equity instruments)	10,001,463,780.33	Other current assets	Amortised cost	32,463,344.45
	Measured at cost (equity instruments)	1,895,407,317.89	Debt investments	Amortised cost	-
Held-to-maturity investments	Amortised cost (held-to-maturity)	-	Other debt investments	FVOCI	-
Long-term receivables	Amortised cost (loans and receivables)	75,440,937.11	Other non-current financial assets	FVTPL (standards' requirement)	669,114,350.11
Other non-current assets	Amortised cost (loans and receivables)	1,708,459,416.30	Investments in other equity instruments	FVOCI	11,792,789,129.58
			Debt investments	Amortised cost	-
			Long-term receivables	Amortised cost	589,808,685.76
			Other non-current assets	Amortised cost	1,593,325,710.65

	Carrying amount presented in accordance with the previous financial instruments standards (31 December 2020)	Reclassification			Remeasurement	Carrying amount presented in accordance with the new financial instruments standards (1 January 2021)
		Transfer from financial assets measured at amortised cost	Transfer from available-for-sale financial assets (previous financial instruments standards)	Transfer from financial assets at FVTPL (previous financial instruments standards)	Transfers to financial assets held for trading	
FVTPL						
Financial assets held for trading	-	181,308,285.44	5,772,513.67	1,188,049,609.19	-	1,375,130,408.30
Other non-current financial assets	-	105,134,709.32	110,490,252.55	-	453,489,388.24	669,114,350.11
Financial assets at FVTPL (previous financial instruments standards)	1,188,049,609.19	-	-	-	(1,188,049,609.19)	-
Total financial assets measured at FVTPL						2,044,244,758.41

	Carrying amount presented in accordance with the previous financial instruments standards	Reclassification				Remeasurement	Carrying amount presented in accordance with the new financial instruments standards
	(31 December 2020)	Transfer from bills receivable (previous financial instruments standards)	Transfer from available-for-sale financial assets (previous financial instruments standards)	Transfers to financial assets at FVTPL (new financial instrument standards)	Transfers to investments in other equity instruments	Change from measuring at cost to fair value	(1 January 2021)
FVOCI							
Receivables under financing	-	2,854,632.04	-	-	-	-	2,854,632.04
Investments in other equity instruments	-	-	11,780,608,332.00	-	-	12,180,797.58	11,792,789,129.58
Available-for-sale financial assets (previous financial instruments standards)	11,896,871,098.22	-	-	(116,262,766.22)	(11,780,608,332.00)	-	-
Total financial assets measured at FVOCI							11,795,643,761.62

1.1.2. The effects for the application of the ECL model

The Group applies the new ECL model to the following items:

- financial assets measured at amortised cost;
- Debt investments at FVOCI

The new ECL model do not apply to investments in equity instruments.

The ending amount of the impairment loss of the previous financial assets is adjusted to be classified and measured in accordance with the provisions of the new financial instruments standards. The adjustment of the new impairment loss is as follows:

Category	<i>Recognition of a loss in accordance with the previous financial instruments standards/ provisions recognised according to contingency standards (31 December 2020)</i>	<i>Reclassification</i>	<i>Remeasurement</i>	<i>Recognition of a loss in accordance with the new financial instruments standards (1 January 2021)</i>
Loans and receivables (previous financial instruments standards)/ financial assets measured at amortised cost (new financial instruments standards)				
Accounts receivable	(631,650,465.06)	-	-	(631,650,465.06)
Other receivables	(464,256,740.25)	-	(495,123.50)	(464,751,863.75)
Other non-current assets	(61,447,425.00)	-	(4,012,500.00)	(65,459,925.00)
Total	(1,157,354,630.31)	-	(4,507,623.50)	(1,161,862,253.81)
Available-for-sale financial assets (previous financial instruments standards)/ FVOCI (new financial instruments standards)				
Available-for-sale financial assets	(1,121,906,928.73)	1,121,906,928.73	-	-
Total	(1,121,906,928.73)	1,121,906,928.73	-	-

1.2. The new revenue standard

The new revenue standard replaces CAS No.14 – Revenue and CAS No.15 - Construction Contracts issued by the MOF in 2006 (collectively “the previous revenue standard”).

Under previous revenue standard, the Group recognised revenue when the risks and rewards had passed to the customers. The Group’s revenue from sales of goods was recognised when the following conditions were met: the significant risks and rewards of ownership of the goods had been transferred to the customer, the amount of revenue and related costs could be reliably measured, the relevant economic benefits would probably flow to the Group and the Group retained neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from rendering of services and revenue from construction contracts were recognised by reference to the stage of completion of the transaction at the balance sheet date.

Under new revenue standard, revenue is recognised when the customer obtains control of the promised goods or services in the contract:

- Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers. The Group satisfies a performance obligation over time if certain criteria is met; or otherwise, a performance obligation is satisfied at a point in time. Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where the contract contains a significant financing component, the Group recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term.
- The Group have adjusted the relevant accounting policies in accordance with the specific provisions on specific matters or transactions under the new revenue standard, such as contract costs, principal versus agent considerations, customer options for additional goods or services, repurchase agreements, advance receipts, non-refundable upfront fee, etc.
- Under new revenue standard, the Group presents a contract asset or a contract liability in the balance sheet based on the relationship between the Group's performance and the customer's payment. At the same time, the Group provides more disclosures on revenue and related information based on the disclosure requirements under the new revenue standard, such as relevant accounting policies, significant judgements (measurement of variable consideration, the method used to allocate the transaction price to each performance obligation, the assumption used for estimating stand-alone selling price of each performance obligation, etc.), information of contracts with customers (revenue recognised in the current period, contract balance, performance obligation), information of assets related to contract costs.

The effect of adopting new revenue standard on the Group's accounting policies are as follows:

- Under new revenue standard, the Group presents a contract asset or a contract liability in the balance sheet based on the relationship between the Group's performance and the customer's payment. At the same time, the Group provides more disclosures on revenue and related information based on the disclosure requirements under the new revenue standard, such as relevant accounting policies, significant judgements (measurement of variable consideration, the method used to allocate the transaction price to each performance obligation, the assumption used for estimating stand-alone selling price of each performance obligation, etc.), information of contracts with customers (revenue recognised in the current period, contract balance, performance obligation), information of assets related to contract costs.
- Under new revenue standard, the corresponding contract fulfilment costs of performance obligations that are unsatisfied are recognised as inventories.
- Under new revenue standard, non-refundable franchise contract income is an advance payment for future services and, therefore, would be recognised as revenue when those future services are provided. For those that have not yet met the above revenue recognition criteria as at 1 January 2020, they will be recognised as contract liabilities and the deferred income tax assets and retained earnings will be adjusted accordingly.
- Under new revenue standard, depreciation and amortisation of hotel-operating assets and operating expenses relating to room services are included in operating costs as costs to fulfil a contract; cash outflows related to room services are adjusted to payment for goods and services.
- The Group acts as an agent when engaging in the ticket agency business and therefore recognises revenue in the current year under the new revenue standard on the basis of the amount of commission to which it is expected to be entitled and no longer on the basis of the total consideration received from customers.

The Group only adjusted the cumulative effect of contracts that were not completed before 1 January 2021 to the opening balance of retained earnings and the amount of other relevant items in the financial statements at 1 January 2021.

The following tables provide information of the impact on each of the line items in the consolidated income statement, the consolidated balance sheet, and the consolidated cash flow statement for the year ended 31 December 2021 had the previous policies still been applied in the year.

- Except for certain listed subsidiaries of the Group that have applied the new revenue standard from previous year, the effects on each of the line items in the income statement as at 31 December 2021 are analysed as follows:

*Increase/(decrease) in the line
items for the year as a result of
applying new account policies*
The Group

Operating costs	478,548,529.91
General and administrative expenses	(210,349,681.74)
Selling and distribution expenses	(268,198,848.17)

- The effects on each of the line items in the consolidated balance sheet for the year ended 31 December 2021 are analysed as follows:

	<i>Increase/(decrease) in the line items as a result of applying new accounting policies</i>
	<i>The Group</i>
Assets:	
Accounts receivable	(28,817,788.42)
Contract assets	28,817,788.42
Liabilities:	
Advance payments received	(1,433,624,537.80)
Contract liabilities	1,367,047,362.01
Other current liabilities	65,669,426.41
Other payables	12,967.55
Long-term payables	807,529.86

1.3. New leases standard

New leases standard has revised CAS No.21 – *Leases* issued by the MOF in 2006 (“previous leases standard”).

New leases standard refines the definition of a lease. The Group assesses whether a contract is or contains a lease in accordance with the definition in new leases standard. For contracts existed before the date of initial application, the Group has elected not to reassess whether a contract is or contains a lease at the date of initial application and surplus.

1.3.1. As a lessee

Under previous leases standard, the Group classifies leases as operating or finance leases based on its assessment of whether the lease transfers significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group.

Under new leases standard, the Group no longer distinguishes between operating leases and finance leases. The Group recognises right-of-use assets and lease liabilities for all leases (except for short-term leases and leases of low-value assets which are accounted for using practical expedient).

For a contract that contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group has elected to recognise the cumulative effect of adopting new leases standard as an adjustment to the opening balances of retained earnings and other related items in the financial statement in the initial year of application. Comparative information has not been restated.

For leases classified as operating leases before the date of initial application, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. Right-of-use assets are measured at either:

- their carrying amount as if new leases standard had been applied since the commencement date, discounted using the Group's incremental borrowing rate at the date of initial application – the Group applied this approach to its hotel segment leases; or
- an amount equal to the lease liability, adjusted by the amount of any prepaid lease payments the Group applied this approach to all other leases.

The Group also uses the following practical expedients to account for leases classified as operating leases before the date of initial application:

- accounted for the leases for which the lease term ends within 12 months of the date of initial application as short-term leases;
- applied a single discount rate to leases with similar characteristics when measuring lease liabilities;
- excluded initial direct costs from measuring the right-of-use assets;
- determined the lease term according to the actual implementation or other updates of options before the date of initial application if the contract contains options to extend or terminate the lease;
- adjusted the right-of-use assets by the amount of onerous contract provision applying CAS No.13 – Contingencies immediately before the date of initial application, as an alternative to an impairment review;
- accounted for lease modifications before the initial year of application according to the final arrangement of the change under new leases standard without retrospective adjustments

For leases classified as finance leases before the date of initial application, the right-of-use asset and the lease liability are measured at the original carrying amount of the assets under finance lease and obligations under finance leases at the date of initial application.

1.3.2. As a lessor

The Group does not need to adjust leases that the Group as a lessor by adopting new leases standard as an adjustment to the opening balances of retained earnings and other related items in the financial statement in the initial year of application. The Group has applied new leases standard since the date of initial application.

1.3.3. Effect of the application of new leases standard since 1 January 2021 on financial statements

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 January 2021. The weighted-average rate applied by the Group is 2.5% - 4.58%.

The reconciliation between the unpaid minimum lease payments for significant operating leases disclosed on 31 December 2020 and the lease liabilities as at 1 January 2021:

	<i>The Group</i>
The total future minimum lease payments of significant operating leases disclosed in the consolidated financial statements as at 31 December 2020	20,574,887,000.00
Present value discounted using the Group's incremental borrowing rate at 1 January 2021	13,916,896,218.13
Less: the affected amounts of short-term leases that will be completed within 12 months from 1 January 2021	75,675,101.67
the affected amounts of leases of low-value assets	80,365,656.47
Add: long-term payables recognised under finance leases at 31 December 2020	<u>174,212,474.16</u>
Lease liabilities under new leases standard at 1 January 2021	<u><u>13,935,067,934.15</u></u>

1.4. The impact of the adoption of the new financial instruments standards, the new revenue standard, and the new leases standard on the consolidated as at 1 January 2021 are summarised as follows:

	<i>The Group</i>				<i>1 January 2021</i>
	<i>31 December 2020</i>	<i>New financial instruments standards</i>	<i>New revenue standard</i>	<i>New leases standard</i>	
Assets					
Current assets					
Cash at bank and on hand	15,031,759,500.96	-	-	-	15,031,759,500.96
Financial assets held for trading	-	1,375,130,408.30	-	-	1,375,130,408.30
Financial assets at fair value through profit or loss	1,188,049,609.19	(1,188,049,609.19)	-	-	-
Bills receivable	33,715,529.12	(2,854,632.04)	-	-	30,860,897.08
Accounts receivable	2,186,562,010.63	-	(20,664,246.84)	(14,938,645.01)	2,150,959,118.78
Receivables under financing	-	2,854,632.04	-	-	2,854,632.04
Prepayments	455,776,164.83	-	-	(194,693,266.59)	261,082,898.24
Other receivables	519,450,221.68	(958,467.95)	(5,526,817.66)	-	512,964,936.07
Inventories	369,781,582.66	-	5,526,817.66	-	375,308,400.32
Contract assets	-	-	20,664,246.84	-	20,664,246.84
Assets held for sale	1,214,756,874.00	-	-	-	1,214,756,874.00
Non-current assets due within one year	-	-	-	31,502,299.77	31,502,299.77
Other current assets	<u>1,273,997,647.52</u>	<u>(178,741,157.61)</u>	<u>-</u>	<u>(16,122,225.01)</u>	<u>1,079,134,264.90</u>
Total current assets	<u>22,273,849,140.59</u>	<u>7,381,173.55</u>	<u>-</u>	<u>(194,251,836.84)</u>	<u>22,086,978,477.30</u>
Non-current assets					
Loans and advances to customers	32,920,250.00	-	-	-	32,920,250.00
Available-for-sale financial assets	11,896,871,098.22	(11,896,871,098.22)	-	-	-
Long-term receivables	75,440,937.11	-	-	514,367,748.65	589,808,685.76
Long-term equity investments	6,966,977,927.43	-	-	(4,290,702.90)	6,962,687,224.53
Investments in other equity instruments	-	11,792,789,129.58	-	-	11,792,789,129.58
Other non-current financial assets	-	669,114,350.11	-	-	669,114,350.11
Investment properties	553,065,730.76	-	-	-	553,065,730.76
Fixed assets	16,437,789,448.67	-	-	(229,888,040.37)	16,207,901,408.30
Construction in progress	2,712,317,529.91	-	-	-	2,712,317,529.91
Right-of-use assets	-	-	-	11,200,631,504.75	11,200,631,504.75
Intangible assets	20,864,454,395.28	-	-	(231,559,755.67)	20,632,894,639.61
Goodwill	14,161,262,838.61	-	-	-	14,161,262,838.61
Long-term deferred expenses	2,601,821,609.06	-	(40,535,662.05)	-	2,561,285,947.01
Deferred tax assets	2,669,581,094.04	16,702,268.54	12,969,046.82	(383,373,272.13)	2,315,879,137.27
Other non-current assets	<u>1,788,762,407.30</u>	<u>(111,250,992.70)</u>	<u>40,535,662.05</u>	<u>(44,418,375.00)</u>	<u>1,673,628,701.65</u>
Total non-current assets	<u>80,761,265,266.39</u>	<u>470,483,657.31</u>	<u>12,969,046.82</u>	<u>10,821,469,107.33</u>	<u>92,066,187,077.85</u>
Total assets	<u>103,035,114,406.98</u>	<u>477,864,830.86</u>	<u>12,969,046.82</u>	<u>10,627,217,270.49</u>	<u>114,153,165,555.15</u>

	<i>The Group</i>				
	31 December 2020	New financial instruments standards	New revenue standard	New leases standard	1 January 2021
Liabilities and owners' equity					
Current liabilities					
Short-term loans	5,911,966,301.94	14,047,564.67	-	-	5,926,013,866.61
Bills payable	116,350,000.00	-	-	-	116,350,000.00
Accounts payable	3,102,679,985.55	-	-	(764,869,181.75)	2,337,810,803.80
Advance payments received	1,822,901,969.72	-	(1,332,031,833.88)	-	490,870,135.84
Contract liabilities	-	-	1,548,491,269.78	-	1,548,491,269.78
Customer deposits and deposits from banks and other financial institutions	229,355,448.44	-	-	-	229,355,448.44
Employee benefits payable	2,274,909,479.04	-	-	-	2,274,909,479.04
Taxes payable	1,623,453,302.31	-	-	11,983.12	1,623,465,285.43
Other payables	2,797,147,547.54	(99,235,161.18)	189,451.70	27,228,784.34	2,725,330,622.40
Liabilities held for sale	29,724,600.00	-	-	-	29,724,600.00
Non-current liabilities due within one year	10,975,016,792.33	-	-	1,711,937,094.02	12,686,953,886.35
Other current liabilities	480,952,288.00	-	55,080,903.53	-	536,033,191.53
Total current liabilities	29,364,457,714.87	(85,187,596.51)	271,729,791.13	974,308,679.73	30,525,308,589.22
Non-current liabilities					
Long-term loans	27,734,061,657.90	85,187,596.51	-	-	27,819,249,254.41
Deposits from customers	198,150,000.00	-	-	-	198,150,000.00
Debentures payable	7,588,035,261.30	-	-	-	7,588,035,261.30
Lease liabilities	-	-	-	12,195,478,444.60	12,195,478,444.60
Long-term payables	1,180,457,889.52	-	384,729.86	(338,161,256.78)	842,681,362.60
Long-term employee benefits payable	1,032,141,912.51	-	-	-	1,032,141,912.51
Provisions	59,393,852.99	-	-	(3,021,272.99)	56,372,580.00
Deferred income	832,574,030.69	-	(724,725,600.56)	-	107,848,430.13
Deferred tax liabilities	3,992,133,767.29	113,709,014.58	-	(757,781,498.55)	3,348,061,283.32
Other non-current liabilities	82,768,004.71	-	507,690,586.91	-	590,458,591.62
Total non-current liabilities	42,699,716,376.91	198,896,611.09	(216,650,283.79)	11,096,514,416.28	53,778,477,120.49
Total liabilities	72,064,174,091.78	113,709,014.58	55,079,507.34	12,070,823,096.01	84,303,785,709.71

	<i>The Group</i>				1 January 2021
	31 December 2020	<i>New financial instruments standards</i>	<i>New revenue standard</i>	<i>New leases standard</i>	
Liabilities and owners' equity (continued)					
Owners' equity:					
Paid-in capital	2,000,000,000.00	-	-	-	2,000,000,000.00
Capital reserve	4,171,602,781.38	-	-	-	4,171,602,781.38
Other comprehensive income	(949,082,601.43)	36,672,360.50	-	(28,970,300.51)	(941,380,541.44)
Surplus reserve	783,608,658.65	-	-	-	783,608,658.65
Retained earnings	<u>8,577,272,280.06</u>	<u>106,561,630.36</u>	<u>(31,582,845.39)</u>	<u>(680,915,946.15)</u>	<u>7,971,335,118.88</u>
Total equity attributable to owners of the Company	14,583,401,118.66	143,233,990.86	(31,582,845.39)	(709,886,246.66)	13,985,166,017.47
Non-controlling interests	<u>16,387,539,196.54</u>	<u>220,921,825.42</u>	<u>(10,527,615.13)</u>	<u>(733,719,578.86)</u>	<u>15,864,213,827.97</u>
Total owners' equity	<u>30,970,940,315.20</u>	<u>364,155,816.28</u>	<u>(42,110,460.52)</u>	<u>(1,443,605,825.52)</u>	<u>29,849,379,845.44</u>
Total liabilities and owners' equity	<u>103,035,114,406.98</u>	<u>477,864,830.86</u>	<u>12,969,046.82</u>	<u>10,627,217,270.49</u>	<u>114,153,165,555.15</u>

1.5. Caikuai [2020] No.10 and Caikuai [2021] No.9

The Accounting Treatment of COVID-19 Related Rent Concessions (Caikuai [2020] No.10) provides 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. In combination of the requirements of Caikuai [2021] No.9, such practical expedient is only applicable to any reduction in lease payments due before 30 June 2022. Cumulative effects of adopting the above regulations are adjusted to the opening retained earnings or other comprehensive income for the year 2021. Comparative information is not restated.

The adoption of the above regulations does not have significant effect on the financial position and financial performance of the Group.

1.6. Bulletin No.14

Bulletin No.14 takes effect on 26 January 2021 (implementation date).

1.6.1 "Public-private partnership" (PPP) arrangements

Bulletin No.14, implementation Q&As and illustrative examples clarify the features and conditions of PPP arrangements, sets out the accounting and disclosure requirements of a private entity in PPP arrangements. Item 5 of CAS Bulletin No.2 (Caikuai [2008] No.11) on "How to account for entities participating in public infrastructure construction businesses under build-operate-transfer arrangement" is repealed accordingly.

The adoption of Bulletin No.14 does not have significant effect on the financial position and financial performance of the Group.

1.6.2 Benchmark interest rate reform

Bulletin No.14 introduces the accounting and disclosure requirements for the modification of financial instruments and lease liabilities resulting from the benchmark interest rate reform. Transactions related to the benchmark interest rate reform that occurred before 31 December 2020 and during 1 January 2021 to the implementation date are subject to retrospective adjustments. Cumulative effects are adjusted to the opening retained earnings or other comprehensive income for the year 2021. Comparative information is not restated.

The adoption of Bulletin No.14 does not have significant effect on the financial position and financial performance of the Group.

1.6.3 Presentation of fixed asset repair and maintenance expenses

The routine fixed assets repair and maintenance expenses relating to production and processing activities that do not qualify for capitalisation as subsequent expenditures on fixed assets were directly recognised as "general and administrative expenses". According to the implementation question and answer on fixed asset repair and maintenance expenses issued by the MOF, the above repair and maintenance expenses should be recognised in profit and loss according to their functions or capitalised as the costs of relevant asset when incurred. Repair and maintenance expenses relating to the production and conversion of inventories are accounted for in accordance with the recognition principle of inventory costs.

The adoption of Bulletin No.14 does not have significant effect on the financial position and financial performance of the Group.

1.7. Bulletin No.15

Bulletin No.15 - Provisions relating to the Presentation of the Centralised Management of Funds takes effect on 30 December 2021.

Pursuant to the above provisions, the Group presents its funds centrally managed based on relevant regulations through internal settlement centre, finance company and etc.. The retrospective adjustment method is adopted to make corresponding adjustments to the financial statement data for the comparable period.

The adoption of Bulletin No.14 does not have significant effect on the financial position and financial performance of the Group.

2. Changes in accounting estimates

There are no changes in significant accounting estimates during the reporting period.

3. Significant corrections of prior period errors

There are no significant corrections of prior period errors during the reporting period.

VII. Taxation

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% and 20%.

Income tax

The income tax rates of the Company and its domestic subsidiaries are 9%, 15% and 25%. The income tax rate is 25% for the Company, its other domestic subsidiaries and certain overseas subsidiaries that have been recognised by the State Administration of Taxation as Chinese-controlled resident enterprises incorporated outside of China since January 2018, except for the domestic subsidiaries listed below.

In accordance with the Announcement of the Ministry of Finance, the State Taxation Administration and the National Development and Reform Commission on *Continuing the Enterprise Income Tax Policies for the Large-Scale Development of Western China* (Announcement of the Ministry of Finance [2020] No. 23), from 1 January 2021 to 31 December 2030, the corporate income tax on an enterprise in an industry included in the Catalogue of Advantageous Industries of the Central and Western Regions and of which the income from principal operating activities accounts for more than 60% of the total income of the enterprise, shall be at the reduced rate of 15%. From 1 January 2018 to 31 December 2021, if the operating revenue in Tibet accounts for more than 40% (inclusive) of the total operating revenue, the portion of the corporate income tax payable that is attributable to the local share will be reduced by half. The applicable income tax rate of Lhasa Jinjiang Inn Co., Ltd. is 9%.

In 2020, WeHotel Information Technology (Guangzhou) Co., Ltd. was accredited as a high-tech enterprise, and is thus subject to corporate income tax at a rate of 15% for three years since 2021.

The applicable income tax rate for the subsidiaries of the Group registered in Hong Kong is 16.5%. The applicable income tax rate for the subsidiaries of the Group registered in the United States is 24.05%. The applicable income tax rate for the subsidiaries registered in Singapore is 17%. The applicable income tax rate for the subsidiaries registered in India is 34.43%. The applicable enterprise income tax rate for the subsidiaries registered in Cayman Islands and British Virgin Islands is 0%. The applicable enterprise income tax rates for the subsidiaries of the Group registered in the European region mainly include 25% (Belgium), 20.60% (Sweden), 28.92% (France), 15% - 31.58% (Germany), 29.22% (Luxembourg) and 25% (Austria) etc.

The applicable enterprise income tax rate for Groupe du Louvre ("GDL"), an overseas subsidiary, is 27.3%. According to the relevant financial regulations of France in 2019, the applicable enterprise income tax rate for GDL will be gradually reduced since 2020 to 25.83% in 2022.

Overseas corporate VAT

The overseas corporate VAT 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 consolidated financial statements

(1) Structure of the Group

Name of investee	Registered place	Principal place of business	Business nature	Total shareholding percentage of the Group		Acquisition method
				31 December 2021	31 December 2020	
Shanghai Jinjiang Paradise Co., Ltd. ("Jinjiang Paradise")	Shanghai	Shanghai	Amusement activities, passenger service, parking service, photography, taxi operation, recreational machines	80.54%	80.54%	Founded by investment
Shanghai Jinjiang International Investment Management Co., Ltd. ("Jinjiang 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%	Founded by investment
Shanghai Jinjiang City Service Co., Ltd. ("Jinjiang City Service")	Shanghai	Shanghai	Industrial investment, real estate development and operation, property management, housing rental, interior decoration, construction materials, department store sales	100.00%	100.00%	Founded by investment
Shanghai Jinjiang International Industry Development Co., Ltd. ("Jinjiang Industry")	Shanghai	Shanghai	Investment consultancy, business management, property rights brokerage, economic information consultancy services, food research and development, warehousing (except for dangerous goods), housing rental, investment management	100.00%	100.00%	Founded by investment
Shanghai Jinjiang Supermarket Co., Ltd. ("Jinjiang Supermarket")	Shanghai	Shanghai	Domestic business, supply and sales of goods, R&D and operation of new technical products, cargo storage, labour service and branches	100.00%	100.00%	Founded by investment
Shanghai Jinjiang Capital Co., Ltd. ("Jinjiang Capital")	Shanghai	Shanghai	State-owned assets operation and management authorised 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%	Founded by investment

Item	Principal place of business	Registered place	Business nature	Total shareholding percentage of the Group		Acquisition method
				31 December 2021	31 December 2020	
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%	Founded by investment
Shanghai Jinjiang 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%	Founded by investment
Shanghai Jinjiang 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%	Founded by investment
Jinjiang International Commerce Co., Ltd. ("Jinjiang 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%	Founded by investment
Shanghai Jinjiang International Investment Management Co., Ltd. ("Jinjiang International Investment")	Shanghai	Shanghai	Investment management and consulting, corporate image planning, business information consulting, industrial investment, assets management, conference and exhibition services	100.00%	100.00%	Founded by investment
Jin Jiang International Holdings North Co., Ltd. ("Jin Jiang North")	Shanghai	Shanghai	Property management, organisation 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%	Founded by investment
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%	Founded by investment
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%	Founded by investment
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 cargoes)	100.00%	100.00%	Founded by investment

Item	Principal place of business	Registered place	Business nature	Total shareholding percentage of the Group		Acquisition method
				31 December 2021	31 December 2020	
JHJ International Transportation Co., Ltd. ("JHJ")	Shanghai	Shanghai	International freight agency, logistics supply chain management, ordinary road goods transportation; domestic freight agency; non-vessel operating common carry	100.00%	100.00%	Acquired via business combination
Shanghai Qicheng Network Technology Co., Ltd. ("Qicheng Network")	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%	Founded by investment
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%	Intra-group allocation
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%	Acquired by allocation
Shanghai Finance and Trade Hostel ("Finance and Trade Hostel")	Shanghai	Shanghai	Retail of daily necessities	100.00%	100.00%	Acquired by allocation
Shanghai Jinyang Enterprise Management Co., Ltd. ("Jinyang Management")	Shanghai	Shanghai	Enterprise management service, hotels, owned house leasing	90.00%	90.00%	Founded by investment
Beijing Kunlun Hotel Company Limited ("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	76.82%	68.43%	Acquired via business combination

Subsidiaries directly controlled by the Company acquired during the year

Shanghai Shangshi Meat Co., Ltd. ("Shanghai Meat")	Shanghai	Shanghai	Food storage (including freezing and refrigeration); investment management; corporate services and consulting; warehousing (except for dangerous goods and those subject special regulations); property management	100.00%	100.00%	Intra-group allocation
Shanghai Beef and Mutton Company ("Shanghai Beef and Mutton")	Shanghai	Shanghai	Sale of edible agricultural products (including beef and mutton); property management; production of frozen foodstuffs; specialised transport of goods (refrigerated and fresh)	100.00%	100.00%	Intra-group allocation

For the total investments in the above subsidiaries and the Company's investment costs, please see the separate financial statements of the Group's parent company (Note VIII.8 - *Long-term equity investments*).

There were no significant restrictions on the use of assets and settlement of liabilities for the Group's above subsidiaries during the current reporting period and the comparative period.

(2) Information on material non-wholly owned subsidiaries

Name of the subsidiary	Shareholding percentage	Non-controlling interests		Dividends paid to NCI		Non-controlling interests	
		2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB
Jinjiang Capital	75%	<u>260,429,657.89</u>	<u>162,887,800.25</u>	<u>289,482,577.00</u>	<u>746,953,563.88</u>	<u>15,428,214,250.74</u>	<u>13,561,382,663.55</u>

(3) Financial information about material non-wholly owned subsidiaries

<i>Jinjiang Capital</i>	<i>31 December 2021</i> RMB	<i>31 December 2020</i> RMB
Current assets	17,546,666,734.00	14,463,572,242.77
Non-current assets	<u>47,615,351,669.00</u>	<u>47,341,702,969.76</u>
Total assets	<u>65,162,018,403.00</u>	<u>61,805,275,212.53</u>
Current liabilities	19,550,176,678.00	14,106,995,957.53
Non-current liabilities	<u>21,670,078,303.00</u>	<u>27,752,408,368.00</u>
Total liabilities	<u>41,220,254,981.00</u>	<u>41,859,404,325.53</u>
	2021 RMB	2020 RMB
Operating income	15,854,559,919.00	14,217,642,950.00
Net profit	286,970,969.00	484,079,648.50
Total comprehensive income	<u>288,995,955.00</u>	<u>258,589,210.00</u>
Cash flows from operating activities	<u>5,120,433,811.00</u>	<u>635,603,317.00</u>

IX. Notes to the consolidated financial statements

1. Cash at bank and on hand

	31 December 2021			1 January 2021 and 31 December 2020		
	Amount in original currency	Exchange rate	RMB	Amount in original currency	Exchange rate	RMB
Cash						
RMB	9,406,552.06	1.0000	9,406,552.06	9,290,697.75	1.0000	9,290,697.75
USD	7,278.23	6.3757	46,403.78	57,297.00	6.5249	373,859.71
HKD	731.20	0.8176	597.83	731.20	0.8416	615.38
EUR	751,000.00	7.2197	5,421,994.70	426,000.00	8.2050	3,418,650.00
Others			4,631,692.25			1,347,034.46
Sub-total			<u>19,507,240.62</u>			<u>14,430,857.30</u>
Deposits with banks						
RMB	15,621,932,311.98	1.0000	15,621,932,311.98	11,629,979,486.77	1.0000	11,629,979,486.77
EUR	92,177,285.39	7.2197	665,492,347.33	73,425,352.10	8.0250	589,238,450.60
USD	145,590,279.06	6.3757	928,239,942.18	289,993,272.34	6.5249	1,892,177,102.69
PLN	11,492,496.79	1.5717	18,063,147.22	41,387,755.00	1.7520	72,509,600.73
HKD	9,450,042.21	0.8176	7,726,354.51	58,766.93	0.8416	49,460.60
INR	444,718,000.00	0.0859	38,187,934.66	459,661,000.00	0.0893	41,047,727.30
GBP	1,204,809.94	8.6064	10,369,076.27	4,272,948.00	8.8903	37,987,789.60
NOK	200,557,000.00	0.7234	145,089,343.85	33,603,000.00	0.7647	25,696,260.61
DKK	47,809,000.00	0.9711	46,425,519.52	9,825,000.00	1.0786	10,597,562.29
CHF	5,453,000.00	6.9776	38,048,852.80	1,753,000.00	7.4006	12,973,251.80
ZAR	22,796,000.00	0.4004	9,126,431.26	22,580,000.00	0.4458	10,065,528.46
FJD	300,000.00	3.0288	908,640.00	814,000.00	3.1985	2,603,550.30
BRL	9,117,684.67	1.1432	10,423,337.11	6,600,793.00	1.2590	8,310,398.39
SEK	109,700,000.00	0.7050	77,340,665.54	33,731,000.00	0.7962	26,858,030.10
Others			166,388,833.49			40,685,808.06
Sub-total			<u>17,783,762,737.72</u>			<u>14,400,780,008.30</u>
Other monetary funds						
RMB	988,804,290.83	1.0000	988,804,290.83	614,889,149.55	1.0000	614,889,149.55
USD	4,127.24	6.3757	26,314.04	191,126.64	6.5249	1,247,082.21
HKD	-	0.8176	-	490,000.00	0.8416	412,403.60
Sub-total			<u>988,830,604.87</u>			<u>616,548,635.36</u>
Total			<u>18,792,100,583.21</u>			<u>15,031,759,500.96</u>

As at 31 December 2021, cash at bank and on hand included foreign currencies amounting to RMB2,169,232,935.15, which were deposited overseas (2020: RMB1,946,448,751.81).

As at 31 December 2021, the Group's cash at bank and on hand included: (1) deposits with banks of USD4,000,000.00, equivalent to RMB25,502,800.00 in total (2020: RMB16,041,975.00), which were owned by subsidiaries of Jin Jiang International Investment and pledged as collaterals for the issuance of letters of credit and corporate credit cards; (2) bank deposits owned by subsidiaries of Shanghai Jinjiang International Hotels Co. Ltd. ("JJ Hotels") (a subsidiary of the Group) amounting to RMB9,970,578.50 (2020: RMB2,305,498.0), which were frozen due to its subsidiaries' litigations; (3) JJ Hotels' deposits with banks of RMB4,782,215.87 (2020: RMB3,075,256.88), which were frozen due to the long-term unused bank accounts. Details of the above bank deposits with restrictions are set out in Note IX.30.

Details of other monetary funds are as follows:

	31 December 2021 RMB	1 January 2021 and 31 December 2020 RMB
Deposit reserve (Note 1)	452,802,331.00	484,626,310.48
Bank certificates of deposit	265,900,000.00	-
Deposits in other cities (Note 2)	130,000,000.00	-
Deposits for bank acceptance bills (Note 3)	61,607,411.75	90,066,265.50
Balance with third-party platforms (Alipay, WeChat)	43,651,195.47	12,196,452.72
Deposited investment funds (Note 4)	27,605,035.67	6,265,000.75
Guarantee deposits for letter of guarantee	5,814,102.20	5,557,074.70
Tourism quality deposits	265,800.00	338,200.00
Guarantee deposits for letter of credit	284,127.10	-
Credit card deposits	7,186.94	7,351.21
Others	893,414.74	17,491,980.00
	<u>988,830,604.87</u>	<u>616,548,635.36</u>
Total	<u>988,830,604.87</u>	<u>616,548,635.36</u>

Note 1: This represents the statutory deposit reserve placed with the People's Bank of China by a subsidiary of Jinjiang Capital.

Note 2: This represents deposits in other cities placed in a special account for overseas procurement by a subsidiary of Shanghai CTS.

Note 3: This represents deposits for bank acceptance bills of Shanghai Jinjiang Online Network Service Co., Ltd. ("Jinjiang Online").

Note 4: The represents the Group's self-owned funds placed in securities companies.

2. Financial assets held for trading / financial assets at fair value through profit or loss

2.1. Financial assets held for trading

	31 December 2021 RMB	1 January 2021 RMB
Financial assets at fair value through profit or loss		
Including: Debt instruments (Note 1)	365,036,118.81	236,301,249.82
Investment in equity instruments (Note 2)	<u>1,013,159,629.95</u>	<u>1,138,829,158.48</u>
 Total	 <u><u>1,378,195,748.76</u></u>	 <u><u>1,375,130,408.30</u></u>

Note 1: As at 31 December 2021, debt instruments held by the Group were mainly wealth management products and trust products, including wealth management products held by subsidiaries of Jinjiang Capita of RMB352,081,952.23 (2020: amount presented as financial assets at FVTPL was RMB49,220,450.71, and amount presented as other current assets was RMB179,204,502.06); trust products held by Jin Jiang International Investment of RMB7,954,166.58; and wealth management products held by Shanghai CTS of RMB5,000,000.00.

Note 2: As at 31 December 2021, equity instruments held by the Group were stocks held by its subsidiaries of RMB1,013,159,629.95. The fair value of the stocks is determined by reference to the closing price on the public markets such as Shanghai Stock Exchange, Shenzhen Stock Exchange and Euronext as at 31 December 2021.

2.2. Financial assets at fair value through profit or loss

	31 December 2020 RMB
Investment in debt instruments	49,230,913.91
Investment in equity instruments	<u>1,138,818,695.28</u>
 Total	 <u><u>1,188,049,609.19</u></u>

3. Derivative financial assets

	<i>31 December 2021</i> RMB	<i>1 January 2021 and 31 December 2020</i> RMB
Foreign currency derivatives - currency swap products - EUR	<u>86,274,298.15</u>	<u>-</u>
Total	<u><u>86,274,298.15</u></u>	<u><u>-</u></u>

4. Bills receivable

4.1. Classification of bills receivable

	<i>31 December 2021</i> RMB	<i>1 January 2021</i> RMB	<i>31 December 2020</i> RMB
Bank acceptance bills	29,538,424.09	12,140,958.96	14,995,591.00
Overseas holding bills	<u>11,545,539.20</u>	<u>18,719,938.12</u>	<u>18,719,938.12</u>
Total	<u><u>41,083,963.29</u></u>	<u><u>30,860,897.08</u></u>	<u><u>33,715,529.12</u></u>

All of the above bills are due within one year.

4.2. Outstanding endorsed or discounted bills that have not matured at the end of the period

<i>Item</i>	<i>Amount derecognised at end of the period</i>	<i>Amount not derecognised at end of the period</i>
Bank acceptance bills	<u><u>7,327,406.63</u></u>	<u><u>12,261,536.80</u></u>

5. Accounts receivable

5.1 Accounts receivable by customer type are as follows:

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Amounts due from related parties	12,148,442.53	15,741,549.11	15,741,549.11
Amounts due from other customers	<u>3,343,186,001.82</u>	<u>2,766,868,034.73</u>	<u>2,802,470,926.58</u>
Sub-total	<u>3,355,334,444.35</u>	<u>2,782,609,583.84</u>	<u>2,818,212,475.69</u>
Less: Provision for bad and doubtful debts	<u>676,451,664.61</u>	<u>631,650,465.06</u>	<u>631,650,465.06</u>
Total	<u><u>2,678,882,779.74</u></u>	<u><u>2,150,959,118.78</u></u>	<u><u>2,186,562,010.63</u></u>

5.2 The ageing analysis of accounts receivable is as follows:

	Closing balance				Opening balance			
	Amount RMB	Percentage %	Provision for bad and doubtful debts RMB	Carrying amount RMB	Amount RMB	Percentage %	Provision for bad and doubtful debts RMB	Carrying amount RMB
Within 1 year (inclusive)	2,964,745,339.67	88.36	386,174,538.81	2,578,570,800.86	2,381,263,423.44	85.58	305,381,114.96	2,075,882,308.48
Over 1 year but within 2 years (inclusive)	293,267,808.06	8.74	213,923,263.88	79,344,544.18	305,809,097.06	10.99	253,251,074.33	52,558,022.73
Over 2 years but within 3 years (inclusive)	17,264,447.63	0.51	14,661,893.78	2,602,553.85	38,056,367.30	1.37	23,127,354.61	14,929,012.69
Over 3 years	<u>80,056,848.99</u>	<u>2.39</u>	<u>61,691,968.14</u>	<u>18,364,880.85</u>	<u>57,480,696.04</u>	<u>2.07</u>	<u>49,890,921.16</u>	<u>7,589,774.88</u>
Total	<u><u>3,355,334,444.35</u></u>	<u><u>100.00</u></u>	<u><u>676,451,664.61</u></u>	<u><u>2,678,882,779.74</u></u>	<u><u>2,782,609,583.84</u></u>	<u><u>100.00</u></u>	<u><u>631,650,465.06</u></u>	<u><u>2,150,959,118.78</u></u>

5.3 Assessment of ECLs on accounts receivable for 2021:

At all times the Group measures the impairment loss for accounts receivable at an amount equal to lifetime ECLs, and the ECLs are based on the number of ageing and the expected loss rate. According to the historical experience of the Group, there are no significant differences in the losses of different customer groups. Therefore, different customer groups are not further distinguished when calculating impairment loss based on the ageing information.

The expected credit losses is measured based on the actual credit loss experience in the past 3 years, and is adjusted for the differences among the economic conditions during the historical period, the current economic conditions and the anticipated economic conditions during the expected lifetime.

Category	31 December 2021					1 January 2021				
	Book value		Provision for bad and doubtful debts		Carrying amount	Book value		Provision for bad and doubtful debts		Carrying amount
	Amount RMB	Percentage (%)	Amount RMB	Expected credit loss rate (%)		Amount RMB	Percentage (%)	Amount RMB	Expected credit loss rate (%)	
Accounts receivable individually assessed for impairment	86,948,758.09	2.59	14,306,306.86	16.45	72,642,451.23	685,018,450.33	24.62	224,400,705.72	32.76	460,617,744.61
Individually significant and assessed for impairment individually (applicable to previous financial instruments standards)	-	-	-	-	-	-	-	-	-	-
Individually insignificant but assessed for impairment individually (applicable to previous financial instruments standards)	-	-	-	-	-	-	-	-	-	-
Accounts receivables that are collectively assessed for impairment based on credit risk characteristics	3,268,385,686.26	97.41	662,145,357.75	20.26	2,606,240,328.51	2,097,591,133.51	75.38	407,249,759.34	19.42	1,690,341,374.17
Group 1: Accounts receivable managed based on the natural ageing	3,268,385,686.26	97.41	662,145,357.75	20.26	2,606,240,328.51	2,097,591,133.51	75.38	407,249,759.34	19.42	1,690,341,374.17
Group 2: Collective assessment (applicable to previous financial instruments standards)	-	-	-	-	-	-	-	-	-	-
Total	3,355,334,444.35	100.00	676,451,664.61	20.16	2,678,882,779.74	2,782,609,583.84	100.00	631,650,465.06	22.70	2,150,959,118.78

Category	31 December 2020				
	<i>Book value</i>		<i>Provision for bad and doubtful debts</i>		<i>Carrying amount</i>
	<i>Amount RMB</i>	<i>Percentage (%)</i>	<i>Amount RMB</i>	<i>Percentage (%)</i>	<i>Amount RMB</i>
Accounts receivable individually assessed for impairment	-	-	-	-	-
Individually significant and assessed for impairment individually (applicable to previous financial instruments standards)	75,213,975.63	2.67	23,323,719.19	31.01	51,890,256.44
Individually insignificant but assessed for impairment individually (applicable to previous financial instruments standards)	609,804,474.70	21.64	201,076,986.53	32.97	408,727,488.17
Accounts receivables that are collectively assessed for impairment based on credit risk characteristics	-	-	-	-	-
Group 1: Accounts receivable managed based on the natural ageing	-	-	-	-	-
Group 2: Collective assessment (applicable to previous financial instruments standards)	<u>2,133,194,025.36</u>	<u>75.69</u>	<u>407,249,759.34</u>	<u>19.09</u>	<u>1,725,944,266.02</u>
Total	<u><u>2,818,212,475.69</u></u>	<u><u>100.00</u></u>	<u><u>631,650,465.06</u></u>	<u><u>22.41</u></u>	<u><u>2,186,562,010.63</u></u>

5.4 Accounts receivables that are collectively assessed for impairment based on credit risk characteristics:

5.4.1. Accounts receivable collectively assessed for impairment:

Ageing	31 December 2021			1 January 2021		
	Book value		Provision for bad and doubtful debts RMB	Book value		Provision for bad and doubtful debts RMB
	Amount RMB	Percentage (%)		Amount RMB	Percentage (%)	
Within 1 year (inclusive)	2,890,561,899.33	88.44	385,943,456.08	1,850,373,583.91	88.21	182,438,011.73
Over 1 year but within 2 years	293,840,859.58	8.99	213,186,409.02	208,396,789.15	9.93	185,990,987.16
Over 2 years but within 3 years	17,111,166.07	0.52	14,508,612.22	18,719,362.93	0.89	18,719,362.93
Over 3 years but within 4 years	63,696,662.68	1.95	45,331,781.83	16,287,241.13	0.78	16,287,241.13
Over 4 years but within 5 years	1,185,880.20	0.04	1,185,880.20	1,798,105.84	0.09	1,798,105.84
Over 5 years	1,989,218.40	0.06	1,989,218.40	2,016,050.55	0.10	2,016,050.55
Total	3,268,385,686.26	100.00	662,145,357.75	2,097,591,133.51	100.00	407,249,759.34

5.4.2. Accounts receivable individually assessed for impairment:

Rationale for individual assessment in 2021:

Name of debtor	Book value RMB	Provision for bad and doubtful debts RMB	Expected credit loss rate (%)	Rationale for provision %
Beijing Fuze Investment Co., Ltd.	5,459,331.00	5,459,331.00	100%	Non-recoverable
Shede Auction (Beijing) Co., Ltd.	3,389,890.00	3,389,890.00	100%	Non-recoverable
Green Mango Trading (Shenzhen) Co., Ltd. (青芒果贸易(深圳)有限公司)	946,873.59	946,873.59	100%	Non-recoverable
Changjiang Electromechanical Company (长江机电公司)	709,500.00	709,500.00	100%	Non-recoverable
Liuzhou Mini Car Factory (广西柳州微型汽车厂)	386,281.96	386,281.96	100%	Non-recoverable
Tianjin Large Electromechanical Distribution Company (天津大型机电经销公司)	263,053.29	263,053.29	100%	Non-recoverable
Shanghai Changjiang Mechanical and Electrical Equipment Engineering Co., Ltd. (上海长江机电设备工程有限公司)	259,714.19	259,714.19	100%	Non-recoverable
Shenzhen Sales Company of Shanghai Machine Tool Corporation (上海机床总公司深圳销售公司)	156,095.20	156,095.20	100%	Non-recoverable
Pingyang Foreign Trade Co., Ltd. Daguo Machinery and equipment Co., Ltd. (大国机械设备公司)	147,400.00	147,400.00	100%	Non-recoverable
Shanghai Boxiangxing Complete Equipment Co., Ltd. (上海伯享行成套设备有限公司)	143,000.00	143,000.00	100%	Non-recoverable
Others	104,104.70	104,104.70	100%	Non-recoverable
	2,341,062.93	2,341,062.93	100%	Non-recoverable

Top five entities with accounts receivable that were not individually significant but for which provision for bad and doubtful debts is individually assessed as at the end of 2020 are as follows:

Name of debtor	Book value RMB	Provision for bad and doubtful debts RMB	Ageing	Percentage %	Rationale 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

5.5 Five largest accounts receivable by debtor at the end of the period:

The Group identified accounts receivable exceeding RMB20 million (inclusive) as individually significant amounts.

2021:

Name of debtor	31 December 2021	Percentage in the total balance of accounts receivable (%)	Provision for bad and doubtful debts
SDV PRC International Freight Forwarding Co., Ltd.	42,997,129.49	1.28	101,964.16
PILOT FREIGHT SERVICES	37,286,291.90	1.11	1,034,032.05
Tianjin Weishixuan Logistics Co., Ltd.	36,687,309.63	1.09	-
Livingston International	33,952,293.90	1.01	1,449,054.67
Shanxi Branch of China Post Express Logistics Co., Ltd.	21,460,355.86	0.64	3,589,212.36

2020:

Name of debtor	Book value RMB	Provision for bad and doubtful debts RMB	Ageing	Percentage %	Rationale 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

5.6 Derecognition of accounts receivable due to transfer of financial assets:

During 2021 and 2020, the Group had no accounts receivable transferred to financial institutions without recourse, and no corresponding losses had been recognised.

5.7 Movements of provision for bad and doubtful debts of accounts receivable are as follows:

	2021 RMB	2020 RMB
Balance under the original financial instruments standards	631,650,465.06	
Adjustment on initial application of the new financial instruments standards	-	
Balance at the beginning of the year after adjustment	631,650,465.06	425,813,252.65
Increase due to changes in consolidation scope	-	43,973.46
Additions during the year	143,953,878.16	301,658,548.04
Recoveries or reversals during the year	(80,954,667.95)	(67,773,117.06)
Transfers out during the year	(135,545.00)	-
Written-off during the year	-	(1,075,497.12)
Translation differences arising from translation of foreign currency financial statements	(18,062,465.66)	(27,016,694.91)
Closing balance	<u>676,451,664.61</u>	<u>631,650,465.06</u>

6. Receivables under financing

	31 December 2021 RMB	1 January 2021 RMB
Bills receivable	4,015,299.25	2,854,632.04

7. Prepayments

7.1 The ageing analysis of prepayments is as follows:

	31 December 2021			1 January 2021			31 December 2020		
	Book value	Provision for bad and doubtful debts	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts	Provision for bad and doubtful debts	Book value	Provision for bad and doubtful debts	Provision for bad and doubtful debts
Ageing	Amount RMB	Percentage (%)	RMB	Amount RMB	Percentage (%)	RMB	Amount RMB	Percentage (%)	RMB
Within 1 year (inclusive)	328,002,926.82	95.29	-	251,146,782.76	96.19	-	445,840,049.35	97.82	-
Over 1 year but within 2 years	12,851,469.44	3.73	-	7,005,839.50	2.68	-	7,005,839.50	1.54	-
Over 2 years but within 3 years	108,397.75	0.03	-	406,235.75	0.16	-	406,235.75	0.09	-
Over 3 years	3,270,813.28	0.95	-	2,524,040.23	0.97	-	2,524,040.23	0.55	-
Total	344,233,607.29	100.00	-	261,082,898.24	100.00	-	455,776,164.83	100.00	-

7.2 Significant prepayments (over RMB20 million) with ageing over 1 year

As at 31 December 2021, the Group had no prepayments with ageing over 1 year whose amount exceeds RMB20 million (inclusive).

7.3 Five largest prepayments by debtor at the end of the period

Name of debtor	Book value RMB	Percentage of total prepayments (%) %	Provision for bad and doubtful debts RMB
Special account for transport revenue of Jiangxi Nanchang Railway Bureau	11,255,889.00	3.27	-
Jiangxi Jinhai Supply Chain Co., Ltd. (江西锦 海供应链有限公司)	10,246,520.34	2.98	-
China Southern Air Holding Company	3,454,041.75	1.00	-
Yueyang Chenglingji Port Affairs Co., Ltd.	3,458,287.86	1.00	-
Guangdong Gongbei Port China Travel Service Co., Ltd. (广东省拱北口岸中国旅行 社有限公司)	2,066,229.00	0.60	-
Total	30,480,967.95	8.85	-

8. Other receivables

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Interest receivable	4,935,789.82	8,024,952.00	8,488,296.45
Dividends receivable	81,484,475.21	39,932,238.24	39,932,238.24
Others	<u>1,390,813,970.81</u>	<u>465,007,745.83</u>	<u>471,029,686.99</u>
Total	<u><u>1,477,234,235.84</u></u>	<u><u>512,964,936.07</u></u>	<u><u>519,450,221.68</u></u>

8.1. Interest receivable

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Interest from deposits with banks	4,554,245.89	-	8,155,365.89
Interest from entrusted loans	<u>381,543.93</u>	<u>8,024,952.00</u>	<u>332,930.56</u>
Total	<u><u>4,935,789.82</u></u>	<u><u>8,024,952.00</u></u>	<u><u>8,488,296.45</u></u>

As at 31 December 2021, the Group has no interest receivable with an ageing over 1 year.

8.2. Dividends receivable

Entity name	31 December 2021 RMB	1 January 2021 and 31 December 2020 RMB	Ageing
Shanghai KFC Co., Ltd.	20,906,651.08	-	Within 1 year
Hangzhou KFC Co., Ltd.	18,036,200.71	11,408,151.43	Within 1 year
Wuxi KFC Co., Ltd.	14,092,100.04	6,898,359.18	Within 1 year
Jiangsu Nanjing Long-distance Passenger Transportation (Group) Co., Ltd.	2,277,000.00	-	Within 1 year
Shanghai Dazhong Xinya Car Rental Co., Ltd.	15,680,000.00	-	Within 1 year
Shanghai Wufeng Shangshi Food Co., Ltd.	-	9,800,000.00	Within 1 year
Shanghai Zihong Machinery Co., Ltd. (Note 1)	4,600,299.63	4,600,299.63	Over 1 year
Others	<u>5,892,223.75</u>	<u>7,225,428.00</u>	Within 1 year
Total	<u><u>81,484,475.21</u></u>	<u><u>39,932,238.24</u></u>	

Note 1: As at 31 December 2021, other than the dividends receivable from Shanghai Zihong Machinery Co., Ltd. of RMB4,600,299.63, the Group had no other dividends receivable with the ageing over 1 year. Since the investee operated normally during 2021 and continuously distributed dividends, and the Company did not ask for the settlement of dividends as it still has sufficient funds. Therefore, the Group's management considers the risk of bad and doubtful debts for dividends receivable with long ageing is low, and no provisions for bad and doubtful debts were made in this regard.

8.3. Other receivables

Analysis by customer type is as follows:

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Amounts due from related parties	50,577,156.64	53,772,228.83	53,772,228.83
Amounts due from other parties	<u>1,753,003,197.73</u>	<u>875,987,380.75</u>	<u>881,514,198.41</u>
Sub-total	1,803,580,354.37	929,759,609.58	935,286,427.24
Less: Provision for bad and doubtful debts	<u>412,766,383.56</u>	<u>464,751,863.75</u>	<u>464,256,740.25</u>
Total	<u><u>1,390,813,970.81</u></u>	<u><u>465,007,745.83</u></u>	<u><u>471,029,686.99</u></u>

8.3.1. The ageing analysis is as follows:

	31 December 2021				1 January 2021				
	Amount RMB	Percentage %	Provision for bad and doubtful debts RMB	Carrying amount RMB	Amount RMB	Percentage %	Provision for bad and doubtful debts RMB	Carrying amount RMB	
Within 1 year (inclusive)	980,120,315.55	54.35	44,101,478.77	936,018,836.78	331,714,099.73	35.68	53,319,245.88	278,394,853.85	
Over 1 year but within 2 years (inclusive)	279,788,477.96	15.51	4,649,577.63	275,138,900.33	242,873,078.67	26.12	238,612,096.60	4,260,982.07	
Over 2 years but within 3 years (inclusive)	220,972,465.88	12.25	201,186,939.81	19,785,526.07	14,408,218.71	1.55	4,692,781.60	9,715,437.11	
Over 3 years	<u>322,699,094.98</u>	<u>17.89</u>	<u>162,828,387.35</u>	<u>159,870,707.63</u>	<u>340,764,212.47</u>	<u>36.65</u>	<u>168,127,739.67</u>	<u>172,636,472.80</u>	
Total	<u><u>1,803,580,354.37</u></u>	<u><u>100.00</u></u>	<u><u>412,766,383.56</u></u>	<u><u>1,390,813,970.81</u></u>	<u><u>929,759,609.58</u></u>	<u><u>100.00</u></u>	<u><u>464,751,863.75</u></u>	<u><u>465,007,745.83</u></u>	

	31 December 2020			
	Amount RMB	Percentage %	Provision for bad and doubtful debts RMB	Carrying amount RMB
Within 1 year (inclusive)	337,240,917.39	36.06	52,824,122.38	284,416,795.01
Over 1 year but within 2 years (inclusive)	242,873,078.67	25.97	238,612,096.60	4,260,982.07
Over 2 years but within 3 years (inclusive)	14,408,218.71	1.54	4,692,781.60	9,715,437.11
Over 3 years	<u>340,764,212.47</u>	<u>36.43</u>	<u>168,127,739.67</u>	<u>172,636,472.80</u>
Total	<u><u>935,286,427.24</u></u>	<u><u>100.00</u></u>	<u><u>464,256,740.25</u></u>	<u><u>471,029,686.99</u></u>

The ageing is counted starting from the date when other receivables are recognised.

8.3.2. The ageing analysis and the ECL rate analysis are as follows:

Item	31 December 2021					1 January 2021					31 December 2020				
	Book value		Provision for bad and doubtful debts			Book value		Provision for bad and doubtful debts			Book value		Provision for bad and doubtful debts		
	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount	Amount	Percentage (%)	Amount	Percentage (%)	Carrying amount
Other receivables individually assessed for impairment	1,591,134,642.10	88.22	409,978,450.35	25.77	1,181,156,191.75	763,851,945.63	82.16	406,056,580.81	53.16	357,795,364.82	627,351,409.26	67.08	354,349,146.00	56.48	273,002,263.26
Other receivables collectively assessed for impairment based on credit risk characteristics	212,445,712.27	11.78	2,787,933.21	1.31	209,657,779.06	165,907,663.95	17.84	58,695,282.94	35.38	107,212,381.01	165,907,663.95	17.74	58,695,282.94	35.38	107,212,381.01
Other receivables that are individually insignificant but assessed individually for impairment	-	-	-	-	-	-	-	-	-	-	142,027,354.03	15.19	51,212,311.31	36.06	90,815,042.72
Total	1,803,580,354.37	100.00	412,766,383.56	22.89	1,390,813,970.81	929,759,609.58	100.00	464,751,863.75	49.99	465,007,745.83	935,296,427.24	100.00	464,256,740.25	49.64	471,029,686.99

The Group identified other receivables exceeding RMB20 million (inclusive) as individually significant amounts.

Other receivables individually assessed for impairment:

Category	31 December 2021			Rationale for provision
	Book value	Provision for bad and doubtful debts	Expected credit loss rate (%)	
Advances and others	274,102,358.00	274,102,358.00	100.00	Non-recoverable
Deposits and security deposits	103,424,341.00	103,424,341.00	100.00	Non-recoverable
Others	26,070,141.81	26,070,141.81	100.00	Non-recoverable

8.3.3. Provision for bad and doubtful debts of other receivables:

Provision for bad and doubtful debts	31 December 2021			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL - Not credit impaired	Stage 3 Lifetime ECL - Credit impaired	
Balance under the original financial instruments standards	-	-	464,256,740.25	464,256,740.25
Adjustment on initial application of the new financial instruments standards	-	-	495,123.50	495,123.50
Balance at the beginning of the year	-	-	464,751,863.75	464,751,863.75
Charge for the year	-	-	13,878,022.35	13,878,022.35
Recoveries or reversals during the year	-	-	(117,874,942.33)	(117,874,942.33)
Transfers out during the year	-	-	-	-
Written-off during the year	-	-	(6,047,387.00)	(6,047,387.00)
Other movements	-	-	58,058,826.79	58,058,826.79
Balance at the end of the year	-	-	412,766,383.56	412,766,383.56

As at 31 December 2021, five largest other receivables by debtor at the end of the year:

Entity name	Nature of other receivables	Book value RMB	Percentage of other receivables %	Provision for bad and doubtful debts RMB
Entity 1	Compensation	252,794,037.86	14.02	2,326,812.76
Entity 2	Advances	229,000,000.00	12.70	229,000,000.00
Entity 3	Special supporting subsidies for the epidemic	200,707,660.00	11.13	-
Entity 4	Deposits	77,120,000.00	4.28	77,120,000.00
Entity 5	Advances	22,200,000.00	1.23	-
Total		781,821,697.86	43.35	308,446,812.76

As at 31 December 2020, five largest other receivables by debtor at the end of the year:

Entity name	Nature of other receivables	Book value RMB	Percentage of other receivables %	Provision for bad and doubtful debts RMB
Entity 1	Compensation	255,015,805.62	27.27	-
Entity 2	Advances	229,000,000.00	24.48	229,000,000.00
Entity 3	Deposits	77,120,000.00	8.25	77,120,000.00
Entity 4	Compensation	25,277,000.00	2.70	-
Entity 5	Deposits and security deposits	15,516,524.00	1.66	-
Total		<u>601,929,329.62</u>	<u>64.36</u>	<u>306,120,000.00</u>

9. Inventories

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Raw materials	94,812,155.42	92,951,412.13	92,951,412.13
Low-value consumables	68,083,429.90	64,724,370.34	64,724,370.34
Packaging materials	23,380.52	25,897.84	25,897.84
Finished goods	159,764,312.71	184,484,872.63	184,484,872.63
Completed developments	45,328,235.57	38,608,046.77	33,081,229.11
Costs to fulfil a contract with a customer	<u>5,705,621.69</u>	<u>-</u>	<u>-</u>
Sub-total	373,717,135.81	380,794,599.71	375,267,782.05
Less: Provision for impairment of inventories	<u>5,568,185.76</u>	<u>5,486,199.39</u>	<u>5,486,199.39</u>
Total	<u>368,148,950.05</u>	<u>375,308,400.32</u>	<u>369,781,582.66</u>

Movements in provision for impairment of inventories is as follows:

	1 January 2021 and 31 December 2020 RMB	Provision made for the year RMB	Reversals during the year RMB	31 December 2021 RMB
Raw materials	2,536,921.26	-	(32,311.63)	2,504,609.63
Low-value consumables	32,311.84	-	-	32,311.84
Finished goods	2,916,966.29	114,298.00	-	3,031,264.29
Total	<u>5,486,199.39</u>	<u>114,298.00</u>	<u>(32,311.63)</u>	<u>5,568,185.76</u>

As at 31 December 2021, finished goods with carrying amount of RMB53,000,000.00 (2020: RMB46,500,000.00) and low-value consumables with carrying amount of RMB0 (2020: RMB37,908,351.41) were pledged for short-term loans, please see Note 2 under Note IX.30 for details.

As at 31 December 2021, finished goods with carrying amount of RMB30,000,000.00 (2020: RMB40,000,000.00) were pledged for bills payable, please see Note 6 under Note IX.30 for details.

10. Contract assets

10.1 Details of contract assets:

	31 December 2021			1 January 2021		
	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>
	RMB	RMB	RMB	RMB	RMB	RMB
Accrued management fee income	28,817,788.42	-	28,817,788.42	20,664,246.84	-	20,664,246.84

10.2 Changes in provision for impairment of contract assets

The Group individually makes provision for impairment of contract assets. As at 31 December 2021, as there is no incurred credit losses in historical periods, ECLs under the ECL model calculated according to the economic conditions during the period of historical data collection were not significant, and thus no provisions for impairment were made. For the Group's basis for determining whether credit risk has significantly increased, refer to Note IV.17.1.

11. Assets and liabilities held for sale

<i>Assets held for sale</i>	<i>Carrying amount</i> RMB	<i>Estimated disposal time</i> RMB
Property, plant and equipment, etc.	8,920,705.00	2022
Right-of-use assets	<u>9,806,169.00</u>	2022
Total	<u><u>18,726,874.00</u></u>	

At the end of 2021, the expected disposal prices of all the above held-for-sale assets less expected disposal expenses were higher than their carrying amounts.

12. Non-current assets due within one year

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Finance leases receivable	38,194,300.30	31,502,299.77	-
Time deposits	1,120,000,000.00	-	-
Interest from time deposits	<u>130,426,444.16</u>	<u>-</u>	<u>-</u>
Total	<u><u>1,288,620,744.46</u></u>	<u><u>31,502,299.77</u></u>	<u><u>-</u></u>

13. Other current assets

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Prepaid taxes	827,533,721.03	844,315,307.95	844,315,307.95
Deferred expenses	36,766,589.50	167,206,574.93	183,328,799.94
Wealth management products	-	-	179,228,487.03
Entrusted loans	33,756,680.00	32,463,344.45	32,000,000.00
Others	<u>147,972,749.74</u>	<u>35,149,037.57</u>	<u>35,125,052.60</u>
Total	<u><u>1,046,029,740.27</u></u>	<u><u>1,079,134,264.90</u></u>	<u><u>1,273,997,647.52</u></u>

As at 31 December 2021, as there is no incurred credit losses in historical periods, the ECLs of financial assets at amortised cost (including entrusted loans) included in other current assets under the ECL model calculated according to the economic conditions during the period of historical data collection were not significant, and thus no provisions for impairment were made. For the Group's basis for determining whether credit risk has significantly increased, refer to Note IV.17.1.

14. Loans and advances to customers

(1) Loans and advances to customers by categories:

	31 December 2021 RMB	1 January 2021 and 31 December 2020 RMB
Loans and advances to enterprises		
- Mortgage loans	<u>55,822,844.00</u>	<u>54,950,000.00</u>
Sub-total	55,822,844.00	54,950,000.00
Less: Provision for impairment of loans and advances to customers	<u>21,988,500.00</u>	<u>22,029,750.00</u>
Carrying amount of loans and advances to customers	<u><u>33,834,344.00</u></u>	<u><u>32,920,250.00</u></u>
Including: Loans and advances due within one year	<u><u>-</u></u>	<u><u>-</u></u>

(2) Loans and advances to customers categorised by contract term and guarantee method are as follows:

	31 December 2021		
	Within 1 year (inclusive) RMB	Over 1 year but within 5 years (inclusive) RMB	Total RMB
	Mortgage loans	<u>-</u>	<u>55,822,844.00</u>
Carrying amount of loans and advances to customers	<u><u>-</u></u>	<u><u>55,822,844.00</u></u>	<u><u>55,822,844.00</u></u>
	1 January 2021 and 31 December 2020		
	Within 1 year (inclusive) RMB	Over 1 year but within 5 years (inclusive) RMB	Total RMB
	Mortgage loans	<u>-</u>	<u>54,950,000.00</u>
Carrying amount of loans and advances to customers	<u><u>-</u></u>	<u><u>54,950,000.00</u></u>	<u><u>54,950,000.00</u></u>

As at 31 December 2021, the Group's management has made provisions for impairment based on ECLs under the ECL model. For the Group's basis for determining whether credit risk has significantly increased, refer to Note IV.17.1.

15. Available-for-Sale financial assets

<i>Items</i>	<i>31 December 2020</i>		
	<i>Book value</i>	<i>Provision for impairment</i>	<i>Carrying amount</i>
Available-for-sale equity instruments	13,018,778,026.95	(1,121,906,928.73)	11,896,871,098.22
Including: Measured at fair value	10,001,463,780.33	-	10,001,463,780.33
Measured at cost	3,017,314,246.62	(1,121,906,928.73)	1,895,407,317.89
Total	13,018,778,026.95	(1,121,906,928.73)	11,896,871,098.22

16. Long-term receivables

	<i>31 December 2021 RMB</i>	<i>01 January 2021 RMB</i>	<i>31 December 2020 RMB</i>
Long-term leasing receivables - Operating leases	523,884,768.62	589,808,685.76	75,440,937.11
Total	523,884,768.62	589,808,685.76	75,440,937.11

As at 31 December 2021, as there is no incurred credit losses historically, ECLs of long-term receivables under the ECL model calculated according to the economic conditions during the period of historical data collection were not significant. For the Group's basis for determining whether credit risk has significantly increased, refer to Note IV.17.1.

17. Long-term equity investments

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

	1 January 2021 RMB	Additions during the period RMB	Increase / (decrease) in others during the period RMB	31 December 2021 RMB
Investments in joint ventures	803,445,997.70	-	(42,075,927.76)	761,370,069.94
Investments in associates	<u>7,648,745,584.78</u>	<u>4,600,000.00</u>	<u>137,140,185.31</u>	<u>7,411,581,718.87</u>
Sub-total	8,452,191,582.48	4,600,000.00	95,064,257.55	8,172,951,788.81
Less: Provision for impairment of long-term equity investments	<u>1,489,504,357.95</u>	<u>-</u>	<u>(1,645,279.95)</u>	<u>1,487,859,078.00</u>
Net amount of long-term equity investments	<u><u>6,962,687,224.53</u></u>	<u><u>4,600,000.00</u></u>	<u><u>96,709,537.50</u></u>	<u><u>6,685,092,710.81</u></u>
				31 December 2020 RMB
Investments in joint ventures				803,445,997.70
Investments in associates				<u>7,653,036,287.68</u>
Sub-total				8,456,482,285.38
Less: Provision for impairment of long-term equity investments				<u>1,489,504,357.95</u>
Net amount of long-term equity investments				<u><u>6,966,977,927.43</u></u>

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

Name of the investee	1 January 2021 RMB	Reductions during the year RMB	31 December 2021 RMB
Shanghai Shendi (Group) Co., Ltd. Ganzi Holy Land Xiangbala Tourism Investment Co., Ltd. (甘孜州圣地香巴拉旅游投资有限 公司)	1,483,000,000.00	-	1,483,000,000.00
Guangzhou Leji Information Technology Co., Ltd. (广州乐寄信息科技有限公司)	3,057,262.29	-	3,057,262.29
Shenzhen Fifth Space Apartment Hotel Management Co., Ltd. (深圳市第五空间公寓酒店管理有 限公司)	1,801,815.71	-	1,801,815.71
	<u>1,645,279.95</u>	<u>(1,645,279.95)</u>	<u>-</u>
Total	<u><u>1,489,504,357.95</u></u>	<u><u>(1,645,279.95)</u></u>	<u><u>1,487,859,078.00</u></u>

(3) Investments in joint ventures:

Name of the investee	Initial investment RMB	Opening balance RMB	Adjustment on profit or loss for the year RMB	Cash dividend for the year RMB	Closing balance RMB
Shanghai Yinhe Hotel ("Yinhe Hotel")	363,556,195.70	277,225,740.00	(11,794,951.00)	-	265,430,789.00
Shanghai Jinjiang Tangchen Hotel Co., Ltd. (上海锦江汤臣大酒店有限公司)	121,174,226.00	148,137,123.00	1,091,501.00	-	149,228,624.00
Shanghai Dazhong Xinya Car Rental Co., Ltd.	84,628,129.42	103,332,878.26	2,112,739.73	(35,680,000.00)	69,765,617.99
Shanghai Motor Vehicle Driver Training Centre	33,105,611.21	58,042,899.09	4,417,116.00	(4,001,181.00)	58,458,834.09
INCA HOTEL HOLDINGS COMPANY LLC ("IHHC")	258,796,093.00	36,712,910.32	-	-	36,712,910.32
Shanghai Guanglv Enterprise Management Co., Ltd. (上海光缕企业管理有限公司)	35,000,000.00	63,254,781.12	1,277,677.18	(1,789,890.41)	62,742,567.89
Shanghai Zhendong Automobile Service Co., Ltd.	21,211,895.00	34,218,396.76	1,160,308.00	(824,796.00)	34,553,908.76
Shanghai Jinmao Jinjiang Automobile Services Co., Ltd.	16,940,000.00	29,018,851.99	1,406,795.00	(825,000.00)	29,600,646.99
Shanghai Jinjiang Jiayou Automobile Service Co., Ltd.	14,614,900.00	19,761,805.35	170,460.00	-	19,932,265.35
Shanghai Yongda Second-Hand Motor Vehicle Sales Co., Ltd.	4,500,000.00	11,057,654.96	(162.00)	-	11,057,492.96
Shanghai Jinjiang Sheshan Service Co., Ltd.	500,000.00	5,853,972.14	46,174.00	-	5,900,146.14
Shanghai NISSAN Automobile Maintenance Centre	5,643,011.57	6,145,741.19	237,948.00	-	6,383,689.19
Shanghai Centre Tower Jinjiang Hotel Asset Management Co., Ltd. (上海中心大厦锦江酒店资产管理有限公司)	30,000,000.00	3,700,188.77	(434,111.00)	-	3,266,077.77
Shanghai Petroleum Group Changle Gas Station Co., Ltd.	150,000.00	1,525,253.84	988,977.00	-	2,514,230.84
Shanghai Jinjiang Fairmont Hotel Management Co., Ltd. (上海锦江费尔蒙酒店管理有限公司)	258,435.00	2,549,761.27	204,153.00	-	2,753,914.27
Shanghai Thayer Jin Jiang Interactive Corporation	12,114,623.00	1,785,027.53	-	-	1,785,027.53
Shanghai Jinjiu Real Estate Management Co., Ltd.	250,000.00	416,515.11	20,922.53	(31,592.79)	405,844.85
Shanghai Jinjiang Dacang Garden Hotel Management Co., Ltd. (上海锦江大仓花园饭店管理有限公司)	574,000.00	706,497.00	290,232.00	(119,247.00)	877,482.00
Total		<u>803,445,997.70</u>	<u>1,195,779.44</u>	<u>(43,271,707.20)</u>	<u>761,370,069.94</u>

(4) Investments in associates:

Name of the investee	Initial investment RMB	Opening balance RMB	Additional investment during the year RMB	Adjustment on profit or loss for the year RMB	Cash dividend for the year RMB	Adjustment on other comprehensive income RMB	Translation differences arising from translation of foreign currency financial statements RMB	Disposals and other decreases during the year 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 Fund Management Co., Ltd.	165,000,000.00	718,389,913.41	-	156,703,891.14	(60,000,000.00)	(407,745.26)	-	(299,279,964.10)	515,406,095.19
Shanghai Pudong International Airport Cargo Terminal Co., Ltd.	63,130,065.07	267,112,555.62	-	65,062,158.00	-	-	-	-	332,174,713.62
Shanghai KFC Co., Ltd.	97,977,250.00	214,729,997.47	-	110,432,981.00	(117,506,651.00)	-	-	-	207,656,327.47
Shanghai New Union Building Co., Ltd.	382,354,550.42	119,769,984.61	-	(24,428,362.05)	-	-	-	-	95,341,622.56
Shanghai Wufeng Shangshi Food Co., Ltd.	83,300,517.99	101,974,155.57	-	(10,736,662.65)	-	-	-	-	91,237,492.92
Jiangsu Nanjing Long-distance Passenger Transportation (Group) Co., Ltd.	25,300,000.00	100,110,075.98	-	346,739.00	(6,072,000.00)	-	-	-	94,384,814.98
Shanghai Interunited Co., Ltd.	61,094,482.20	70,958,265.91	-	2,842,029.87	(2,500,000.00)	-	-	-	71,300,295.78
Shanghai Xinxin Construction Development Co., Ltd.	44,000,000.00	75,308,127.51	-	11,116,352.28	(20,000,000.00)	-	-	-	66,424,479.79
Shanghai Proton and Heavy Ion Hospital Co., Ltd. (上海质子重离子医院有限公司)	100,000,000.00	65,815,012.53	-	18,620,856.46	-	-	-	-	84,435,868.99
HRG Jin Jiang China	45,874,232.57	30,833,152.43	-	(10,790,668.47)	-	-	-	-	20,042,483.96
Shanghai Xinya Fulihua Catering Co., Ltd.	14,350,000.00	30,812,008.26	-	5,761,808.00	(2,646,000.00)	42,813.00	-	-	33,970,629.26
Shanghai Zihong Machinery Co., Ltd.	28,778,621.65	27,313,592.15	-	(1,494,615.99)	-	-	-	-	25,818,976.16
Les Roches Jin Jiang International Hotel Management College	12,278,226.00	14,633,131.48	-	(5,474,699.00)	-	-	-	-	9,158,432.48
Bestech Hotels&Resorts Private Limited	-	12,005,816.00	-	-	-	-	(1,140,167.50)	-	10,865,648.50
Shanghai Shengbo Jinkang Investment Development Co., Ltd. (上海圣博锦康投资 发展有限公司)	3,500,000.00	11,030,013.15	-	4,187,933.53	(4,160,574.62)	-	-	-	11,057,372.06
Al Quesir Hotel Company S.A.E	-	12,695,520.91	-	(1,568,700.15)	-	-	(1,582,407.18)	-	9,544,413.58
Shenzhen Lianghao Catering Management Co., Ltd. (深圳粮好餐饮管理有限公司)	20,400,000.00	11,447,441.22	-	2,492,067.73	-	-	-	-	13,939,508.95
Others	-	<u>750,589,907.26</u>	<u>4,600,000.00</u>	<u>33,243,294.49</u>	<u>(2,639,987.50)</u>	<u>(3,449,698.00)</u>	<u>(928,430.08)</u>	<u>(75,809,456.86)</u>	<u>705,605,629.31</u>
Total	-	<u><u>7,648,745,584.78</u></u>	<u><u>4,600,000.00</u></u>	<u><u>356,316,403.19</u></u>	<u><u>(215,525,213.12)</u></u>	<u><u>(3,814,630.26)</u></u>	<u><u>(3,651,004.76)</u></u>	<u><u>(375,089,420.96)</u></u>	<u><u>7,411,581,718.87</u></u>

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

<i>Name of the investee</i>	<i>Principal place of business</i>	<i>Registered place</i>	<i>Business nature</i>	<i>Total shareholding percentage of the Group</i>		<i>Is it strategic to the Group's activities</i>
				<i>31 December 2021</i>	<i>31 December 2020</i>	
Joint ventures:						
Yinhe Hotel	Shanghai	Shanghai	Hotel operations	50%	50%	Yes
Associates:						
Shanghai Shendi (Group) Co., Ltd.	Shanghai	Shanghai	Investment in the entertainment industry, real estate development and operation, etc.	25%	25%	Yes
Huaan Fund Management Co., Ltd.	Shanghai	Shanghai	Securities investment and fund-raising management	12%	20%	Yes
Shanghai Pudong International Airport Cargo Terminal Co., Ltd.	Shanghai	Shanghai	Transportation industry	20%	20%	Yes

Key financial information of material joint ventures:

(i) Yinhe Hotel

	<i>31 December</i> <i>2021</i> RMB	<i>31 December</i> <i>2020</i> RMB
Current assets	28,747,705.69	28,317,451.33
Non-current assets	<u>686,614,593.77</u>	<u>718,795,551.08</u>
Total assets	<u>715,362,299.46</u>	<u>747,113,002.41</u>
Current liabilities	54,147,955.86	51,751,083.51
Non-current liabilities	<u>130,352,765.60</u>	<u>140,910,438.90</u>
Total liabilities	<u>184,500,721.46</u>	<u>192,661,522.41</u>
Net assets	<u>530,861,578.00</u>	<u>554,451,480.00</u>
Group's share of net assets	<u>265,430,789.00</u>	<u>277,225,740.00</u>
Carrying amount of interests in Yinhe Hotel	<u>265,430,789.00</u>	<u>277,225,740.00</u>
	<i>2021</i> RMB	<i>2020</i> RMB
Operating income	99,290.48	99,290.48
Net losses and total comprehensive income attributable to owners of the Company	<u>(13,279,571.97)</u>	<u>(11,794,822.27)</u>
Dividends received from Yinhe Hotel	<u>-</u>	<u>-</u>

Key financial information of material associates:

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

	31 December 2021 RMB	31 December 2020 RMB
Current assets	11,783,237,391.87	8,064,975,119.04
Non-current assets	<u>46,704,998,040.95</u>	<u>48,441,199,750.62</u>
Total assets	<u>58,488,235,432.82</u>	<u>56,506,174,869.66</u>
Current liabilities	5,919,908,800.09	5,880,468,782.38
Non-current liabilities	<u>29,968,133,032.58</u>	<u>24,716,125,460.58</u>
Total liabilities	<u>35,888,041,832.67</u>	<u>30,596,594,242.96</u>
Net assets	<u>22,600,193,600.15</u>	<u>25,909,580,626.70</u>
Net assets attributable to owners of the Company	<u>15,648,127,255.00</u>	<u>16,249,702,120.10</u>
Group's share of net assets	<u>3,907,031,813.75</u>	<u>4,062,425,530.03</u>
Carrying amount of interests 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 interests in Shanghai Shendi (Group) Co., Ltd.	<u>3,530,216,913.31</u>	<u>3,530,216,913.31</u>
	2021 RMB	2020 RMB
Operating income	7,660,158,575.86	8,620,986,909.16
Net loss	(1,223,284,821.73)	(2,398,829,442.48)
Other comprehensive income	24,427,628.92	(24,828,046.40)
Comprehensive income	(1,198,857,192.81)	(2,423,657,488.88)
Net losses and total comprehensive income attributable to owners of the Company	<u>(611,942,777.25)</u>	<u>(1,355,846,970.07)</u>
Dividends received from Shanghai Shendi (Group) Co., Ltd.	<u>-</u>	<u>-</u>

(iii) Huaan Fund Management Co., Ltd.

	31 December 2021 RMB	31 December 2020 RMB
Current assets	2,940,700,927.36	2,171,235,765.01
Non-current assets	<u>3,452,063,785.21</u>	<u>2,941,860,724.12</u>
Total assets	<u>6,392,764,712.57</u>	<u>5,113,096,489.13</u>
Current liabilities	1,446,255,687.51	1,116,466,717.91
Non-current liabilities	<u>651,458,231.81</u>	<u>404,680,204.17</u>
Total liabilities	<u>2,097,713,919.32</u>	<u>1,521,146,922.08</u>
Net assets	<u>4,295,050,793.25</u>	<u>3,591,949,567.05</u>
Net assets attributable to owners of the Company	<u>4,295,050,793.25</u>	<u>3,591,949,567.05</u>
Group's share of net assets	<u>515,406,095.19</u>	<u>718,389,913.41</u>
Carrying amount of interests in Huaan Fund Management Co., Ltd.	<u>515,406,095.19</u>	<u>718,389,913.41</u>
	2021 RMB	2020 RMB
Operating income	3,630,983,253.55	2,670,109,868.40
Net profit attributable to owners of the Company	1,005,772,272.55	710,613,359.62
Other comprehensive income attributable to owners of the Company	(2,671,046.41)	(5,875,504.66)
Total comprehensive income attributable to owners of the Company	<u>1,003,101,226.14</u>	<u>704,737,854.96</u>
Dividends received from Huaan Fund Management Co., Ltd.	<u>60,000,000.00</u>	<u>35,000,000.00</u>

(iv) Shanghai Pudong International Airport Cargo Terminal Co., Ltd.

	31 December 2021 RMB	31 December 2020 RMB
Current assets	905,373,905.63	763,179,976.47
Non-current assets	<u>1,074,214,145.73</u>	<u>806,459,935.66</u>
Total assets	<u>1,979,588,051.36</u>	<u>1,569,639,912.13</u>
Current liabilities	265,856,265.98	231,639,514.53
Non-current liabilities	<u>52,903,937.84</u>	<u>2,483,339.24</u>
Total liabilities	<u>318,760,203.82</u>	<u>234,122,853.77</u>
Net assets	<u>1,660,827,847.54</u>	<u>1,335,517,058.36</u>
Net assets attributable to owners of the Company	<u>1,660,827,847.54</u>	<u>1,335,517,058.36</u>
Group's share of net assets	<u>332,174,713.62</u>	<u>267,112,555.62</u>
Carrying amount of interests in Shanghai Pudong International Airport Cargo Terminal Co., Ltd.	<u>332,174,713.62</u>	<u>267,112,555.62</u>
	2021 RMB	2020 RMB
Operating income	976,216,622.03	878,749,958.71
Net profit and total comprehensive income attributable to owners of the Company	<u>325,310,789.18</u>	<u>444,349,215.98</u>
Dividends received from Shanghai Pudong International Airport Cargo Terminal Co., Ltd.	<u>-</u>	<u>89,369,719.36</u>

(6) Summary of information on immaterial joint ventures and associates

	<i>31 December</i> 2021 RMB	<i>31 December</i> 2020 RMB
Joint ventures:		
Aggregate carrying amount of investments	<u>495,939,280.94</u>	<u>526,220,257.70</u>
Aggregate amount of share of		
	<i>2021</i> RMB	<i>2020</i> RMB
Net profit	12,990,730.44	1,610,912,129.99
Other comprehensive income	<u>-</u>	<u>(69,391.68)</u>
Total comprehensive income	<u>12,990,730.44</u>	<u>1,610,842,738.31</u>
	<i>Closing balance</i> RMB	<i>Opening balance</i> RMB
Associates:		
Aggregate carrying amount of investments	<u>1,550,783,996.75</u>	<u>1,654,316,905.34</u>
Aggregate amount of share of		
	<i>2021</i> RMB	<i>2020</i> RMB
Net profit	134,550,354.05	(376,961,406.76)
Other comprehensive income	<u>(3,406,885.00)</u>	<u>(28,352.26)</u>
Total comprehensive income	<u>131,143,469.05</u>	<u>(376,989,759.02)</u>

18. Investments in other equity instruments

(1) Investments in other equity instruments:

<i>Items</i>	<i>31 December 2021</i> RMB	<i>1 January 2021</i> RMB
Stock investments	9,496,133,039.82	10,114,314,071.99
Equity investments	<u>1,640,911,031.70</u>	<u>1,678,475,057.59</u>
Total	<u><u>11,137,044,071.52</u></u>	<u><u>11,792,789,129.58</u></u>

(2) Investments in other equity instruments at the end of the period:

<i>Item</i>	<i>Dividend income</i> <i>recognised for the</i> <i>period</i>	<i>Accumulated gains</i> <i>included in other</i> <i>comprehensive</i> <i>income</i>	<i>Accumulated losses</i> <i>included in other</i> <i>comprehensive</i> <i>income</i>	<i>Reason for</i> <i>being</i> <i>designated at</i> <i>fair value</i> <i>through other</i> <i>comprehensive</i> <i>income</i>	<i>Transferring from</i> <i>other</i> <i>comprehensive</i> <i>income to retained</i> <i>earnings</i>
Stock investments	129,644,413.97	991,285,682.66	54,813,337.05	With the intention of establishing or maintaining a long-term investment for strategic reasons	-
Equity investments	<u>28,919,586.11</u>	<u>30,229,193.59</u>	<u>9,292,000.00</u>	With the intention of establishing or maintaining a long-term investment for strategic reasons	-
Total	<u><u>158,564,000.08</u></u>	<u><u>1,021,514,876.25</u></u>	<u><u>64,105,337.05</u></u>		<u><u>-</u></u>

19. Other non-current financial assets

<i>Items</i>	<i>31 December 2021</i> RMB	<i>1 January 2021</i> RMB
Financial assets at fair value through profit or loss		
Including: Investment in debt instruments	61,523,366.02	145,824,169.56
Investment in equity instruments	<u>522,207,568.00</u>	<u>523,290,180.55</u>
 Total	 <u>583,730,934.02</u>	 <u>669,114,350.11</u>

Note 1: As at 31 December 2021, debt instruments held by the Group were mainly:

- 1) Trust products held by Jin Jiang International Investment totalled at RMB27,466,238.02 (31 December 2020: RMB70,134,709.32 presented as other non-current assets); and
- 2) Wealth management products held by subsidiaries of Jinjiang Capital totalled at RMB34,057,128.00 (31 December 2020: RMB35,000,000.00 presented as other non-current assets; RMB40,689,460.24 presented as available-for-sale financial assets).

Note 2: As at 31 December 2021, equity instruments held by the Group were unquoted equities held by subsidiaries of Jinjiang Capital, totalling RMB522,207,568.00.

20. Investment properties

	<i>Land use rights</i> RMB	<i>Plant and buildings</i> RMB	<i>Total</i> RMB
Cost			
Balance at 1 January 2021	56,677,999.33	1,248,487,412.65	1,305,165,411.98
Purchase during the year	-	366,462.27	366,462.27
Transfers from fixed assets	-	17,218,500.96	17,218,500.96
Disposals during the year	-	(2,387,816.04)	(2,387,816.04)
Conversion of investment properties to self-use properties	-	(448,780.00)	(448,780.00)
	<u>56,677,999.33</u>	<u>1,263,235,779.84</u>	<u>1,319,913,779.17</u>
Balance at 31 December 2021	<u>56,677,999.33</u>	<u>1,263,235,779.84</u>	<u>1,319,913,779.17</u>
Less: Accumulated depreciation or amortisation			
Balance at 1 January 2021	13,054,652.20	738,273,049.54	751,327,701.74
Charge for the year	837,909.00	29,192,927.56	30,030,836.56
Transfers from fixed assets	-	6,936,587.24	6,936,587.24
Disposals during the year	-	(1,547,370.68)	(1,547,370.68)
Conversion of investment properties to self-use properties	-	(79,938.90)	(79,938.90)
	<u>13,892,561.20</u>	<u>772,775,254.76</u>	<u>786,667,815.96</u>
Balance at 31 December 2021	<u>13,892,561.20</u>	<u>772,775,254.76</u>	<u>786,667,815.96</u>
Less: Provision for impairment			
Balance at 1 January 2021 and 31 December 2021	<u>-</u>	<u>771,979.48</u>	<u>771,979.48</u>
	<u>-</u>	<u>771,979.48</u>	<u>771,979.48</u>
Carrying amount			
Balance at 31 December 2021	<u>42,785,438.13</u>	<u>489,688,545.60</u>	<u>532,473,983.73</u>
Balance at 1 January 2021	<u>43,623,347.13</u>	<u>509,442,383.63</u>	<u>553,065,730.76</u>

As at 31 December 2021, land use rights of RMB21,123,200.00 (2020: RMB21,123,200.00) have been obtained through the allocation. As management believes that the useful lives of the above land use rights are not determinable and are available for use in the foreseeable future, they are not amortised during the period of being held.

As at 31 December 2021, the carrying amount of the Group's plant and buildings as well as land use rights pending certificates of ownership was amounting to RMB19,251,166.49 (2020: RMB41,346,661.22).

21. Fixed assets

(1) Fixed assets summary

	Land RMB	Plant and buildings RMB	Machinery and equipment RMB	Electronic equipment, apparatuses and furniture RMB	Motor vehicles RMB	Operating equipment RMB	Hotel and building renovation costs RMB	Total RMB
Cost								
Balance at 31 December 2020	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
Impact of changes in accounting policies	(130,390,200.00)	(706,877,781.59)	(5,452,333.00)	-	-	-	-	(842,720,314.59)
Balance at 1 January 2021	1,327,685,165.23	19,552,985,230.54	6,358,147,759.14	2,386,526,168.55	142,229,861.67	1,362,543,482.40	1,977,825,071.25	33,107,942,738.78
Movements due to changes in consolidation scope	-	-	(206,138.23)	(792,999.40)	-	-	-	(999,137.63)
Purchase during the year	82,930.00	289,002,430.39	96,663,075.86	27,366,887.27	3,303,531.32	10,313,406.00	67,712,639.61	494,444,900.45
Reclassification during the year	-	-	(1,432,213.50)	1,432,213.50	-	-	-	-
Transfers from assets held for sale	-	-	-	-	-	-	44,018,510.90	44,018,510.90
Transfers from construction in progress	1,113,921.00	104,747,626.60	244,329,946.70	15,205,496.43	5,130,078.86	267,263,709.00	46,219,536.06	684,010,314.65
Transfers from investment properties	448,780.00	-	-	-	-	-	-	448,780.00
Disposals during the year	(664,810.00)	(18,216,905.79)	(175,868,465.78)	(28,263,875.84)	(20,156,503.04)	(285,938,834.00)	(34,807,846.79)	(563,917,241.24)
Reductions due to disposals of subsidiaries	-	(242,721,350.47)	(9,337,036.56)	(369,803,333.99)	(547,998.00)	-	(80,471,557.68)	(702,881,276.70)
Translation differences arising from translation of foreign currency financial statements	(122,098,846.33)	(611,212,815.38)	(176,262,358.30)	(5,100,445.83)	-	-	(35,555,978.33)	(950,230,444.17)
Transfers to construction in progress during the year	-	-	(1,109,736.93)	(574,476.11)	-	-	-	(1,684,213.04)
Transfers to investment properties during the year	-	(17,218,500.96)	-	-	-	-	-	(17,218,500.96)
Transfers to long-term deferred expenses during the year	-	-	(247,755.93)	(259,274.74)	(1,161.35)	-	-	(508,192.02)
Balance at 31 December 2021	1,206,567,139.90	19,057,365,714.93	6,334,677,076.47	2,025,736,359.84	129,957,809.46	1,354,181,763.40	1,984,940,375.02	32,093,426,239.02

	Land RMB	Plant and buildings RMB	Machinery and equipment RMB	Electronic equipment, apparatuses and furniture RMB	Motor vehicles RMB	Operating equipment RMB	Hotel and building renovation costs RMB	Total RMB
Less: Accumulated depreciation								
Balance at 31 December 2020	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
Impact of changes in accounting policies	(72,225.00)	(608,920,842.70)	(3,839,206.52)	-	-	-	-	(612,832,274.22)
Balance at 1 January 2021	59,742,419.68	7,949,536,214.44	4,666,743,984.35	1,445,717,079.28	107,919,791.86	823,631,701.14	1,551,320,308.47	16,604,611,499.22
Movements due to changes in consolidation scope	-	-	(44,891.54)	(254,705.49)	-	-	-	(299,597.03)
Charge for the year	1,540,360.00	784,609,986.06	451,259,269.60	70,732,720.53	9,393,138.84	167,813,529.41	184,473,959.38	1,669,822,963.82
Reclassification during the year	-	-	(1,021,473.14)	1,021,473.14	-	-	-	-
Transfers from investment properties	-	79,938.90	-	-	-	-	-	79,938.90
Reductions during the year	(629,189.00)	(16,013,014.50)	(152,317,608.27)	(26,865,924.01)	(15,168,008.13)	(269,402,408.00)	(32,900,490.47)	(513,296,642.38)
Reductions due to disposals of subsidiaries	-	(242,721,350.47)	(6,802,154.98)	(332,382,633.12)	(520,594.10)	-	(76,754,762.01)	(659,181,494.68)
Transfers to construction in progress during the year	-	-	(384,772.47)	(98,268.88)	-	-	-	(483,041.35)
Transfers to investment properties during the year	-	(6,936,587.24)	-	-	-	-	-	(6,936,587.24)
Translation differences arising from translation of foreign currency financial statements	(3,509,654.00)	(238,207,781.58)	(95,211,217.43)	(2,417,649.15)	-	-	-	(339,346,302.16)
Transfers from assets held for sale	-	-	-	-	-	-	(27,579,485.77)	(27,579,485.77)
Balance at 31 December 2021	<u>57,143,936.68</u>	<u>8,230,347,405.61</u>	<u>4,862,221,136.12</u>	<u>1,155,452,092.30</u>	<u>101,624,328.47</u>	<u>722,042,822.55</u>	<u>1,598,559,529.60</u>	<u>16,727,391,251.33</u>
Less: Provision for impairment								
Balance at 31 December 2020	-	102,996,360.64	192,356,616.04	44,553.83	(8,573.57)	-	40,874.32	295,429,831.26
Impact of changes in accounting policies	-	-	-	-	-	-	-	-
Balance at 1 January 2021	-	102,996,360.64	192,356,616.04	44,553.83	(8,573.57)	-	40,874.32	295,429,831.26
Charge for the year	-	33,463,934.76	13,368,386.12	4,798,879.80	-	-	-	51,631,200.68
Written off on disposals	-	-	(2,909,795.33)	-	-	-	-	(2,909,795.33)
Translation differences arising from translation of foreign currency financial statements	-	(16,562,170.37)	(4,315,375.37)	(62,668.16)	-	-	-	(20,940,213.90)
Balance at 31 December 2021	<u>-</u>	<u>119,898,125.03</u>	<u>198,499,831.46</u>	<u>4,780,765.47</u>	<u>(8,573.57)</u>	<u>-</u>	<u>40,874.32</u>	<u>323,211,022.71</u>
Carrying amount								
Balance at 31 December 2021	<u>1,149,423,203.22</u>	<u>10,707,120,184.29</u>	<u>1,273,956,108.89</u>	<u>865,503,502.07</u>	<u>28,342,054.56</u>	<u>632,138,940.85</u>	<u>386,339,971.10</u>	<u>15,042,823,964.98</u>
Balance at 31 December 2020	<u>1,398,260,720.55</u>	<u>11,598,409,594.35</u>	<u>1,500,660,285.23</u>	<u>940,764,535.44</u>	<u>34,318,643.38</u>	<u>538,911,781.26</u>	<u>426,463,888.46</u>	<u>16,437,789,448.67</u>

As at 31 December 2020, fixed assets acquired under finance leases are set out as follows:

	<i>Land</i> RMB	<i>Plant and buildings</i> RMB	<i>Machinery and equipment</i> RMB	<i>Total</i> RMB
Cost	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 amount	<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 2021, plant and buildings of Jinjiang Capital's subsidiaries with total carrying amount of RMB169,456,927.27 were pledged for long-term loans, and see Note IX.30 and Note IX.42 for details.

As at 31 December 2021, plant and buildings of Jin Jiang International Investment's overseas subsidiaries with total carrying amount of RMB467,568,000.00 were pledged for bank loans, and see Note IX.30 and Note IX.42 for details.

(2) Temporarily idle fixed assets are as follows:

As at 31 December 2021 and 31 December 2020, the Group had no temporarily idle fixed assets.

(3) Fixed assets pending certificates of ownership are as follows:

As at 31 December 2021, the carrying amount of the Group's plant and buildings pending certificates of ownership was amounting to RMB203,842,352.59 (31 December 2020: RMB182,182,667.48).

22. Construction in progress

(1) Construction in progress

<i>Item</i>	<i>1 January 2021 and 31 December 2020 RMB</i>	<i>Additions during the year RMB</i>	<i>Increase due to changes in consolidation scope RMB</i>	<i>Reductions due to disposals of subsidiaries during the year RMB</i>	<i>Transfers to fixed assets RMB</i>	<i>Transfers to intangible assets RMB</i>	<i>Transfers to long-term deferred expenses RMB</i>	<i>Translation differences arising from translation of foreign currency financial statements RMB</i>	<i>31 December 2021 RMB</i>
Series renovation of limited serviced hotels	458,476,042.93	366,132,012.00	-	-	(149,091,237.00)	-	(163,920,013.00)	(23,708,174.00)	487,888,630.93
Renovation of full-serviced hotels and other hotels	2,088,708,753.59	741,445,298.30	-	(100,385.75)	(245,209,912.58)	(513,523.82)	(1,047,381,053.85)	(214,485,822.91)	1,322,463,352.98
Renovation of catering enterprises	11,379,959.44	303,636,647.41	327,839.00	-	(286,182,397.42)	-	(3,984,633.10)	(491,953.04)	24,685,462.29
Decoration and renovation of office area and equipment	181,556,235.15	5,697,686.11	-	-	(1,805,544.65)	-	(1,632,407.04)	(600,087.24)	183,215,882.33
Motor vehicles not ready for intended use	4,942,629.24	182,954.00	-	-	(1,721,223.00)	-	-	-	3,404,360.24
Total costs	2,745,063,620.35	1,417,094,597.82	327,839.00	(100,385.75)	(684,010,314.65)	(513,523.82)	(1,216,918,106.99)	(239,286,037.19)	2,021,657,688.77
Less: Provision for impairment	32,746,090.44								36,101,053.12
Carrying amount	2,712,317,529.91								1,985,556,635.65

23. Right-of-use assets

As a lessee

	Land RMB	Plant and buildings RMB	Machinery and equipment RMB	Motor vehicles RMB	Total RMB
Cost					
Balance at 1 January 2021	807,316,240.12	23,508,024,581.57	735,390,652.56	30,455,418.53	25,081,186,892.78
Additions during the year	2,322,285.24	1,852,116,733.90	5,675,282.00	9,029,591.08	1,869,143,892.22
Adjustments and changes of lease contracts	(941,220.09)	123,521,745.14	-	-	122,580,525.05
Decrease during the year	(29,736,433.01)	(338,121,846.05)	(6,055,318.81)	(5,142,275.60)	(379,055,873.47)
Translation differences arising from translation of foreign currency financial statements	<u>(49,383,076.86)</u>	<u>(930,747,575.26)</u>	<u>(2,981,873.45)</u>	<u>(3,153,630.01)</u>	<u>(986,266,155.58)</u>
Balance at 31 December 2021	<u>729,577,795.40</u>	<u>24,214,793,639.30</u>	<u>732,028,742.30</u>	<u>31,189,104.00</u>	<u>25,707,589,281.00</u>
Less: Accumulated depreciation or amortisation					
Balance at 1 January 2021	193,613,130.45	12,830,339,086.42	455,914,377.63	10,095,993.53	13,489,962,588.03
Charge for the year	16,004,410.98	1,446,979,571.16	36,020,430.72	9,067,852.06	1,508,072,264.92
Decrease during the year	(16,452,221.04)	(318,609,430.37)	(3,305,750.62)	(5,142,275.60)	(343,509,677.63)
Translation differences arising from translation of foreign currency financial statements	<u>(9,972,038.99)</u>	<u>(385,061,539.91)</u>	<u>(1,315,268.93)</u>	<u>(917,814.49)</u>	<u>(397,266,662.32)</u>
Balance at 31 December 2021	<u>183,193,281.40</u>	<u>13,573,647,687.30</u>	<u>487,313,788.80</u>	<u>13,103,755.50</u>	<u>14,257,258,513.00</u>
Less: Provision for impairment					
Balance at 1 January 2021	12,005,400.00	378,587,400.00	-	-	390,592,800.00
Charge for the year	13,345,429.53	27,570,861.59	-	-	40,916,291.12
Decrease during the year	(8,708,198.86)	(1,346,786.47)	-	-	(10,054,985.33)
Translation differences arising from translation of foreign currency financial statements	<u>(687,093.67)</u>	<u>(28,982,771.92)</u>	<u>-</u>	<u>-</u>	<u>(29,669,865.59)</u>
Balance at 31 December 2021	<u>15,955,537.00</u>	<u>375,828,703.20</u>	<u>-</u>	<u>-</u>	<u>391,784,240.20</u>
Carrying amount					
Balance at 31 December 2021	<u>530,428,977.00</u>	<u>10,265,317,248.80</u>	<u>244,714,953.50</u>	<u>18,085,348.50</u>	<u>11,058,546,527.80</u>
Balance at 1 January 2021	<u>601,697,709.67</u>	<u>10,299,098,095.15</u>	<u>279,476,274.93</u>	<u>20,359,425.00</u>	<u>11,200,631,504.75</u>

Please refer to Note IX.45 for the specific arrangements for leasing activities of the Group.

24. Intangible assets

	Land use rights RMB	Taxi operation license RMB	Rights to yields of long-term lease contracts RMB	Trademarks and brands RMB	Patents and related rights RMB	Membership rights RMB	Non-patented technologies RMB	Software and others RMB	Total RMB
Costs									
Balance at 31 December 2020	7,413,833,034.55	227,244,083.85	1,318,359,747.75	11,836,706,848.41	626,365,425.98	436,389,479.72	10,019,920.00	3,071,771,080.65	24,940,689,620.91
Impact of changes in accounting policies	-	-	(508,306,133.22)	-	-	-	-	9,507,998.72	(498,798,134.50)
Balance at 1 January 2021	7,413,833,034.55	227,244,083.85	810,053,614.53	11,836,706,848.41	626,365,425.98	436,389,479.72	10,019,920.00	3,081,279,079.37	24,441,891,486.41
Additions during the year	76,036.13	-	-	-	-	-	-	638,448,610.40	638,524,646.53
Transfers from construction in progress	-	-	-	-	-	-	-	513,523.82	513,523.82
Transfers from assets held for sale	-	-	-	-	-	-	-	78,839,124.00	78,839,124.00
Other decreases during the year	(27,399,850.48)	-	-	(4,514,795.54)	(446,639.18)	-	-	(172,873,757.58)	(205,235,042.78)
Decrease due to disposals of subsidiaries	(1,402,108,100.00)	-	-	-	-	-	-	-	(1,402,108,100.00)
Translation differences arising from translation of foreign currency financial statements	(416,344.27)	-	(78,335,499.15)	(807,158,761.53)	-	(2,282,658.88)	-	(200,133,952.58)	(1,088,327,216.41)
Balance at 31 December 2021	<u>5,983,984,775.93</u>	<u>227,244,083.85</u>	<u>731,718,115.38</u>	<u>11,025,033,291.34</u>	<u>625,918,786.80</u>	<u>434,106,820.84</u>	<u>10,019,920.00</u>	<u>3,426,072,627.43</u>	<u>22,464,098,421.57</u>
Less: Accumulated amortisation									
Balance at 31 December 2020	1,527,920,393.26	6,030,352.00	390,073,233.36	1,259,436.26	394,044,651.88	89,969,099.19	3,499,920.00	1,592,731,345.34	4,005,528,431.29
Impact of changes in accounting policies	-	-	(267,238,378.83)	-	-	-	-	-	(267,238,378.83)
Balance at 1 January 2021	1,527,920,393.26	6,030,352.00	122,834,854.53	1,259,436.26	394,044,651.88	89,969,099.19	3,499,920.00	1,592,731,345.34	3,738,290,052.46
Charge for the year	76,023,812.35	-	58,053,689.78	-	163,420.41	23,579,248.56	-	254,703,999.82	412,524,170.92
Other decrease during the year	(5,129,672.00)	-	-	-	(33,387.31)	-	-	(167,804,029.69)	(172,967,089.00)
Decrease due to disposals of subsidiaries	(181,105,629.52)	-	-	-	-	-	-	-	(181,105,629.52)
Translation differences arising from translation of foreign currency financial statements	(178,660.79)	-	(13,453,992.98)	-	-	(397,636.99)	-	(57,039,175.74)	(71,069,466.50)
Balance at 31 December 2021	<u>1,417,530,243.30</u>	<u>6,030,352.00</u>	<u>167,434,551.33</u>	<u>1,259,436.26</u>	<u>394,174,684.98</u>	<u>113,150,710.76</u>	<u>3,499,920.00</u>	<u>1,622,592,139.73</u>	<u>3,725,672,038.36</u>

	Land use rights RMB	Taxi operation license RMB	Rights to yields of long-term lease contracts RMB	Trademarks and brands RMB	Patents and related rights RMB	Membership rights RMB	Non-patented technologies RMB	Software and others RMB	Total RMB
Less: Provision for impairment									
Balance at 31 December 2020	-	12,107,000.00	-	-	368,823.10	-	-	58,230,971.24	70,706,794.34
Impact of changes in accounting policies	-	-	-	-	-	-	-	-	-
Balance at 1 January 2021	-	12,107,000.00	-	-	368,823.10	-	-	58,230,971.24	70,706,794.34
Charge for the year	-	-	-	-	-	-	-	19,885,391.72	19,885,391.72
Translation differences arising from translation of foreign currency financial statements	-	-	-	-	-	-	-	168,045.88	168,045.88
Balance at 31 December 2021	<u>-</u>	<u>12,107,000.00</u>	<u>-</u>	<u>-</u>	<u>368,823.10</u>	<u>-</u>	<u>-</u>	<u>78,284,408.84</u>	<u>90,760,231.94</u>
Carrying amount									
Balance at 31 December 2021	<u>4,566,454,532.63</u>	<u>209,106,731.85</u>	<u>564,283,564.05</u>	<u>11,023,773,855.08</u>	<u>231,375,278.72</u>	<u>320,956,110.08</u>	<u>6,520,000.00</u>	<u>1,725,196,078.86</u>	<u>18,647,666,151.27</u>
Balance at 31 December 2020	<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>
Remaining amortisation periods	5 – 60 years	Indefinite	11 – 13 years	Part of trademark right has useful lives of 1 to 10 years; others are indefinite	2 – 15 years	20	Indefinite	2 – 28 years	

As at 31 December 2021, land use rights of RMB150,121,800.00 (2020: RMB150,121,800.00) have been obtained via government investment. As management believes that the useful lives of the above land use rights are not determinable and are available for use in the foreseeable future, they are not amortised during the period of being held.

As at 31 December 2021, land use rights of RMB203,335,970.23 (2020: RMB203,335,970.23) have been obtained through allocation. As management believes that the useful lives of the above land use rights are not determinable and are available for use in the foreseeable future, they are not amortised during the period of being held.

25. Goodwill

	<i>31 December 2021</i> RMB	<i>31 December 2020 and 1 January 2021</i> RMB
Cost		
Opening balance	14,354,763,252.94	13,606,931,688.21
(Decrease) / increase during the year	<u>(480,545,344.30)</u>	<u>747,831,564.73</u>
Closing balance	<u>13,874,217,908.64</u>	<u>14,354,763,252.94</u>
Less: Provision for impairment		
Opening balance and closing balance	<u>193,500,414.33</u>	<u>193,500,414.33</u>
Carrying amount		
Closing balance	<u>13,680,717,494.31</u>	<u>14,161,262,838.61</u>
Opening balance	<u>14,161,262,838.61</u>	<u>13,413,431,273.88</u>

(1) Details of the Group's goodwill by book value are as follows:

	31 December 2020 and 1 January 2021 RMB	Transfers from assets held for sale RMB	Translation differences arising from translation of foreign currency financial statements RMB	31 December 2021 RMB
Keystone	5,766,874,767.03	-	-	5,766,874,767.03
GDL	5,015,888,641.31	-	(503,166,088.00)	4,512,722,553.31
Radisson Hospitality AB and Radisson Holdings Inc	1,570,170,713.24	-	(157,564,919.05)	1,412,605,794.19
Vienna and Longevity Village	668,816,710.56	-	-	668,816,710.56
Beijing Kunlun Hotel Company Limited ("Beijing Kunlun")	594,502,014.90	-	-	594,502,014.90
Pictet Huitong Network Technology (Shanghai) Co., Ltd. ("HUBS1")	428,206,217.97	-	-	428,206,217.97
Prize Holding GmbH	-	180,185,662.75	-	180,185,662.75
Shanghai Eastern Jinjiang Hotel Co., Ltd. ("Eastern Jinjiang")	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
Shanghai Jing'an Kunlun Hotel Co., Ltd.	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
Jinjiang Inn 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 Centre 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
	<u>14,354,763,252.94</u>	<u>180,185,662.75</u>	<u>(660,731,007.05)</u>	<u>13,874,217,908.64</u>
Total	<u>14,354,763,252.94</u>	<u>180,185,662.75</u>	<u>(660,731,007.05)</u>	<u>13,874,217,908.64</u>

(2) Provision for impairment of goodwill:

*Balance at 31 December
2020, 1 January 2021 and
31 December 2021*

Eastern Jinjiang	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 Centre Co., Ltd.	1,057,987.58
Xintiantian	<u>972,584.60</u>
Total	<u><u>193,500,414.33</u></u>

(i) Allocation of goodwill to asset groups

For the purpose of impairment test, goodwill has been allocated to asset groups attributable to overseas hotel operation and management segment, asset groups attributable to domestic hotel operation and management segment and asset groups of other management segments.

	Cost RMB	<i>Less: Provision for impairment</i> RMB	Carrying amount RMB
Overseas hotel operation and management segment			
GDL	4,512,722,553.31	-	4,512,722,553.31
Radisson Hotel	1,412,605,794.19	-	1,412,605,794.18
Domestic 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
Beijing Kunlun	594,502,014.90	-	594,502,014.90
HUBS1	428,206,217.97	-	428,206,217.97
Prize Holding GmbH	180,185,662.75	-	180,185,662.75
Eastern Jinjiang	143,981,550.32	143,981,550.32	-
Smartel	51,785,803.21	-	51,785,803.21
Shanghai Jing'an Kunlun Hotel Co., Ltd.	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
Jinjiang Inn Co., Ltd.	5,201,426.72	-	5,201,426.72
Duzhихua	3,740,756.59	3,740,756.59	-
Other business segments			
Others	<u>7,484,036.70</u>	<u>5,606,689.57</u>	<u>1,877,347.13</u>
Total	<u><u>13,874,217,908.64</u></u>	<u><u>193,500,414.33</u></u>	<u><u>13,680,717,494.31</u></u>

- (ii) The key assumptions and basis for calculating the recoverable amount of above asset groups are as follows:

A. Asset groups of overseas hotel operation and management segment

The recoverable amount of the asset group of overseas 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 institutions. The key assumptions used in estimating the present value of expected future cash flows are: the expected growth rate and discount 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 future cash flows from the assets group of GDL are: estimated changes in revenue from room and hotel franchise based on the past performance of the set of asset groups and expectations of market developments, including: 1) revenue growth rate for directly operated hotels: 6.3% CAGR in room revenue from 2022 to 2026, stabilising at 1.28% to 2.6% after 2026; 2) average revenue growth rate of per unit room for franchised hotels decreases by 31% to 67% in 2022; the average revenue growth rate of per unit room for franchised hotels will gradually return to a growth rate of 2% to 5% per annum from 2023 to 2026, and will range from 1.758% to 2% after 2026; and 3) pre-tax discount rate (8.23% for directly operated hotels; 11.99% to 14.39% for franchised and managed hotels). The room revenue growth rate for 2026 onwards and the average revenue growth rate of per unit room for franchised hotels are based on the inflation rates in the countries where these hotels operate.

The key assumptions used in estimating the present value of future cash flows from the assets group of Radisson Hotel are, based on the past performance of the asset groups and expectations of market developments, 1) for the period from 2022 to 2025 (post-epidemic recovery period), the room revenue growth rate will be 13% to 57%, decreasing each year; it will be 4% in 2026; and will stabilise at 2% in and after 2027; and 2) pre-tax discount rate (11.18%).

Management believes that any reasonable change in the above assumption will not cause the total carrying amount of the asset groups of GDL and Radisson Hotel to exceed their recoverable amounts.

B. Asset groups of domestic hotel operations and management business segment

Except for Beijing Kunlun and Smartel, the recoverable amounts of the asset groups of domestic hotel operations and management business 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 institutions. The key assumptions used in estimating the present value of future cash flows from these asset groups are: the revenue growth rate from hotel operations and discount rates based on the past performance of the set of asset groups and management's estimates of market developments.

Among them, the key assumptions used in estimating the present value of future cash flows from the assets group of Keysone are: the revenue growth rate from hotel operations (about 11.65% CAGR for the hotel operations from 2022 to 2026, and will be about 2% after 2026) and the pre-tax discount rate (about 13.77%) based on the past performance of the set of asset groups and management's estimates of market developments. The revenue growth rate of hotel operations after 2026 is based on the inflation rate.

The key assumptions used in estimating the present value of future cash flows from the assets group of Vienna and Longevity Village are: the revenue growth rate from hotel operations (about 4.13% CAGR for the hotel operations from 2022 to 2026, and will be about 2% after 2026) and the pre-tax discount rate (about 15.16%) based on the past performance of the set of asset groups and management's estimates of market developments.

The recoverable amounts of assets groups of Beijing Kunlun and Smartel are determined by reference to its fair value less costs to sell. The key assumptions used in estimating the fair value and costs to sell are: the disposal price of properties held by Beijing Kunlun and Smartel based on the prices of similar properties in the market.

Except for East Jinjiang, Shanxi Jinguang and Duzhuhua, management believes that any reasonable change in the above assumptions will not cause total carrying amount of the asset groups of domestic service hotel operation and management segment to exceed their respective recoverable amounts. For East Jinjiang, Shanxi Jinguang and Duzhuhua, management made full provisions for impairment of goodwill.

C. Asset groups of HUBS1

Asset groups of goodwill of Pictet Huitong Network Technology (Shanghai) Co., Ltd. ("HUBS1") includes related long-term assets of Thayer Jin Jiang InterActive Corporation, Ltd., Shanghai Jin Jiang International E-Commerce Co., Ltd. and Shanghai Jinshe Zhongchuang Space Management Co., Ltd., which are mainly engaged in the development and operations of various systems for the Group independently and to provide technical and data support for the online and offline hotel business of the Group.

The recoverable amount of the asset group of HUBS 1 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. The key assumptions used in estimating the present value of future cash flows from the asset group are: the revenue growth rate and the discount rate based on the past performance of the asset group and the management's estimates of market developments, including the revenue growth rate for the period from 2022 to 2025 (post-epidemic recovery period) of 4.61% to 11.41%; 3.37% in 2026 and beyond; and 2) pre-tax discount rate (about 13.88%). Management believes that any reasonable change in the above assumption will not cause the total carrying amount of the asset groups to exceed their recoverable amounts.

D. Asset groups of other business segments

The recoverable amount of the asset groups of other business segments is determined based on the present value of expected future cash flows. Future cash flows are determined based on the management's budget.

26. Long-term deferred expenses

	31 December 2020 RMB	Changes in accounting policies RMB	1 January 2021 RMB	Increase due to changes in consolidation scope RMB	Additions during the year RMB	Transfers from construction in progress RMB	Amortisation costs during the year RMB	Reductions during the year RMB (Note 2)	Translation differences arising from translation of foreign currency financial statements RMB	31 December 2021 RMB
Improvement of leased fixed assets	3,814,210,628.31	-	3,814,210,628.31	284,956.84	41,136,948.26	1,216,918,106.99	(629,464,600.98)	(98,134,820.00)	(41,201,850.74)	4,303,749,368.68
Prepaid rents and others	<u>79,127,318.02</u>	<u>(40,535,662.05)</u>	<u>38,591,655.97</u>	<u>-</u>	<u>3,762,187.71</u>	<u>-</u>	<u>(5,587,614.25)</u>	<u>-</u>	<u>(68,320.89)</u>	<u>36,697,908.54</u>
Total costs	<u><u>3,893,337,946.33</u></u>	<u><u>(40,535,662.05)</u></u>	<u><u>3,852,802,284.28</u></u>	<u><u>284,956.84</u></u>	<u><u>44,899,135.97</u></u>	<u><u>1,216,918,106.99</u></u>	<u><u>(635,052,215.23)</u></u>	<u><u>(98,134,820.00)</u></u>	<u><u>(41,270,171.63)</u></u>	<u><u>4,340,447,277.22</u></u>
Less: Provision for impairment	<u>1,291,516,337.27</u>		<u>1,291,516,337.27</u>							<u>1,297,010,613.88</u>
Total	<u><u>2,601,821,609.06</u></u>		<u><u>2,561,285,947.01</u></u>							<u><u>3,043,436,663.34</u></u>

Note 1: Reductions during the year represents the decrease of RMB98,134,820.00 due to adjustments on the settlement of completed construction (2020: RMB19,860,561.00), and the carry-forward prepaid rents of RMB5,587,614.25 due to the actual usage (2020: RMB55,319,931.68).

27. Deferred tax assets and deferred tax liabilities

The deferred tax assets and deferred tax liabilities without offsetting are as follows:

Deferred tax assets

	<i>Deductible temporary differences and deductible losses</i>			<i>Deferred tax assets</i>		
	<i>31 December 2021</i>	<i>1 January 2021</i>	<i>31 December 2020</i>	<i>31 December 2021</i>	<i>1 January 2021</i>	<i>31 December 2020</i>
	RMB	RMB	RMB	RMB	RMB	RMB
Deductible tax losses	9,495,153,376.39	8,359,660,930.90	8,359,660,930.90	2,379,613,495.38	2,027,837,244.45	2,027,837,244.45
Provision for impairment of assets	1,929,497,999.24	1,931,224,675.17	1,881,403,371.02	479,387,661.78	479,520,797.38	467,065,471.34
Employee benefits payable	887,540,055.13	955,779,282.86	955,779,282.86	220,696,472.36	237,910,158.06	237,910,158.07
Leasing adjustments	909,563,671.00	1,749,048,676.16	3,282,541,764.68	233,227,267.00	437,262,168.79	820,635,440.92
Accrued expenses	146,998,380.16	161,701,209.80	161,701,209.80	34,585,592.78	40,148,594.98	40,148,594.97
Differences on amortisation of intangible assets	83,975,169.28	86,682,329.59	86,682,329.59	20,993,792.32	21,670,582.40	21,670,582.40
Deferred income from membership cards and points received in advance	327,251,053.03	585,109,689.65	585,109,689.65	79,585,889.20	141,345,287.78	141,345,287.78
Unrealised profits of intra-group transactions	26,193,218.44	39,889,859.44	39,889,859.44	6,549,904.11	10,021,749.11	10,021,749.11
Differences on depreciation of fixed assets	471,390,186.55	529,999,978.43	529,999,978.43	118,331,061.00	111,788,751.80	111,788,751.80
Differences on amortisation of long-term deferred expenses	8,660,798.00	9,329,501.00	9,329,501.00	2,165,200.00	2,332,375.00	2,332,375.00
Changes in fair value of available-for-sale financial assets recognised in other comprehensive income	-	-	112,339,740.26	-	-	28,084,935.05
Changes in fair value of investments in other equity instruments	198,270,991.28	129,327,510.29	-	49,567,747.81	32,331,877.56	-
long-term contract liabilities related to franchise services	37,709,930.33	51,876,187.28	-	9,736,704.01	12,969,046.82	-
Others	1,248,467,182.12	899,198,138.13	899,198,138.13	296,177,670.37	219,389,247.68	219,389,247.69
Total	<u>15,770,672,010.95</u>	<u>15,488,827,968.70</u>	<u>16,903,635,795.76</u>	<u>3,930,618,458.12</u>	<u>3,774,527,881.81</u>	<u>4,128,229,838.58</u>

The Group's management believes that it is probable that sufficient taxable income will be available in the future periods to utilize the deductible temporary differences and tax losses, and therefore recognises the relevant deferred income tax assets set out above.

Deferred tax assets of the following deductible losses and deductible temporary differences have not been recognised:

	<i>31 December 2021</i>	<i>31 December 2020</i>
	RMB	RMB
Deductible temporary differences	2,263,270,386.33	1,143,019,258.08
Deductible losses	<u>6,076,185,679.29</u>	<u>4,902,081,721.76</u>
Total	<u>8,339,456,065.62</u>	<u>6,045,100,979.84</u>

As the Group's management believes that the Group will not obtain sufficient income against which the above deductible temporary differences or tax losses can be utilised in the foreseeable future period, and therefore relevant deferred tax assets haven't been recognised in the balance sheet.

Deductible tax losses, for which no deferred tax assets were recognised, will expire in the following years:

	31 December 2021 RMB	31 December 2020 RMB
2021	-	803,196,926.51
2022	773,198,524.10	933,270,672.81
2023	819,318,135.84	879,921,907.42
2024	815,729,540.07	761,355,735.36
2025	360,265,312.07	1,524,336,479.66
2026 and subsequent years	<u>3,307,674,167.21</u>	<u>-</u>
Total	<u>6,076,185,679.29</u>	<u>4,902,081,721.76</u>

Deferred tax liabilities

	<i>Taxable temporary differences</i>			<i>Deferred tax liabilities</i>		
	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Adjustments on the fair value of business combinations involving entities not under common control	13,781,753,410.65	14,776,237,426.90	17,892,888,857.86	3,473,527,371.28	3,980,293,978.49	4,756,493,819.18
Changes in fair value of financial assets held for trading	878,859,476.92	897,408,282.14	897,408,282.14	219,714,869.13	225,401,995.28	225,401,995.28
Changes in fair value of available-for-sale financial assets recognised in other comprehensive income	-	-	537,347,858.31	-	-	137,024,703.10
Changes in fair value of investments in other equity instruments recognised in other comprehensive income	1,061,217,890.80	622,820,824.64	-	265,879,361.70	155,429,927.64	-
Differences on depreciation of fixed assets	464,515,047.16	598,563,503.16	598,563,503.16	116,560,452.39	147,263,469.54	147,263,469.54
Leasing adjustments	160,147,385.40	78,633,023.49	78,633,023.49	32,156,543.80	20,303,046.65	20,303,046.65
Unrealised profits of intra-group transactions	89,733,295.00	89,733,295.00	89,733,295.00	22,433,324.00	22,433,324.00	22,433,324.00
Differences on amortisation of intangible assets	321,875,437.39	258,007,181.44	258,007,181.44	75,838,208.00	77,240,883.00	77,240,883.03
Changes in fair value of other non-current financial assets recognised in other comprehensive income	441,885,373.39	454,888,528.74	-	110,471,343.35	113,722,132.19	-
Others	<u>255,011,172.44</u>	<u>257,398,303.75</u>	<u>257,398,303.75</u>	<u>62,477,439.09</u>	<u>64,621,271.06</u>	<u>64,621,271.05</u>
Total	<u>17,454,998,489.15</u>	<u>18,033,690,369.26</u>	<u>20,609,980,305.15</u>	<u>4,379,058,912.74</u>	<u>4,806,710,027.85</u>	<u>5,450,782,511.83</u>

Details of the offsetting amount between deferred tax assets and deferred tax liabilities

Items	31 December 2021		31 December 2020	
	<i>Offsetting amount of deferred tax assets and liabilities</i>	<i>Balances of deferred tax assets or liabilities after offsetting</i>	<i>Offsetting amount of deferred tax assets and liabilities</i>	<i>Balances of deferred tax assets or liabilities after offsetting</i>
Deferred tax assets	1,326,910,479.87	2,603,707,978.25	1,458,648,744.54	2,669,581,094.04
Deferred tax liabilities	1,326,910,479.87	3,052,148,432.87	1,458,648,744.54	3,992,133,767.29

28. Other non-current assets

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Time deposits	2,900,000,000.00	1,120,000,000.00	1,120,000,000.00
Time deposits - Interest	63,855,167.00	-	-
Circulation right for equity division (Note 1)	136,533,445.57	136,533,445.57	136,533,445.57
Lease deposits and securities deposits	137,983,116.80	130,268,629.00	130,268,629.00
Wealth management products	-	-	107,238,492.70
Entrusted loans	120,754,517.00	216,326,266.60	216,326,266.60
Leasing expenses for underground buildings	46,665,676.00	48,393,722.00	48,393,722.00
Prepayment for purchase of fixed assets	4,440,000.00	31,909,269.00	31,909,269.00
Civil aviation deposits	2,100,000.00	2,100,000.00	2,100,000.00
Contract assets (Note 2)	36,746,074.13	40,535,662.05	-
Others	5,648,087.04	13,021,632.43	57,440,007.43
	<u>3,454,726,083.54</u>	<u>1,739,088,626.65</u>	<u>1,850,209,832.30</u>
Sub-total	3,454,726,083.54	1,739,088,626.65	1,850,209,832.30
Less: Provision for impairment	<u>56,170,315.36</u>	<u>65,459,925.00</u>	<u>61,447,425.00</u>
	<u>3,398,555,768.18</u>	<u>1,673,628,701.65</u>	<u>1,788,762,407.30</u>
Total	<u>3,398,555,768.18</u>	<u>1,673,628,701.65</u>	<u>1,788,762,407.30</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 Hotels and Jin Jiang Investment, amounting to RMB86,940,101.00 and RMB49,593,344.57, respectively.

Note 2: Contract assets under the Group's non-current assets are mainly the customer service fees received in advance.

28.1. Provisions for impairment of other non-current assets:

As at 31 December 2021, the Group's provisions for impairment as described above represented the individual provisions for impairment of entrusted loans.

In addition, in respect of long-term time deposits, interest and other assets included in other non-current assets, the Group measures ECLs on a basis of an individual asset. Based on the fact that there were no actual credit losses incurred historically, ECLs under the ECL model calculated according to the economic conditions during the period of historical data collection were not significant, and thus no relevant provisions for impairment were made.

For the Group's basis for determining whether credit risk has significantly increased, refer to Note IV.17.1.

29. Impairment of assets

	31 December 2020 RMB	<i>Changes in accounting policies</i>	1 January 2021 RMB	Charge for the year RMB	Recoveries or reversals during the year RMB	Transfers out during the year RMB	Written-off during the year RMB	<i>Translation differences arising from translation of foreign currency financial statements</i> RMB	31 December 2021 RMB
Provision for impairment of accounts receivable	631,650,465.06	-	631,650,465.06	143,953,878.16	(80,954,667.95)	-	(135,545.00)	(18,062,465.66)	676,451,664.61
Provision for impairment of other receivables	464,256,740.25	495,123.50	464,751,863.75	13,878,022.35	(117,874,942.33)	-	(6,047,387.00)	58,058,826.79	412,766,383.56
Provision for impairment of inventories	5,486,199.39	-	5,486,199.39	114,298.00	-	(32,311.63)	-	-	5,568,185.76
Provision for impairment of available-for-sale financial assets	1,121,906,928.73	(1,121,906,928.73)	-	-	-	-	-	-	-
Provision for impairment of long-term equity investments	1,489,504,357.95	-	1,489,504,357.95	-	-	-	(1,645,279.95)	-	1,487,859,078.00
Provision for impairment of investment properties	771,979.48	-	771,979.48	-	-	-	-	-	771,979.48
Provision for impairment of fixed assets	295,429,831.26	-	295,429,831.26	51,631,200.68	-	(2,909,795.33)	-	(20,940,213.90)	323,211,022.71
Provisions for impairment of intangible assets	70,706,794.34	-	70,706,794.34	19,885,391.72	-	-	-	168,045.88	90,760,231.94
Provision for impairment of construction in progress	32,746,090.44	-	32,746,090.44	6,137,061.06	-	-	-	(2,782,098.38)	36,101,053.12
Provision for impairment of goodwill	193,500,414.33	-	193,500,414.33	-	-	-	-	-	193,500,414.33
Provision for impairment of long-term deferred expenses	1,291,516,337.27	-	1,291,516,337.27	5,494,276.61	-	-	-	-	1,297,010,613.88
Provision for impairment of right-of-use assets	-	390,592,800.00	390,592,800.00	40,916,291.12	-	(10,054,985.33)	-	(29,669,865.59)	391,784,240.20
Provision for impairment of other non-current assets	61,447,425.00	4,012,500.00	65,459,925.00	18,096,341.82	(4,012,500.00)	-	-	(23,373,451.46)	56,170,315.36
Provision for impairment of loans and advances to customers	22,029,750.00	-	22,029,750.00	-	(41,250.00)	-	-	-	21,988,500.00
Total	5,680,953,313.50	(726,806,505.23)	4,954,146,808.27	300,106,761.52	(202,883,360.28)	(12,997,092.29)	(7,828,211.95)	(36,601,222.32)	4,993,943,682.95

30. Restricted assets

	31 December 2021 RMB	31 December 2020 and 1 January 2021 RMB
Pledge of stock rights (Note 1)	3,089,073,125.40	3,456,820,130.75
Collateral for loans (Note 2)	690,024,927.27	1,158,352,331.42
Deposit reserve (Note 3)	452,802,331.00	484,626,310.48
Pledged deposits (Note 4)	25,502,800.00	16,041,975.00
Deposits for bank acceptance bills (Note 5)	61,607,411.75	90,066,265.50
Collateral for bills payable (Note 6)	30,000,000.00	40,000,000.00
Guarantee deposits for letter of guarantee (Note 7)	5,814,102.20	5,557,074.70
Frozen funds due to litigations (Note 8)	9,970,578.50	2,305,498.09
Tourism quality deposits (Note 9)	265,800.00	338,200.00
Frozen deposits with banks due to long-term unused accounts (Note 10)	<u>4,782,215.87</u>	<u>3,075,256.88</u>
Total	<u><u>4,369,843,291.99</u></u>	<u><u>5,257,183,042.82</u></u>

Note 1: The net equity of Keystone pledged by a subsidiary of the Group for bank loans amounted to RMB3,089,073,125.40, and details are set out in Note IX.42.

Note 2: Fixed assets with net book values of RMB467,568,000.00 were pledged for bank loans by overseas subsidiaries of Jin Jiang International Investment, and details are set out in Note IX.42; inventories of RMB53,000,000.00 were pledged for short-term loans by Jinjiang Online, and details are set out in Note IX.31; and fixed assets with net book values of RMB169,456,927.27 were pledged for long-term loans by overseas subsidiaries of JJ Hotels, and details are set out in Note IX.42.

Note 3: The statutory deposit reserves of the People's Bank of China were paid by the finance company in accordance with relevant requirements.

Note 4: Pledged deposits are bank deposits of USD4,000,000.00 (equivalent to RMB25,502,800.00) pledged by subsidiaries of Jin Jiang International Investment for issuance of letters of credit and corporate credit cards.

Note 5: Jinjiang Online's deposits were for bank acceptance bills.

Note 6: RMB30,000,000.00 of inventories were pledged for Jinjiang Online's bills payable.

Note 7: Guaranteed deposits for letters of guarantee were for Shanghai Jinjiang International Travel Co., Ltd. ("Jinjiang Travel") (a subsidiary of the Jinjiang Capital) and JJ Hotels, amounting to RMB4,740,000.00 and RMB1,000,000.00, respectively.

Note 8: Frozen bank deposits were held by subsidiaries of JJ Hotels due to litigations, and details are set out in Note IX.48.

Note 9: Tourism quality deposits were for Shanghai Education Development.

Note 10: Frozen deposits with banks were due to long-term unused accounts of JJ Hotels.

31. Short-term loans

Category	31 December 2021			31 December 2020		
	Amount in functional currency	Exchange rate	RMB	Amount in functional currency	Exchange rate	RMB
Unsecured loans						
RMB (Note 1)	4,518,095,436.36	1.0000	4,518,095,436.36	4,261,750,000.00	1.0000	4,261,750,000.00
EUR (Note 2)	39,270,768.05	7.2197	283,523,164.06	46,677,298.44	8.0250	374,585,320.00
USD	1,839,029.03	6.4395	11,842,400.41	2,971,000.00	6.5249	19,385,477.94
Loan secured by mortgages						
RMB (Note 4)	42,851,746.48	1.0000	42,851,746.48	52,495,504.00	1.0000	52,495,504.00
Guaranteed loans						
EUR (Note 3)	120,000,000.00	7.2197	<u>866,364,000.00</u>	150,000,000.00	8.0250	<u>1,203,750,000.00</u>
Total			<u>5,722,676,747.31</u>			<u>5,911,966,301.94</u>

Note 1: As at 31 December 2021, unsecured loans dominated in RMB totalled at RMB4,518,095,436.36, which were borrowed by the Company, Jinjiang Capital, Jin Jiang International Investment and Beijing Kunlun from the third-party commercial banks, with interest rates of 1.495% - 4.20% per annum.

Note 2: As at 31 December 2021, unsecured loans dominated in EUR were EUR39,270,768.04 (equivalent to RMB283,523,164.09), which were borrowed by GDL from third-party commercial banks with variable interest rates.

Note 3: As at 31 December 2021, guaranteed loans dominated in RMB were EUR120,000,000.00 (equivalent to RMB866,364,000.00), which were borrowed by Jin Jiang International Investment from Zhabei Branch of SPD Bank, fully guaranteed by the Company at an interest rate of 12M LIBOR + 0.75% per annum for a term from 11 October 2021 to 10 October 2022.

Note 4: As at 31 December 2021, loans secured by mortgages dominated in RMB represented a short-term loan of RMB42,851,746.48 obtained under an authorised retailer financing agreement between Shanghai Jinjiang Tongyong Automobile Sales Service Co., Ltd. (上海锦江通永汽车销售服务有限公司) (a subsidiary of Jinjiang Online) and SAIC-GMAC AUTOMOTIVE Finance Co., Ltd. The short-term loan is interest-free and secured by RMB53,000,000.00 of inventories of Shanghai Jinjiang Tongyong Automobile Sales & Service Company Limited (see Note IX.30 for details) and guaranteed by Jinjiang Automobile, a subsidiary of the Group.

As at 31 December 2021, the Group had no overdue short-term loans.

32. Bills payable

	31 December 2021 RMB	31 December 2020 and 1 January 2021 RMB
Bank acceptance bills	<u>79,050,000.00</u>	<u>116,350,000.00</u>

The total balance of due but unpaid bills payable at the end of the year is RMB0.

33. Accounts payable

Ageing	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Within 1 year (inclusive)	2,494,147,394.61	2,268,522,350.18	3,033,391,531.93
Over 1 year but within 2 years (inclusive)	38,992,873.40	23,360,013.75	23,360,013.75
Over 2 years but within 3 years (inclusive)	6,455,260.61	1,060,395.99	1,060,395.99
Over 3 years	<u>43,371,150.03</u>	<u>44,868,043.88</u>	<u>44,868,043.88</u>
Total	<u>2,582,966,678.65</u>	<u>2,337,810,803.80</u>	<u>3,102,679,985.55</u>

As at 31 December 2021, the Group had no significant accounts payable which are above RMB20 million (inclusive) and with an ageing over 1 year.

34. Advance payments received

Ageing	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Within 1 year (inclusive)	137,036,913.91	475,444,738.14	1,787,530,348.12
Over 1 year	<u>22,994.48</u>	<u>15,425,397.70</u>	<u>35,371,621.60</u>
Total	<u>137,059,908.39</u>	<u>490,870,135.84</u>	<u>1,822,901,969.72</u>

The Group had no significant advance payments received which are above RMB20 million (inclusive) and with an ageing over 1 year.

35. Contract liabilities

<i>Items</i>	<i>31 December 2021</i>	<i>1 January 2021</i>
Contract liabilities related to membership points	154,193,519.20	217,035,013.65
Contract liabilities related to franchise services	523,019,191.83	549,322,732.05
Receipt in advance for goods or services	604,770,416.55	715,554,402.89
Receipt in advance for consumptions	31,073,521.52	7,668,532.51
Receipt of freight charges in advance	14,240,351.05	10,173,933.71
Others	<u>39,750,361.86</u>	<u>48,736,654.97</u>
 Total	 <u><u>1,367,047,362.01</u></u>	 <u><u>1,548,491,269.78</u></u>

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

<i>Items</i>	<i>31 December 2021 RMB</i>	<i>31 December 2020 and 1 January 2021 RMB</i>
Corporate deposits received by the finance company	<u><u>98,693,752.31</u></u>	<u><u>229,355,448.44</u></u>

37. Employee benefits payable

(1) Employee benefits payable

<i>Items</i>	<i>31 December 2020 RMB</i>	<i>Additions during the year RMB</i>	<i>Reductions during the year RMB</i>	<i>31 December 2021 RMB</i>
Short-term employee benefits	1,809,957,705.40	8,257,183,285.17	(8,158,268,846.97)	1,908,872,143.60
Defined contribution plans	285,415,241.34	535,946,487.63	(544,663,179.57)	276,698,549.40
Termination benefits	<u>179,536,532.30</u>	<u>11,161,435.10</u>	<u>(4,059,790.46)</u>	<u>186,638,176.94</u>
 Total	 <u><u>2,274,909,479.04</u></u>	 <u><u>8,804,291,207.90</u></u>	 <u><u>(8,706,991,817.00)</u></u>	 <u><u>2,372,208,869.94</u></u>

(2) Short-term employee benefits

Items	31 December 2020 and 1 January 2021	Additions during the year	Reductions during the year	31 December 2021
	RMB	RMB	RMB	RMB
Salaries, bonuses, allowances and subsidies	1,082,653,550.70	7,223,591,820.22	(7,072,979,903.16)	1,233,265,467.76
Staff welfare	34,343,174.92	137,567,774.87	(140,537,320.40)	31,373,629.39
Domestic social insurance				
Basic medical insurance	88,611,946.35	273,262,060.75	(283,529,066.06)	78,344,941.04
Work-related injury insurance	5,615,204.74	11,085,011.37	(11,556,271.85)	5,143,944.26
Maternity insurance	7,329,011.55	11,587,528.06	(12,220,874.85)	6,695,664.76
Supplementary medical insurance	3,347,173.78	13,768,845.25	(13,940,598.47)	3,175,420.56
Overseas social insurance	164,308,120.00	262,345,061.00	(286,179,886.00)	140,473,295.00
Housing fund	117,187,273.14	233,360,741.73	(236,439,006.88)	114,109,007.99
Labour union fee, staff and workers' education fee	25,720,590.33	44,736,863.83	(43,690,815.80)	26,766,638.36
Other short-term employee benefits	<u>280,841,659.89</u>	<u>45,877,578.09</u>	<u>(57,195,103.50)</u>	<u>269,524,134.48</u>
Total	<u>1,809,957,705.40</u>	<u>8,257,183,285.17</u>	<u>(8,158,268,846.97)</u>	<u>1,908,872,143.60</u>

(3) Defined contribution plans

Items	31 December 2020 and 1 January 2021	Additions during the year	Reductions during the year	31 December 2021
	RMB	RMB	RMB	RMB
I. Basic pension insurance	237,250,919.34	503,008,293.73	(512,322,865.24)	227,936,347.83
II. Unemployment insurance	7,485,147.31	20,293,946.58	(19,690,923.91)	8,088,169.98
III. Annuity	<u>40,679,174.69</u>	<u>12,644,247.32</u>	<u>(12,649,390.42)</u>	<u>40,674,031.59</u>
Total	<u>285,415,241.34</u>	<u>535,946,487.63</u>	<u>(544,663,179.57)</u>	<u>276,698,549.40</u>

Note: According to the pension and unemployment insurance plans set up by the government institutions or assigned with financial institutions, the Company and domestic subsidiaries monthly pay to the plans for employees at certain proportions of the average salary of staff in prior year. Apart from the above monthly payment, the Company and domestic subsidiaries bears no longer further payment obligation. Corresponding expenses are recorded in the income statements for current period or the cost of the related assets.

The Company and domestic subsidiaries shall pay RMB515,652,541.05 and RMB20,293,946.58 to the pension insurance plan and the unemployment insurance plan, respectively (2020: pay RMB216,767,616.00 and RMB8,292,046.85). As at 31 December 2021, there were RMB268,610,379.42 and RMB8,088,169.98 (2020: RMB277,930,094.03 and RMB7,485,147.31) of pension insurance and unemployment insurance to be paid.

38. Taxes payable

Items	31 December 2020 RMB	Amount payable during the period RMB	Amount paid during the period RMB	31 December 2021 RMB
Income tax	1,162,958,248.82	484,931,749.05	(709,223,538.59)	938,666,459.28
VAT	305,207,494.76	89,452,225.17	(164,776,886.53)	229,882,833.40
Business tax	103,905.53	247,888.30	(245,259.95)	106,533.88
Property tax	30,238,850.22	67,991,627.30	(64,506,875.15)	33,723,602.37
Land use tax	41,331.55	61,826,228.82	(62,302,835.28)	(435,274.91)
Land appreciation tax	1,627,945.21	-	-	1,627,945.21
Other taxes	123,275,526.22	245,014,323.76	(252,417,609.64)	115,872,240.34
Total	<u>1,623,453,302.31</u>	<u>949,464,042.40</u>	<u>(1,253,473,005.14)</u>	<u>1,319,444,339.57</u>

39. Other payables

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Interest payable	6,152,613.56	6,152,430.56	105,387,591.74
Dividends payable	195,311,400.26	330,415,355.02	330,415,355.02
Other payables	<u>3,604,572,867.66</u>	<u>2,388,762,836.82</u>	<u>2,361,344,600.78</u>
Total	<u>3,806,036,881.48</u>	<u>2,725,330,622.40</u>	<u>2,797,147,547.54</u>

(1) Interest payable

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Interest payable on loans	<u>6,152,613.56</u>	<u>6,152,430.56</u>	<u>105,387,591.74</u>

The Group had no significant overdue interest payable at the end of the year.

(2) Dividends payable

	31 December 2021 RMB	1 January 2021 and 31 December 2020 RMB
SASAC of Shanghai Municipal Government	-	64,911,571.96
Non-controlling interest of the Group's subsidiaries	<u>195,311,400.26</u>	<u>265,503,783.06</u>
Total	<u>195,311,400.26</u>	<u>330,415,355.02</u>

The Group had no unpaid significant dividends payable with the ageing over 1 year.

(3) Other payables

Nature	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Temporary receipts and advances	903,389,286.60	585,569,330.13	585,569,330.13
Accrued expenses	608,449,510.26	319,141,103.30	291,722,867.26
Deposits, security deposits and guarantee deposits	647,196,937.43	527,246,436.82	527,246,436.82
Transaction agent services fees of Radisson Hotel	407,833,633.30	286,323,975.00	286,323,975.00
Government grants to be returned (Note 5)	179,900,484.60	-	-
Balances with related parties	65,609,002.61	55,702,956.45	55,702,956.45
Accrued tax involved in significant replacement of assets and underlying transactions (Note 2)	58,623,448.29	58,623,448.29	58,623,448.29
Equity transfer obligation (Note 1)	41,025,000.00	41,025,000.00	41,025,000.00
Land transferring fees and tax for transfer of land	89,379,752.00	92,903,032.00	92,903,032.00
Compensation payable based on profit or loss for the period in which Yinhe Hotel is disposed (Note 3)	36,961,754.00	36,961,754.00	36,961,754.00
Project cooperation fees	-	30,000,000.00	30,000,000.00
Relocation compensation payable	41,244,120.56	43,400,633.08	43,400,633.08
Acquisition of non-controlling interest of Keystone (Note 4)	31,372,015.80	4,450,000.00	4,450,000.00
Payable on guarantee expenses for management contract	14,403,301.50	275,646,251.20	275,646,251.20
Others	<u>479,184,620.71</u>	<u>31,768,916.55</u>	<u>31,768,916.55</u>
Total	<u>3,604,572,867.66</u>	<u>2,388,762,836.82</u>	<u>2,361,344,600.78</u>

As at 31 December 2021, the Group's significant other payables with ageings over 1 year and balances above RMB20 million (inclusive) included:

- (1) Payable of RMB41,025,000.00 regarding equity transfer obligation arising from the 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 RMB58,623,448.29 in respect of significant replacement of assets and underlying transactions, which will be paid after the completion of relevant tax filing and settlements.
- (3) According to the equity transfer agreement of Yinhe Hotel, Jinjiang Capital should pay to the equity acquirer a compensation of RMB36,961,754.00 for the profit or loss during the period of acquisition. The balance remained unsettled as the counterparty has not requested for such payment during the reporting period.

As at 31 December 2021, the Group had following significant other payables with balances exceeding RMB20 million (inclusive) included:

- (4) The Group has an outstanding amount of RMB31,372,015.80 in respect of the acquisition of non-controlling interest of Keystone.
- (5) Government grants of RMB179,900,484.60 is required to be returned as the overseas operations of Radisson Hotel did not satisfy the relevant criteria in 2021.

As at 31 December 2021, apart from the above items, the Group's other payables mainly represented the accrued rental expenses, advances, various deposits and security deposits etc., which were all relating to daily operations.

40. Non-current liabilities due within one year

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 人民币元
Long-term loans due within one year (see Note IX.42)	10,292,601,389.05	945,244,554.08	945,244,554.08
Debentures payable due within one year (see Note IX.44)	-	8,794,228,949.80	8,794,228,949.80
Long-term payables due within one year (see Note IX.46)	335,641,035.82	1,207,890,892.92	1,235,543,288.45
Lease liabilities due within one year (Note IX.45)	<u>1,575,303,699.07</u>	<u>1,739,589,489.55</u>	<u>-</u>
Total	<u>12,203,546,123.94</u>	<u>12,686,953,886.35</u>	<u>10,975,016,792.33</u>

41. Other current liabilities

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Equity acquisition fees received in advance (Note 1)	463,960,000.00	463,960,000.00	463,960,000.00
Others	<u>180,930,579.73</u>	<u>72,073,191.53</u>	<u>16,992,288.00</u>
Total	<u>644,890,579.73</u>	<u>536,033,191.53</u>	<u>480,952,288.00</u>

Note 1: As at 31 December 2021, equity acquisition fees received in advance represent the balance due to Neoglory Holdings Group Co., Ltd. In prior years, the Company signed an equity transfer agreement to transfer its 16.19% equity interests in Shanghai Joyu Culture Communication Co., Ltd. to Neoglory Holdings Group Co., Ltd. The Company has received the equity transfer payment of RMB270,000,000.00 and guarantee deposit of RMB193,960,000.00 from Neoglory Holdings Group Co., Ltd already and the equity transfer was not completed yet as at 31 December 2021.

42. Long-term loans

	31 December 2021			31 December 2020		
	Amount in functional currency	Exchange rate	RMB	Amount in functional currency	Exchange rate	RMB
Unsecured loans (Note 1)						
RMB	6,499,199,671.79	1.0000	6,499,199,671.79	3,350,897,783.00	1.0000	3,350,897,783.00
EUR	3,747,676,491.68	7.2197	27,057,099,967.00	2,723,643,330.76	8.0250	21,841,187,728.98
USD	71,338,000.00	6.3757	454,829,686.60	70,744,508.94	6.5249	461,600,846.38
PLN	23,075,426.61	1.5717	36,267,648.00	23,916,216.42	1.7599	42,090,150.00
INR	1,951,421.45	0.0802	156,504.00	5,537,116.35	0.0841	465,450.00
BRL	5,221,919.63	1.0950	5,718,002.00	5,032,009.40	1.2551	6,315,675.00
Guaranteed loans (Note 2)						
EUR	-	1.0000	-	4,000,000.00	8.0250	32,100,000.00
CHF	4,820,999.83	7.2197	34,806,172.47	6,402,356.40	7.3502	47,058,599.98
Loans secured by mortgages (Note 3)						
USD	51,962,904.00	6.3757	331,299,887.03	58,907,317.91	6.5249	384,364,358.55
PLN	22,114,925.24	1.5717	34,758,026.00	30,811,762.08	1.7599	54,225,620.09
Pledged loans (Note 4)						
RMB	959,993,476.00	1.0000	959,993,476.00	2,459,000,000.00	1.0000	2,459,000,000.00
Sub-total - Long-term loans			<u>35,414,129,042.89</u>			<u>28,679,306,211.98</u>
Less: Long-term loans due within one year						
Including: Unsecured loans						
RMB	1,927,257,975.01	1.0000	1,927,257,975.01	7,000,000.00	1.0000	7,000,000.00
EUR	959,081,814.84	7.2197	6,924,282,975.78	205,806.60	8.0250	1,651,597.98
PLN	14,572,979.39	1.5717	22,904,351.70	10,831,196.82	1.7599	19,061,823.00
USD	70,744,000.00	6.3757	451,042,520.80	-	-	-
Guaranteed loans						
EUR	-	7.2197	-	4,000,000.00	8.0250	32,100,000.00
Loans secured by mortgages						
USD	-	6.3757	-	28,419,000.00	6.5249	185,431,133.10
PLN	4,530,183.93	1.5717	7,120,090.08	-	-	-
Pledged loans						
RMB	959,993,475.68	1.0000	959,993,475.68	700,000,000.00	1.0000	700,000,000.00
Sub-total - Long-term loans due within one year			<u>10,292,601,389.05</u>			<u>945,244,554.08</u>
Total			<u>25,121,527,653.84</u>			<u>27,734,061,657.90</u>

Note 1: As at 31 December 2021, unsecured loans represented the Group's loans from third-party commercial banks and other third parties amounting to RMB34,053,271,479.39 with an interest rate range of 0.34% - 5.20% p.a.

Note 2: As at 31 December 2021, guaranteed loans represented a loan of CHF4,820,999.83 (equivalent to RMB34,806,172.47) from Swiss Government by Jin Jiang International Investment.

Note 3: As at 31 December 2021, loans secured by mortgages included:

- (1) The overseas subsidiaries of Jin Jiang International Investment borrowed loans of USD51,962,904.00 (equivalent to RMB331,299,887.03) from third-party commercial banks, with an interest rate of 6% per annum and secured by collaterals of plant and buildings as well as machinery equipment with total carrying amount of RMB467,568,000.00.
- (2) The subsidiaries of GDL borrowed a loan of PLN22,114,925.24 (equivalent to RMB34,758,028.00) from overseas banks, of which, the portion due within one year is RMB7,120,090.08. The loan is secured by collaterals of plant and buildings with total carrying amount of RMB169,456,927.27 and its annual interest rate is 2.7 percent higher than the interbank borrowing rate of the Polish banks for a term of three months.

Note 4: As at 31 December 2021, pledged loans are mainly loans of RMB959,993,475.68 borrowed by JJ Hotels from the Export-Import Bank of China. The annual interest rate is floating, and its weighted average rate is 3.325%. The loan term is from 18 February 2016 to 18 February 2022, and the loan is pledged with 81.0034% equity interests in its subsidiary - Keystone.

43. Customer deposits

	<i>31 December 2021</i>	<i>1 January 2021 and 31 December 2020</i>
	RMB	RMB
Deposits from customers	309,193,752.31	427,505,448.44
Less: Customer deposits due within one year	<u>98,693,752.31</u>	<u>229,355,448.44</u>
 Total	 <u><u>210,500,000.00</u></u>	 <u><u>198,150,000.00</u></u>

44. Debentures payable

<i>Debenture abbreviation and code</i>	<i>1 January 2021 and 31 December 2020 RMB</i>	<i>(Repayment) / additions during the year RMB</i>	<i>Accrued interest during the year RMB</i>	<i>Interest paid during the year RMB</i>	<i>Translation differences arising from translation of foreign currency financial statements RMB</i>	<i>31 December 2021 RMB</i>
16 Jin Jiang MTN001 (Note 1)	3,075,384,266.15	(3,000,000,000.00)	41,615,733.85	(117,000,000.00)	-	-
16 Jin Jiang MTN002 (Note 2)	1,706,348,259.02	(1,700,000,000.00)	47,201,740.98	(53,550,000.00)	-	-
ISIN: XS1748883458 (Note 3)	4,012,496,424.63	(4,012,496,424.63)	-	-	-	-
18 Jin Jiang 01-143517 (Note 4)	520,571,513.85	(497,000,000.00)	5,801,930.99	(26,250,000.00)	-	3,123,444.84
18 Jin Jiang 02-155042 (Note 5)	1,004,501,072.36	-	41,820,057.59	(41,800,000.00)	-	1,004,521,129.95
ISIN: XS2050910418 (Note 6)	4,029,462,675.14	-	13,340,309.47	(31,774,556.15)	(401,373,558.33)	3,609,654,870.13
20 Jin Jiang MTN001 (Note 7)	2,033,499,999.95	-	53,245,670.03	(53,600,000.00)	-	2,033,145,669.98
21Jin Jiang MTN001 (Note 8)	-	2,195,600,000.00	59,063,830.70	-	-	2,254,663,830.70
Sub-total	16,382,264,211.10	<u>(7,013,896,424.63)</u>	<u>262,089,273.61</u>	<u>(323,974,556.15)</u>	<u>(401,373,558.33)</u>	8,905,108,945.60
Less: Debentures payable due within one year	<u>8,794,228,949.80</u>					<u>-</u>
Total	<u>7,588,035,261.30</u>					<u>8,905,108,945.60</u>

- Note 1: This represents the medium-term note issued by the Company on 28 April 2016, with a par value of RMB3,000 million, coupon rate of 3.90% with a term of 5 years, which were due and repaid 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 RMB1,700 million, coupon rate of 3.15% with a term of 5 years, which were due and repaid 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, which were due and repaid 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 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 7: This represents the medium-term note issued by the Company on 15 May 2020, with a par value of RMB2 billion, coupon rate of 2.68% with a term of 3 years, expiring on 14 May 2023.
- Note 8: This represents the medium-term note issued by the Company on 21 April 2021, with a par value of RMB2.2 billion, coupon rate of 3.90% with a term of 5 years, expiring on 20 April 2026.

45. Lease liabilities

Items	31 December 2021 RMB	1 January 2021 RMB
Lease payments	13,255,341,495.69	13,935,067,934.15
Less: Reclassified to non-current liabilities due within one year	<u>1,575,303,699.07</u>	<u>1,739,589,489.55</u>
Net amount of lease liabilities	<u><u>11,680,037,796.62</u></u>	<u><u>12,195,478,444.60</u></u>
		2021
Short-term lease expenses applied the practical expedient		69,261,803.37
Expenses relating to leases of low-value assets applied the practical expedient, excluding short-term leases of low-value assets		29,640,514.29
Variable lease payments not included in the measurement of lease liabilities		467,790,529.50
Total cash outflow for leases		3,314,084,827.21

The Group leases plant and buildings for its office and hotel operations with a wide range of years. Meanwhile, some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Group also leases certain computers and office equipment as low-value assets with a lease term of more than one year. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The Group also has vehicles and equipment with the lease terms of less than one year, and the Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

46. Long-term payables

Category	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Land related payable (Note 1)	-	1,174,740,000.00	1,174,740,000.00
Payments for acquisition of non-controlling interests (Note 2)	761,585,599.60	818,344,563.42	818,344,563.42
Payables for vehicle purchase	19,165,800.00	-	-
Operating rents payable	-	-	191,601,178.15
Obligations under finance leases	-	-	174,212,474.16
Decoration related payable	-	36,963,150.00	36,963,150.00
Payables for the acquisition of equity of GT SEA (Note 3)	6,151,186.00	7,334,850.00	7,334,850.00
Others	<u>5,419,046.87</u>	<u>13,189,692.10</u>	<u>12,804,962.24</u>
Total	<u>792,321,632.47</u>	<u>2,050,572,255.52</u>	<u>2,416,001,177.97</u>
Including: Long-term payables due within one year	335,641,035.82	1,207,890,892.92	1,235,543,288.45
Long-term payables due after one year	<u>456,680,596.65</u>	<u>842,681,362.60</u>	<u>1,180,457,889.52</u>

Note 1: The land related payable represents the payables of RMB305,800,000 and RMB868,940,000.00 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 Vienna and Longevity Village, Keystone, Sarovar and Hôtels et Préférence, 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 recognises the related liabilities based on the present value of the estimated future cash outflow corresponding to the exercise of the right by the original shareholder. The Group recognised a total loss of RMB298,749,865.65 due to the change in fair value of the above obligations during the year; and the Group completed the purchase of the remaining equity interest in Keystone during the year, of which details are set out in Note IX.78.

Note 3: This represents the outstanding final payment for the acquisition of GT SEA in prior years by JJ Hotels - a subsidiary of Jinjiang Capital.

As at 31 December 2020, obligations under finance leases are as follows:

<i>Category</i>	<i>Minimum lease payments under finance leases 31 December 2020 RMB</i>
1st year subsequent to the balance sheet date	28,862,646.00
2nd year subsequent to the balance sheet date	13,717,815.00
3rd year subsequent to the balance sheet date	12,197,176.00
Future years	<u>123,092,312.16</u>
 Total	 <u>177,869,949.16</u>
 Less: Unrecognised finance charges	 <u>3,657,475.00</u>
 Obligations under finance leases	 <u><u>174,212,474.16</u></u>
 Including: Obligations under finance leases within one year	 27,652,395.45
Obligations under finance leases after one year	<u><u>146,560,078.71</u></u>

47. Long-term employee benefits payable

	<i>31 December 2021 RMB</i>	<i>1 January 2021 and 31 December 2020 RMB</i>
Termination benefits	831,767,294.01	788,037,623.71
Deterred compensation plan	68,506,896.50	87,511,958.80
Long-term incentive plan	55,739,986.10	33,300,266.01
Net liabilities payable of defined benefit plan	<u>106,838,759.71</u>	<u>123,292,063.99</u>
 Total	 <u><u>1,062,852,936.32</u></u>	 <u><u>1,032,141,912.51</u></u>

47.1 Movements in the Group's termination benefits, deferred compensation plan and long-term incentive plan during the year are as follows:

	1 January 2021 and 31 December 2020 RMB	Additions during the period	Reductions during the period	31 December 2021 RMB
Termination benefits (Note 1)	788,037,623.71	136,972,718.97	(93,243,048.67)	831,767,294.01
Deferred compensation plan (Note 2)	87,511,958.80	-	(19,005,062.30)	68,506,896.50
Long-term incentive plan (Note 3)	<u>33,300,266.01</u>	<u>22,439,720.09</u>	<u>-</u>	<u>55,739,986.10</u>
Total	<u><u>908,849,848.52</u></u>	<u><u>159,412,439.06</u></u>	<u><u>(112,248,110.97)</u></u>	<u><u>956,014,176.61</u></u>

Note 1: As at 31 December 2021, long-term employee compensation payable includes termination benefits payable of RMB831,767,294.01 arising from the termination plans and the internal retirement plan of Jinjiang Capital, Jin Jiang North, Shanghai CTS and Jin Jiang International Investment and the employee benefit plan during the overall closure for decoration of Hua Ting Hotel.

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 compensations payable is recognised as long-term employee benefits, and for employees who choose to be paid at the time of demission, the deferred compensations payable is recognised 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 obtain corresponding incentive bonuses when operating performance and capital management have reached a certain standard within the specified service period.

47.2 Defined benefit plans

Details of the Group's defined benefit plans are as follows:

	31 December 2021 RMB	1 January 2021 and 31 December 2020 RMB
GDL (Note 1)	77,736,149.42	99,640,012.22
European operations of Radisson Hotel	<u>29,102,610.29</u>	<u>23,652,051.77</u>
Total	<u><u>106,838,759.71</u></u>	<u><u>123,292,063.99</u></u>

Note 1: Changes in the defined benefit plan of GDL during the year are as follows:

<i>Items</i>	<i>Accrued during the year RMB</i>	<i>Accrued during the prior year RMB</i>
I. Opening balance	99,640,012.22	89,587,384.84
II. Included in profit or loss	16,264,938.74	7,970,856.97
1. Current service cost	16,264,938.74	7,347,807.42
2. Net interest	-	623,049.55
III. Included in other comprehensive income	(4,023,649.20)	2,508,467.47
1. Actuarial gains	(4,023,649.20)	2,508,467.47
IV. Other changes	(34,145,152.34)	(426,697.06)
1. Consideration paid during settlement	(2,536,607.73)	(2,326,492.21)
2. Translation differences arising from translation of foreign currency financial statements during the year	(31,608,544.61)	1,899,795.15
V. Closing balance	<u>77,736,149.42</u>	<u>99,640,012.22</u>

GDL engaged an external professional institution to actuarially estimate the present value of its retirement benefit plan obligations as described above, based on the expected accumulated benefit unit method. The plan estimates future cash outflows based on the current payment standards, inflation rate and mortality rate assumptions and determines its present value at a discount rate. The discount rate is determined based on market yields of high-quality corporate bonds in active markets at the balance sheet date that match the maturity and currency of the defined benefit plan obligations. GDL recognises its liabilities based on the actuarial results, and related actuarial gains or losses are included in other comprehensive income and will not be reversed to profit or loss in subsequent accounting periods. Past service costs are included to profit or loss in the period in which the plan is amended. The net interest is determined by multiplying the net defined benefit plan liabilities by an appropriate discount rate.

The significant actuarial assumptions used in determining the present value of the defined benefit plan obligation are discount rates, inflation rates and mortality rates. The discount rate for the year is 0.85% (2020: 0.4%) and the inflation rate is 1.90% (2020: 1.50%).

Mortality rates are assumed to be based on the average remaining life expectancy of a male worker retiring at age 65 and a female worker retiring at age 60. The expected growth rate for salaries of staff in GDL head office is 3% and for salaries of hotel staff is 2.5% (2020: 2.50% ~ 4.0%). When an employee retires after reaching the required number of years of service, his or her social benefits are not affected (the age range is from 60 to 65 years, depending on the type of occupation and year of birth). The retirement age is determined assuming that the general staff, administrative staff and administrative supervisor start work at the age of 20, 22 and 23, respectively.

The following sensitivity analysis is based on the reasonably possible changes in the corresponding assumptions at the end of the reporting period (all other assumptions remain unchanged):

- If the discount rate increases (decrease) by 0.50%, the present value of the defined benefit plan obligation will decrease by RMB3,854,794.04 (increase by RMB4,431,619.86);
- If the inflation rate increases (decreases) by 0.50%, the present value of the defined benefit plan obligation would increase by RMB591,790.68 (decrease by RMB553,306.32);
- The present value of the defined benefit plan obligation will increase by RMB2,187,485.44 (decrease by RMB1,778,903.28) if the expected increase (decrease) in remuneration by 0.5% occurs.

Because some of the assumptions may be relevant and one assumption cannot be changed in isolation, the above sensitivity analysis may not necessarily reflect the actual changes in the present value of the defined benefit plan obligations. In the sensitivity analysis above, the net liability for defined benefit plans at the end of the reporting period is calculated in the same way as the recognition of the related liability in the balance sheet. Compared with previous years, the methods and assumptions used for sensitivity analysis have not been changed significantly.

48. Provisions

Items	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Pending litigations and claims (Note)	49,139,321.00	48,347,580.00	48,347,580.00
Onerous contracts	-	8,025,000.00	11,046,272.99
Total	49,139,321.00	56,372,580.00	59,393,852.99

Note: As at 31 December 2021, this represents the provision for pending litigations and claims against a subsidiary of JJ Hotels due to property leases and disputes with vendors, etc. And as at 31 December 2021, bank deposits of RMB9,970,578.50 (2020: RMB2,305,498.09) were frozen due to these litigations and claims (Note IX.30).

49. Deferred income

	31 December 2020 RMB	Changes in accounting policies RMB	1 January 2021 RMB	Additions during the year RMB	Reductions during the year RMB	31 December 2021 RMB
Relocation compensation for auto insurance quick claim settlement centre	20,155,311.00	-	20,155,311.00	-	(959,777.00)	19,195,534.00
Government grants related to assets	82,310,699.45	-	82,310,699.45	1,437,000.00	(15,008,799.22)	68,738,900.23
Government grants related to income	3,270,582.00	-	3,270,582.00	-	(1,332,925.00)	1,937,657.00
Customer loyalty programme	593,387,535.03	(593,387,535.03)	-	-	-	-
Income from deferred franchise fees	131,338,065.53	(131,338,065.53)	-	-	-	-
Others	2,111,837.68	-	2,111,837.68	420,901.22	(957,486.96)	1,575,251.94
Total	832,574,030.69	(724,725,600.56)	107,848,430.13	1,857,901.22	(18,258,988.18)	91,447,343.17

50. Other non-current liabilities

	31 December 2021 RMB	1 January 2021 RMB	31 December 2020 RMB
Contract liabilities (Note 1)	571,258,904.58	560,465,313.91	-
Marketing funds (Note 2)	-	-	52,774,727.00
Others	<u>62,949,148.66</u>	<u>29,993,277.71</u>	<u>29,993,277.71</u>
Total	<u><u>634,208,053.24</u></u>	<u><u>590,458,591.62</u></u>	<u><u>82,768,004.71</u></u>

Note 1: The Group's contract liabilities due over one year include:

<i>Items</i>	31 December 2021 RMB	1 January 2021 RMB
Long-term contract liabilities related to membership points	531,331,869.58	507,690,586.91
Long-term contract liabilities related to franchise services	<u>39,927,035.00</u>	<u>52,774,727.00</u>
Total	<u><u>571,258,904.58</u></u>	<u><u>560,465,313.91</u></u>

Note 2: The marketing funds represent branding fees charged by GDL to franchised hotels for GDL's future branding promotion. As at 1 January 2021, the Group has presented the balance as a contractual liability in accordance with the requirements of the new revenue standard, and details are set out in Note 1.

51. Paid-in capital

The Company's registered capital and paid-in capital structure at 31 December are as follows:

	<u>31 December 2020, 1 January 2021 and 31 December 2021</u>	
	RMB	Proportion of contribution %
State-owned capital	<u><u>2,000,000,000.00</u></u>	<u><u>100.00</u></u>

52. Other equity instruments

	<i>Carrying amount at 31 December 2020 and 1 January 2021</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Carrying amount at 31 December 2021</i>
	RMB	RMB	RMB	RMB
2nd perpetual medium-term notes in 2021				
- Principal	-	2,998,584,905.66	-	2,998,584,905.66
- Interest	-	5,403,287.67	-	5,403,287.67
	<u>-</u>	<u>5,403,287.67</u>	<u>-</u>	<u>5,403,287.67</u>
Total	<u>-</u>	<u>3,003,988,193.33</u>	<u>-</u>	<u>3,003,988,193.33</u>

On 9 December 2021, the Group issued the second medium-term notes for 2021 ("Perpetual Notes") with interest commencement date on 13 December 2021 and redeemable in 2024 and thereafter for a total issuance amount of RMB3,000,000,000, and the actual cash received was RMB2,998,584.910 after deduction of underwriting fees and other related transaction costs.

According to the issuance terms, the medium-term notes will survive for a long time until the end of the redemption period agreed by the Group in accordance with the issuance terms. On the fourth and every subsequent interest payment date of the medium-term note, the Group has the right to redeem the medium-term note at the face value plus the interest payable (including all deferred interest and its yield). Investors of the medium-term note have no right of resale. Unless a mandatory interest payment event occurs, which can be controlled by the Company at its sole discretion, on each interest payment date of such medium-term notes, the Group may, at its option, defer payment of the current interest and all interest and accrued interest already deferred in accordance with the terms to the next interest payment date, without any limitation on the number of interest payments deferred. The Group accounts for the actual amount received from issuance, after netting off of related transaction costs, as other equity instruments.

The coupon rate of the medium-term notes will remain unchanged for the first three interest-bearing years. The coupon rate for the first three interest-bearing years will be the initial base rate plus the initial spread at 3.46% per annum, with the first coupon rate reset date at the end of the third interest-bearing year and the coupon rate reset date every three years from the fourth interest-bearing year onwards, with the coupon rate reset date being the date corresponding to every three years from the first coupon rate reset date. If the Group does not choose to redeem the medium-term notes, the coupon rate will be adjusted to the current base rate plus the initial spread plus 300 basis points every three years since the fourth interest-bearing year.

The aforementioned mandatory interest payment event refers to the occurrence of one of the following circumstances within 12 months prior to the interest payment date: (1) distribution of dividends to ordinary shareholders (except for the surrender of state-owned capital gains in accordance with the relevant regulations); (2) reduction of registered capital.

53. Capital reserve

2021:

<i>Items</i>	<i>1 January 2021 and 31 December 2020 RMB</i>	<i>Additions during the year RMB</i>	<i>31 December 2021 RMB</i>
Capital premiums	579,284,201.18	2,463,820,477.39	3,043,104,678.57
Including: Capital invested by investors	3,739,627,441.36	-	3,739,627,441.36
Difference arising from acquisition of non-controlling interests (Note IX.78)	(2,539,491,147.84)	2,139,983,508.84	(399,507,639.00)
Disposal of interest in a subsidiary that does not result in the loss of control over the subsidiaries	56,499,857.56	-	56,499,857.56
Dividends for prior years repaid by investors	56,271,200.00	-	56,271,200.00
Contribution by non-controlling interests	3,609,080.51	-	3,609,080.51
Grant of drag-along right (Note 1)	(752,836,481.85)	351,216,077.14	(401,620,404.71)
Others	15,604,251.44	(27,379,108.59)	(11,774,857.15)
Other capital reserves	1,694,129,253.14	700,867.74	1,694,830,120.88
Including: Transfer of state-owned interests	1,275,031,165.47	-	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	700,867.74	13,159,117.74
Transfers from items under previous standards	<u>1,898,189,327.06</u>	<u>-</u>	<u>1,898,189,327.06</u>
Total	<u>4,171,602,781.38</u>	<u>2,464,521,345.13</u>	<u>6,636,124,126.51</u>

Note 1: The current year movement in the grant of drag-along right is due to the Group exercised its repurchase obligation under the drag-along right during the year to purchase 3.49825% of the non-controlling interest in Keystone as agreed with shareholders of Keystone, of which details are set out in Note IX.78.

2020:

<i>Items</i>	<i>Opening balance</i> RMB	<i>Additions during</i> <i>the year</i> RMB	<i>Closing balance</i> RMB
Capital premiums	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 non-controlling interests	(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 subsidiaries	56,499,857.56	-	56,499,857.56
Dividends for prior years repaid by investors	56,271,200.00	-	56,271,200.00
Contribution by non-controlling 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: Transfer of state-owned interests (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
Transfers from items under previous standards	<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 equity transfer during 2020 is mainly the capital reserve of RMB9,157,903.61 arising from the Shanghai Municipal Education Commission and Shanghai Institute of Physical Education 's allocation of their 100% equity of Universities Taxi to the Company.

54. Specific reserve

<i>Items</i>	<i>1 January 2021</i> <i>and 31 December</i> <i>2020</i> RMB	<i>Additions</i> <i>during the year</i> RMB	<i>Reductions</i> <i>during the year</i> RMB	<i>31 December</i> <i>2021</i> RMB
Safety production costs	<u>-</u>	<u>12,329,008.12</u>	<u>(12,329,008.12)</u>	<u>-</u>

55. Surplus reserve

	<i>Statutory surplus reserve</i> RMB	<i>Discretionary surplus reserve</i> RMB	<i>Total</i> RMB
2021:			
Opening balance	677,073,572.36	106,535,086.29	783,608,658.65
Charge for the year	<u>-</u>	<u>-</u>	<u>-</u>
Closing balance	<u>677,073,572.36</u>	<u>106,535,086.29</u>	<u>783,608,658.65</u>
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>

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

56. Retained earnings

	<i>2021</i> RMB	<i>2020</i> RMB
Retained earnings at the end of last year	8,577,272,280.06	8,465,329,607.14
Add: Changes in accounting policies	(605,937,161.18)	-
Retained earnings at the beginning of the year	7,971,335,118.88	8,465,329,607.14
Add: Net (losses) profits for the year attributable to owners of the Company	<u>(434,360,216.06)</u>	<u>261,602,726.43</u>
Profits available for distribution to shareholders	7,536,974,902.82	8,726,932,333.57
Less: Appropriation for statutory surplus reserve	-	45,913,097.59
Less: Dividend distributions	(6,675,371.95)	103,746,955.92
Less: Interest on perpetual bonds	<u>5,522,850.03</u>	<u>-</u>
Total	<u>7,538,127,424.74</u>	<u>8,577,272,280.06</u>

Note 1: According to the requirement of the document Hu Guo Zi Wei Ping Jia [2021] 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. As the Company had a net loss for the year, no profit appropriation was made for the year 2021; meanwhile, the Company reversed RMB6,675,371.96 over-accrued but unpaid profits from prior year.

Note 2: As at 31 December 2021, the Group's balance of retained earnings included the surplus reserves of RMB1,591,980,472.20 (2020: RMB1,394,275,088.46), which are appropriated by its subsidiaries.

57. Operating income

	2021 RMB	2020 RMB
Operating income from principal activities		
- Hotel rooms and catering services	17,513,965,620.10	15,436,734,949.03
- Passenger transportation and logistics services	6,189,329,342.96	4,119,431,836.63
- Tourism services	315,001,984.66	584,804,770.61
- Trading business	1,263,138,685.05	42,969,771.31
- Real estate business	20,571,656.58	67,248,125.59
- Others	<u>2,139,142,819.43</u>	<u>1,395,577,051.29</u>
Sub-total	27,441,150,108.78	21,646,766,504.46
Other operating income	<u>208,000,570.55</u>	<u>25,980,818.43</u>
Total	<u><u>27,649,150,679.33</u></u>	<u><u>21,672,747,322.89</u></u>
Including: revenue from contracts with customers (1)	26,600,199,706.35	
Lease income - Operating lease income	1,048,950,972.98	

(1) Disaggregation of revenue from contracts with customers in 2021

For the Group's operating income from external customers in respect of each product and service during 2021, please see Note IX.79 - *Segment reporting*.

(2) 2020 operating income

	2020 RMB
Operating income from principal activities	
- Hotel rooms and catering services	15,436,734,949.03
- Passenger transportation and logistics services	4,119,431,836.63
- Tourism services	584,804,770.61
- Trading business	42,969,771.31
- Real estate business	67,248,125.59
- Others	1,395,577,051.29
Sub-total	21,646,766,504.46
Other operating income	25,980,818.43
Total	21,672,747,322.89

58. Interest income / expenses of financial institutions

	2021		2020	
	Income RMB	Expenses RMB	Income RMB	Expenses RMB
Total	128,623,228.87	61,231,711.00	132,201,958.00	60,738,760.00

59. Operating costs

	2021 RMB	2020 RMB
Operating cost of principal activities		
- Hotel rooms and catering services	15,154,250,798.78	7,616,164,213.43
- Passenger transportation and logistics services	4,996,656,864.27	3,671,903,505.70
- Tourism services	438,748,662.98	538,436,871.67
- Trading business	95,966,388.12	27,626,333.96
- Real estate business	61,553,932.13	38,572,094.69
- Others	<u>666,056,232.31</u>	<u>558,733,642.03</u>
Sub-total	21,413,232,878.59	12,451,436,661.48
Other operating costs	<u>86,533,453.49</u>	<u>9,516,034.34</u>
Total	<u><u>21,499,766,332.08</u></u>	<u><u>12,460,952,695.82</u></u>

60. Taxes and surcharges

	2021 RMB	2020 RMB
Property tax	234,014,706.30	237,465,546.29
Urban maintenance and construction tax	35,048,353.42	25,714,964.38
Education surcharges	24,361,563.39	16,876,752.14
Others	<u>82,813,131.43</u>	<u>83,817,961.87</u>
Total	<u><u>376,237,754.54</u></u>	<u><u>363,875,224.68</u></u>

61. Selling and distribution expenses

	2021 RMB	2020 RMB
Labour costs	941,856,659.77	4,981,429,929.66
Leasing expenses	17,158,149.45	266,079,921.66
Energy and fuel expenses	54,789,195.34	39,002,851.18
Material consumption	9,023,949.47	7,068,175.28
Advertising and promotion fees	541,411,718.53	1,982,497,949.65
Depreciation expenses	32,871,328.55	597,136,523.81
Amortisation of intangible assets and long-term deferred expenses	700,616.73	23,280,291.54
Amortisation of right-of-use assets	22,838,735.41	-
Transportation expenses	27,819,244.24	50,260,181.06
Commission fees	343,597,528.70	700,367,916.32
Decoration, repair and maintenance expenses	16,990,336.38	114,729,048.20
Agency consulting fees	102,988,141.69	14,999,417.00
Postage and communication fees	9,509,145.86	21,566,265.90
Others	202,228,258.51	207,645,325.49
	<u>2,323,783,008.63</u>	<u>9,006,063,796.75</u>
Total	<u>2,323,783,008.63</u>	<u>9,006,063,796.75</u>

62. General and administrative expenses

	2021 RMB	2020 RMB
Labour costs	3,477,395,482.53	2,896,142,837.17
Agency consulting fees	573,385,268.14	160,043,612.75
Depreciation expenses	390,623,164.91	547,346,448.67
Amortisation of intangible assets and long-term deferred expenses	45,681,231.42	131,473,308.39
Amortisation of right-of-use assets	41,150,177.89	-
Leasing expenses	138,286,029.17	292,663,477.60
Advertising and promotion fees	19,538,963.40	16,196,742.98
Office administrative expenses	13,492,102.96	100,151,419.66
Travelling expenses	2,378,616.56	32,896,874.37
Energy and fuel expenses and material consumption	90,596,159.59	20,691,889.94
Repair and maintenance expenses	156,593,490.31	22,668,749.55
Postage and communication fees	100,983,785.49	116,972,731.31
Others	278,122,197.97	230,696,308.21
	<u>5,328,226,670.34</u>	<u>4,567,944,400.60</u>
Total	<u>5,328,226,670.34</u>	<u>4,567,944,400.60</u>

63. Research and development expenses

	2021 RMB	2020 RMB
Employee benefits expenses	45,289,468.49	59,081,419.20
Others	<u>5,712,132.65</u>	<u>7,670,492.12</u>
Total	<u>51,001,601.14</u>	<u>66,751,911.32</u>

64. Financial expenses

	2021 RMB	2020 RMB
Interest expenses from loans and payables	1,025,403,877.54	1,420,339,135.12
Interest expenses from lease liabilities	487,189,792.86	-
Interest income	(285,278,188.81)	(243,793,649.24)
Net exchange losses	76,108,683.71	170,103,273.46
Other financial expenses	<u>107,367,670.08</u>	<u>107,397,623.83</u>
Total	<u>1,410,791,835.38</u>	<u>1,454,046,383.17</u>

65. Exchange losses / (gains) of financial institutions

	2021 RMB	2020 RMB
Exchange losses of finance company	<u>994,786.00</u>	<u>3,909,392.00</u>

66. Other income

<i>Items</i>	<i>2021</i> RMB	<i>2020</i> RMB	<i>Related to assets / income</i>
Government grants			
Epidemic related subsidies	374,083,643.26	419,916,356.90	Related to income
Industry sponsorship funds	40,352,206.48	70,374,399.64	Related to income
Tax refunds	23,024,994.15	15,607,049.47	Related to income
Supporting funds from Huangpu District Finance Bureau	1,700,000.00	1,300,000.00	Related to income
Enterprise supporting funds	5,766,795.44	4,626,723.34	Related to income
Jinjiang One-stop Tourism Platform Project	-	1,073,487.62	Related to assets
Financial supporting funds	8,186,226.79	6,388,281.85	Related to income
Relocation compensation for auto insurance quick claim settlement centre	1,800,478.58	959,776.47	Related to assets
Supporting funds for Smartel project	959,776.68	1,327,000.00	Related to assets
Supporting funds for Metropole Hotel project	200,000.00	3,979,250.00	Related to assets
Subsidy for Wusong cruise delivery project	1,021,900.00	179,926.00	Related to assets
Subsidy for Wusong cold chain project	179,926.08	101,855.00	Related to income
Supporting funds of Baoshan Shipping Economic Zone	101,855.28	750,000.00	Related to income
Involvement and support funds of Expo Development Committee	596,400.00	426,200.00	Related to income
Carry forward of funds for park renovations over the years	11,541,938.00	-	Related to assets
Other subsidies relating to income	19,846,742.76	12,293,735.18	Related to income
Other subsidies relating to assets	192,701.28	45,993.00	Related to assets
Extra deduction of VAT	40,301,107.10	31,833,517.53	
Total	<u>529,856,691.88</u>	<u>571,183,552.00</u>	

67. Investment income

<i>Items</i>	<i>2021</i> RMB	<i>2020</i> RMB
Long-term equity investments	1,799,828,042.14	2,959,667,872.18
Including: Investment income under equity method	357,512,182.63	1,453,148,415.88
Gains from disposal of long-term equity investments (Note 1)	1,442,315,859.51	1,506,519,456.30
Financial assets held for trading / financial assets at fair value through profit or loss	19,726,280.48	58,284,411.96
Investments in other equity instruments	158,564,000.08	-
Including: Dividends distribution declared by the investees corresponding to other equity instruments	158,564,000.08	-
Other non-current financial assets	120,501,241.88	-
Including: Dividends distribution declared by the investees corresponding to other non-current financial assets	120,501,241.88	-
Available-for-sale financial assets (applicable to previous financial instruments standards)	-	2,574,431,598.18
Including: Gains from disposals of available-for-sale financial assets	-	2,299,249,296.75
Declared dividends from the investees corresponding to available-for-sale financial assets	-	275,182,301.43
Investment income from entrusted loans (applicable to previous financial instruments standards)	-	8,076,380.11
Others	6,061,108.75	46,319,716.11
Total	<u>2,104,680,673.33</u>	<u>5,646,779,978.54</u>

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

	<i>2021</i> RMB	<i>2020</i> RMB
Huaan Fund Management Co., Ltd.	387,339,948.46	-
Shanghai Taipingyang Hotel Co., Ltd.	1,048,665,982.94	-
Shanghai Hailun Hotel Co., Ltd.	-	1,166,880,016.00
Others	6,309,928.11	339,639,440.30
Total	<u>1,442,315,859.51</u>	<u>1,506,519,456.30</u>

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

68. (Losses) / gains from changes in fair value

	2021 RMB	2020 RMB
Financial assets held for trading	(76,783,187.62)	137,514,250.03
Derivative financial assets	86,274,298.15	-
Other non-current financial assets	(482,840.05)	-
Drag-along right	(298,749,865.65)	128,936,169.19
Others	-	4,693,509.66
	(289,741,595.17)	271,143,928.88
Total	(289,741,595.17)	271,143,928.88

69. Reversals of credit losses

	2021 RMB
Reversals of losses on bad and doubtful debts	40,997,709.77
Reversals of impairment losses of loans and advances to customers	41,250.00
Impairment losses for other non-current assets	(14,083,841.82)
Others	(9,944,693.00)
	17,010,424.95
Total	17,010,424.95

70. Impairment losses

	2021 RMB	2020 RMB
Losses on bad and doubtful debts (applicable to the previous financial instruments standards)	-	349,884,516.04
Impairment losses of inventories	114,298.00	(46,664.89)
Impairment losses of available-for-sale financial assets	-	966,028,267.13
Impairment losses of fixed assets	51,631,200.68	165,390,407.28
Impairment losses of construction in progress	6,137,061.06	22,685,400.32
Impairment losses of right-of-use assets	40,916,291.12	-
Impairment losses of intangible assets	19,885,391.72	12,107,000.00
Impairment losses for other non-current assets	-	36,666,225.00
Impairment losses of long-term deferred expenses	<u>5,494,276.61</u>	<u>40,507,380.32</u>
 Total	 <u><u>124,178,519.19</u></u>	 <u><u>1,593,222,531.20</u></u>

71. Gains from asset disposals

	2021 RMB	2020 RMB
Gains from disposal of fixed assets	40,787,719.77	10,745,321.55
Gains from disposals of right-of-use assets	72,313,250.63	-
Compensation for land demolition and relocation	<u>40,122,100.00</u>	<u>739,621,705.78</u>
 Total	 <u><u>153,223,070.40</u></u>	 <u><u>750,367,027.33</u></u>

72. Non-operating income

	2021 RMB	2020 RMB
Government grants	28,739,930.07	22,993,060.03
Compensation income	36,781,244.00	27,516,903.00
Payables not required to be paid	5,199,974.90	16,921,601.85
Penalty and forfeiture income	100,600.00	83,051.00
Recovery of bad and doubtful debts written off in prior years (Note 1)	50,649,258.58	-
Others	<u>22,275,820.34</u>	<u>27,927,875.94</u>
Total	<u>143,746,827.89</u>	<u>95,442,491.82</u>

Note 1: In 2021, Shanghai Food Group Co., Ltd., a subsidiary of the Group recovered receivables totalling RMB50,649,258.58 from Shanghai Soap Manufacturing Factory, which had been written off in prior years.

73. Non-operating expenses

	2021 RMB	2020 RMB
Sponsorship and donation expenses	52,334,416.00	12,015,302.45
Project termination losses	-	2,353,515.00
Scrapping of fixed assets	2,931,145.41	15,680,652.02
Penalty costs	2,098,879.68	14,827,618.17
Compensation losses	66,719.64	38,261.67
Supplementary medical insurance for retired employees (Note 1)	11,960,000.00	67,570,000.00
Others	<u>35,280,387.33</u>	<u>26,926,415.27</u>
Total	<u>104,671,548.06</u>	<u>139,411,764.58</u>

Note 1: To relieve the medical burden of retired employees, Shanghai Food Group Co., Ltd., a subsidiary of the Group, has purchased supplementary medical insurance for retired employees since 2011. Provisions for the supplementary medical insurance for retired employees has been made until 2023 during the previous year. Based on the income of RMB19,972,100 from the relocation of Lot No.629 of Liyang Road and subsidies for major construction projects in the current year and the fact that the normal operating income in future years will not be able to absorb the expenses, a further provision of RMB11,960,000 (2020: RMB67,570,000) for supplementary medical insurance for employees in 2024 has been made in the current year.

74. Income tax expenses

74.1 Income tax expense for the year represents

	2021 RMB	2020 RMB
Current tax expenses for the period based on tax law and regulations	545,978,796.59	727,944,061.12
Changes in deferred tax assets/liabilities	(690,657,850.99)	(929,476,870.45)
Tax filing differences for the previous year	(38,161,218.89)	(31,183,202.30)
Overseas corporate VAT	<u>5,519,317.55</u>	<u>9,256,135.83</u>
Total	<u>(177,320,955.74)</u>	<u>(223,459,875.80)</u>

74.2 Reconciliation between income tax expenses and accounting (loss) / profit:

	2021 RMB	2020 RMB
(Loss) / profit before taxation	(844,333,764.88)	(577,050,600.66)
Expected income tax expense at tax rate of 25%	(211,083,441.22)	(144,262,650.16)
Effect of different tax rates applied by subsidiaries	(12,572,134.00)	84,890,667.02
Effect of non-deductible expenses	176,307,344.55	399,201,747.65
Tax preferential treatments meeting the special restructuring standards (Note 1)	(457,324,834.74)	-
Tax effect of tax-free income	(217,162,326.37)	(534,069,541.05)
Tax effect of deductible tax losses and deductible temporary differences of deferred tax assets not recognised	765,058,435.56	278,402,664.96
Tax effect of utilising deductible tax losses and deductible temporary differences of deferred tax assets not recognised in previous years	(198,041,491.02)	(333,379,417.01)
Effect of changes in tax rates	(19,005,270.20)	34,513,982.33
Withholding income taxes	36,033,491.48	35,552,491.69
Tax filing differences for the previous year	(38,314,388.07)	(31,183,202.30)
VAT for overseas corporate (Note 2)	5,519,317.55	6,942,101.86
Others	<u>(6,735,659.26)</u>	<u>(20,068,720.79)</u>
Income tax expenses	<u>(177,320,955.74)</u>	<u>(223,459,875.80)</u>

Note 1: The Group completed the disposal of Shanghai Taipingyang Hotel Co., Ltd. through an equity swap transaction in 2021 and recognised the corresponding investment income (Note IX.67). According to *Notice of Ministry of Finance and State Administration of Taxation on Several Issues relating to Treatment of Corporate Income Tax Pertaining to Restructured Business Operations of Enterprises* (Cai Shui [2009] No.59) and the *Announcement of the State Administration of Taxation on Several Issues Relating to Administration of Levying and Collection of Enterprise Income Tax on Restructuring of Enterprises* (State Administration of Taxation Announcement [2015] No.48), the equity swap transaction meets the standards to qualify for a special tax restructuring tax preferential treatments.

The Group completed the disposal of its entire equity interest in Shanghai Hailun Hotel Co., Ltd. through a step-by-step equity swap transaction in 2020 and 2021, and recognised the corresponding investment income. According to *Notice of Ministry of Finance and State Administration of Taxation on Several Issues relating to Treatment of Corporate Income Tax Pertaining to Restructured Business Operations of Enterprises* (Cai Shui [2009] No.59) and *Announcement of the State Administration of Taxation on Several Issues Relating to Administration of Levying and Collection of Enterprise Income Tax on Restructuring of Enterprises* (State Administration of Taxation Announcement [2015] No.48), the equity swap transaction meets the standards to qualify for a special tax restructuring tax preferential treatments.

Note 2: 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.

75. Government grants

75.1 Details of government grants

	2021 RMB	2020 RMB
Receipts of government grants relating to assets		
- Food Group park reconstruction funds	-	237,000.00
- Boiler subsidies	1,437,000.00	-
- Supporting funds for Metropole Hotel project	-	5,500,000.00
- Supporting funds for Smartel project	-	5,000,000.00
- GDL hotel property supporting projects	-	46,846,418.00
Receipts of government grants relating to income		
- Support funds for enterprises (Note 1)	27,861,698.64	106,029,483.83
- Tax subsidies (Note 2)	699,010.96	15,607,049.47
- Financial incentives	13,042,240.44	6,333,163.38
- Financial subsidies (Note 3)	23,024,994.15	4,751,449.34
- Epidemic related subsidies (Note 4)	374,083,643.26	419,916,356.90
- Others	62,872,070.37	2,038,303.49
	<u>503,020,657.82</u>	<u>612,259,224.41</u>
Total	<u>503,020,657.82</u>	<u>612,259,224.41</u>

Note 1: Support funds 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 subsidies represent the tax refunds received by the Group.

Note 3: Financial subsidies represent the government grants and subsidies received by the Group from the township and district governments.

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

75.2 Details of repayments of government grants

Other than the matters described in Note IX.39, the Group does not have any returned government grants in 2021.

76. Other comprehensive income

76.1 Items of other comprehensive income

	2021			2020		
	Amount before taxation RMB	Income tax RMB	Amount after taxation RMB	Amount before taxation RMB	Income tax RMB	Amount after taxation RMB
Items that will not be reclassified to profit or loss:						
Remeasurement of defined benefit plan	12,111,484.06	2,664,401.90	9,447,082.16	(9,420,326.75)	(724,947.00)	(8,695,379.75)
Changes in fair value of investments in other equity instruments	(122,764,885.06)	(9,284,343.86)	(113,480,541.20)	-	-	-
Sub-total	(110,653,401.00)	(6,619,941.96)	(104,033,459.04)	(9,420,326.75)	(724,947.00)	(8,695,379.75)
Items that may be reclassified to profit or loss:						
Share of other comprehensive income of the equity-accounted investee that may be reclassified to profit or loss	(94,177.43)	66,473.19	(160,650.62)	(821,753.20)	(297,702.75)	(524,050.45)
Less: Previously recognised amount transferred to profit or loss	(87,219.69)	-	(87,219.69)	-	-	-
Sub-total	(6,957.74)	66,473.19	(73,430.93)	(821,753.20)	(297,702.75)	(524,050.45)
Gains or losses arising from changes in fair value of available-for sale financial assets	-	-	-	(3,186,798,937.59)	(128,281,001.61)	(3,058,517,935.98)
Less: Previously recognised amount transferred to profit or loss	-	-	-	534,821,650.22	145,399,814.57	389,421,835.65
Sub-total	-	-	-	(3,721,620,587.81)	(273,680,816.18)	(3,447,939,771.63)
Effective portion of gains or losses arising from cash flow hedging instruments	-	-	-	3,723,338.65	276,175.00	3,447,163.65
Sub-total	-	-	-	3,723,338.65	276,175.00	3,447,163.65
Translation differences arising from translation of foreign currency financial statements	349,619,168.38	-	349,619,168.38	(408,438,746.42)	-	(408,438,746.42)
Sub-total	349,619,168.38	-	349,619,168.38	(408,438,746.42)	-	(408,438,746.42)
Total	238,958,809.64	(6,553,468.77)	245,512,278.41	(4,136,578,075.53)	(274,427,290.93)	(3,862,150,784.60)

76.2 Changes in other comprehensive income

	<i>Share of the other comprehensive income of the equity-accounted investee that may be reclassified to profit or loss</i> RMB	<i>Gains or losses arising from changes in fair value of available-for sale financial assets</i> RMB	<i>Changes in fair value of investments in other equity instruments</i> RMB	<i>Translation differences arising from translation of foreign currency financial statements</i> RMB	<i>Effective portion of gains or losses arising from cash flow hedging instruments</i> RMB	<i>Remeasurement of defined benefit plan</i> RMB	<i>Total</i> RMB
Balance at the beginning of 2020	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 in equity during 2020	<u>(297,670.95)</u>	<u>(3,294,630,167.25)</u>	<u>-</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>
Balance at the end of 2020	<u>499,729,776.82</u>	<u>(1,388,152,304.81)</u>	<u>-</u>	<u>(44,950,422.01)</u>	<u>626,078.30</u>	<u>(16,335,729.73)</u>	<u>(949,082,601.43)</u>
Changes in accounting policies	-	-	36,672,360.50	(28,970,300.51)	-	-	7,702,059.98
Balance at the beginning of 2021	499,729,776.82	(1,388,152,304.81)	36,672,360.50	(73,920,722.52)	626,078.30	(16,335,729.73)	(941,380,541.44)
Changes in equity during 2021	<u>(174,557.43)</u>	<u>-</u>	<u>(128,187,672.16)</u>	<u>321,250,268.40</u>	<u>-</u>	<u>4,061,852.41</u>	<u>196,949,891.22</u>
Balance at the end of 2021	<u>499,555,219.39</u>	<u>(1,388,152,304.81)</u>	<u>(91,515,311.66)</u>	<u>247,329,545.88</u>	<u>626,078.30</u>	<u>(12,273,877.32)</u>	<u>(744,430,650.22)</u>

77. Supplement to cash flow statement

77.1 Reconciliation of net loss to cash flows from operating activities:

	2021 RMB	2020 RMB
Net loss	(667,012,809.14)	(353,590,724.86)
Add: Provisions for impairment of assets	124,178,519.19	1,593,222,531.20
Credit losses reversal	(17,010,424.95)	
Depreciation of fixed assets	1,669,822,963.82	1,474,533,263.13
Depreciation of investment properties	30,030,836.56	30,321,331.49
Depreciation of ROU assets	1,508,072,264.92	-
Amortisation of intangible assets	412,524,170.92	531,959,572.14
Amortisation of long-term deferred expenses	635,052,215.23	675,031,852.99
Gains from disposal of fixed assets, intangible assets, and other long-term assets	(153,223,070.40)	(750,367,027.33)
Losses from scrapping of fixed assets	2,931,145.41	15,680,652.02
Losses from changes in fair value	289,741,595.17	(271,143,928.88)
Financial expenses	1,588,702,354.10	1,597,825,768.54
Investment income	(2,104,680,673.33)	(5,646,779,978.54)
(Increase) in deferred tax assets	(307,261,710.74)	(1,607,658,689.13)
(Decrease) / increase in deferred tax liabilities	(188,714,205.22)	673,134,537.23
Decrease in gross inventories	7,077,463.90	41,346,413.32
(Increase) / decrease in operating receivables	(2,010,230,273.12)	876,459,740.62
Increase / (decrease) in operating payables	<u>415,166,122.83</u>	<u>(1,141,022,218.57)</u>
Net cash inflow / (outflow) from operating activities	<u>1,235,166,485.15</u>	<u>(2,261,046,904.63)</u>

77.2 Investing and financing activities not requiring the use of cash or cash equivalents:

	2021 RMB	2020 RMB
Exchange of non-monetary assets	<u>2,095,772,032.54</u>	<u>2,304,962,611.27</u>
Total	<u><u>2,095,772,032.54</u></u>	<u><u>2,304,962,611.27</u></u>

77.3 Change in cash and cash equivalents:

	2021 RMB	2020 RMB
Closing balance of cash and cash equivalents	18,231,355,343.89	14,429,748,920.31
Less: Opening balance of cash and cash equivalents	<u>14,429,748,920.31</u>	<u>17,557,721,799.40</u>
Net increase / (decrease) in cash and cash equivalents	<u><u>3,801,606,423.58</u></u>	<u><u>(3,127,972,879.09)</u></u>

77.4 Cash and cash equivalents held by the Group are as follows:

	2021 RMB	2020 RMB
Cash at bank and on hand		
Including: Cash on hand	19,507,240.62	14,430,857.30
Bank deposits available on demand	17,743,507,143.35	14,379,357,278.33
Other monetary funds available on demand	468,340,959.92	35,960,784.68
Cash with restricted usage	<u>560,745,239.32</u>	<u>602,010,580.65</u>
Closing balance of cash at bank and on hand and cash equivalents	18,792,100,583.21	15,031,759,500.96
Less: Cash with restricted usage	<u>560,745,239.32</u>	<u>602,010,580.65</u>
Closing balance of cash and cash equivalents available on demand	<u><u>18,231,355,343.89</u></u>	<u><u>14,429,748,920.31</u></u>

77.5 Cash flows relating to other operating activities

	2021 RMB	2020 RMB
Proceeds from other operating activities		
Proceeds from government grants	279,288,003.67	596,652,174.94
Proceeds from interest, fee and commission charged by finance company	128,623,228.87	132,201,958.00
Proceeds from interest income obtained by group companies other than the finance company	94,085,739.83	271,349,511.34
Changes in deposit reserve	31,823,979.48	-
Net increase in deposits from customers	-	118,753,215.31
Others	<u>236,476,778.79</u>	<u>54,366,819.41</u>
Sub-total	<u><u>770,297,730.64</u></u>	<u><u>1,173,323,679.00</u></u>
Payment for other operating activities		
Payment of selling expenses and administrative expenses	3,038,793,533.82	3,371,161,143.54
Bank charges paid by group companies other than the finance company	107,367,670.88	107,397,623.83
Payments of interest, fees and commission paid by finance company	61,231,711.00	60,738,760.00
Net decrease in deposits from customers	118,311,696.13	-
Changes in deposit reserve	-	67,154,310.48
Others	<u>337,411,827.49</u>	<u>244,469,547.98</u>
Sub-total	<u><u>3,663,116,439.32</u></u>	<u><u>3,850,921,385.83</u></u>

77.6 Cash flows relating to other investing activities

	2021 RMB	2020 RMB
Payment for other investing activities		
Acquisition of time deposits	2,900,000,000.00	-
Acquisition-related expenses and agency fees	-	23,893,738.01
Sub-total	<u><u>2,900,000,000.00</u></u>	<u><u>23,893,738.01</u></u>

77.7. Cash flows relating to other financing activities

	2021 RMB	2020 RMB
Payments for other financing activities		
Total cash outflow for leases	3,158,640,648.59	-
Payments for finance leases	-	18,999,710.56
Sub-total	3,158,640,648.59	18,999,710.56

78. Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control

78.1 Acquisition of non-controlling interests in Shanghai Yangtze Hotel Co., Ltd.

In 2021, Jin Jiang International Investment, a subsidiary of the Group, signed an agreement for the acquisition of equity interest in Shanghai Yangtze Hotel Co., Ltd. ("Yangtze Hotel") and the agreement for the disposal of equity interest in Shanghai Taipingyang Hotel Co., Ltd. ("Taipingyang") respectively with Shanghai Hongqiao Economic & Technological Development Zone United Development Co., Ltd. ("Hongqiao United Company"). Accordingly, Jin Jiang International Investment completed the acquisition of 50% equity interest in Yangtze Hotel and the disposal of 70% equity interest in Taipingyang with Hongqiao United Company on 27 December 2021 in the form of non-monetary transactions at a total consideration of RMB1,282,988,572.29, which is based on the appraised value of the 70% equity interest in Taipingyang as at 30 June 2021 to be disposed by Jin Jiang International Investment.

Prior to the completion of the equity acquisition, Jinjiang Capital and Hongqiao United Company each held 50% equity interest in Yangtze Hotel, and Jinjiang Capital maintained the control over Yangtze Hotel. After the completion of the transaction, Jinjiang Capital and Jin Jiang International Investment each hold 50% of the equity interest in Yangtze Hotel, and Jinjiang Capital maintains its control over Yangtze Hotel.

Impact from transactions with non-controlling interests and equity attributable to the owners of the Company:

	<i>Yangtze Hotel</i>
	RMB
Non-cash consideration -	1,282,988,572.29
Less: Net assets in subsidiary based on the % of shares acquired	<u>820,078,408.24</u>
Difference	<u><u>462,910,164.05</u></u>
Including: Adjustment on / (decrease in) capital reserve	<u><u>462,910,164.05</u></u>

78.2 Acquisition of non-controlling interests in Shanghai Jianguo Hotel Co., Ltd.

On 8 March 2019, Jinjiang Capital and Jin Jiang International Investment, subsidiaries of the Group, entered into a cooperation framework agreement ("Framework Agreement") on the equity restructuring and replacement project with Shanghai International Group Asset Management Co., Ltd. ("Shanghai International"). Pursuant to the first step of the Framework Agreement, the Group had completed the acquisition agreement with Shanghai International for the acquisition of 8.43% equity interest in Beijing Kunlun in 2020. In 2021, the Group and Shanghai International completed the second step and the third step of the entire transactions under the Framework Agreement in January 2021 and October 2021, respectively. So far, the non-monetary equity transactions under the Framework Agreement have been fully completed.

In the second step of the transaction, Jinjiang Capital acquired 35% of the equity interest in Shanghai Jianguo Hotel Co., Ltd. ("Jianguo Hotel") held by Shanghai International on 28 January 2021, with a non-cash consideration of RMB534,569,655.20. Prior to the completion of the equity acquisition, Jinjiang Capital held 65% of the equity interest in Jianguo Hotel and Jinjiang Capital had control over Jianguo Hotel. After the completion of the transaction, Jinjiang Capital's % of equity interests in Jianguo Hotel increased to 100%.

Impact from transactions with non-controlling interests and equity attributable to the owners of the Company:

	<i>Jianguo Hotel</i>
	RMB
Non-cash consideration -	534,569,655.20
Less: net assets in subsidiary based on the % of shares acquired	<u>42,408,142.00</u>
Difference	<u><u>492,161,513.20</u></u>
Including: Adjustment on / (decrease in) capital reserve	<u><u>369,121,134.90</u></u>

78.3 Acquisition of non-controlling interests in Beijing Kunlun

Pursuant to the third step of the transaction under the Framework Agreement relating to the equity restructuring and replacement signed among Jinjiang Capital, Jin Jiang International Investment and Shanghai International, Jinjiang Capital acquired 8.37% equity interests in Beijing Kunlun held by Shanghai International with a non-cash consideration of RMB278,213,805.05 in December 2021. Prior to the completion of the equity acquisition, Jinjiang Capital held 60% of the equity interest in Beijing Kunlun. After the completion of the transaction, Jinjiang Capital's % of equity interests in Beijing Kunlun increased to 68.37%. The Group maintains control over Beijing Kunlun before and after the equity transaction.

Impact from transactions with non-controlling interests and equity attributable to the owners of the Company:

	<i>Beijing Kunlun</i> RMB
Non-cash consideration -	278,213,805.05
Less: net assets in subsidiary based on the % of shares acquired	<u>199,966,048.67</u>
Difference	<u>78,247,756.38</u>
Including: Adjustment on / (decrease in) capital reserve	<u>78,247,756.38</u>

78.4 Non-public offering of shares of JJ Hotels

On 25 January 2021, China Securities Regulatory Commission (“CSRC”) approved the non-public offering of shares of JJ Hotels, a subsidiary of the Group, in accordance with *Approval of Shanghai Jin Jiang International Hotels Co., Ltd. for the Non-public Offering of Shares* (CSRC Approval [2021] No.208). Accordingly, JJ Hotels issued a total of 112,107,623 RMB ordinary shares (A shares) with a par value of RMB1 per share to a series of institutional investors at an issuance price of RMB44.60 per share, raising gross proceeds of RMB4,999,999,985.80, which, after deducting the issuance expenses and deductible input tax from the relevant expenses, amounted to RMB4,978,545,167.30 as net proceeds raised, of which RMB112,107,623.00 was included in share capital and RMB4,866,437,544.30 was included in capital reserve. The total share capital of JJ Hotels after the non-public offering was increased to RMB1,070,044,063.00.

Prior to the non-public offering of shares of JJ Hotels, Jinjiang Capital held 50.32% of the shares of JJ Hotels and had control over JJ Hotels; after the completion of the non-public offering, Jinjiang Capital's % of shareholding in JJ Hotels decreased to 45.05%, but Jinjiang Capital maintains as its controlling shareholder.

Impact from transactions with non-controlling interests and equity attributable to the owners of the Company:

	<i>JJ Hotels</i>
	RMB
Net proceeds from the non-public offering of shares	4,978,545,167.30
Less: net assets in subsidiaries based on the % of shares acquired	<u>886,215,720.00</u>
Difference	<u>4,092,329,447.30</u>
Including: Adjustment on / (increase in) capital reserve	<u>3,069,247,085.48</u>

78.5 Acquisition of shares of Shanghai Yijiyou Information Technology Co., Ltd. by Jinjiang Online

On 1 July 2021, Shanghai Jinjiang International Industrial Investment Co., Ltd. (“Jinjiang Online”), a subsidiary of the Group, entered into an equity transfer agreement in relation to Shanghai Yijiyou Information Technology Co., Ltd. (“Yijiyou”) with Jin Jiang International Investment and its subsidiaries, Qicheng Network as well as other third-party shareholders. Pursuant to this agreement, Jin Jiang International Investment (30%), Qicheng Network (20%), Qichuang Tourism (18%), Shanghai Chengtui (18%) and Jinlei Enterprise Management (14%) agreed to sell and Jinjiang Online agreed to acquire an aggregate of 100% equity interest in Yijiyou with a cash consideration of RMB43,090,001, of which the consideration relating to the acquisition of other third-party equity interests amounted to RMB17,591,169.73. Upon the completion of the transaction, Yijiyou became a wholly-owned subsidiary of Jinjiang Online. Prior to the equity transfer transaction, the Group owned the control over Yijiyou; upon completion of the equity transfer, the Group's shareholding in Yijiyou through Jinjiang Online decreased from 59.18% to 29.42%, but the Group still owns the control.

Impact from transactions with non-controlling interests and equity attributable to the owners of the Company:

	<i>Yijiyou</i>
	RMB
Consideration of equity transfer	17,591,169.73
Less: net assets in subsidiary based on the % of shares acquired	<u>(7,500,370.28)</u>
Difference	<u>25,091,540.01</u>
Including: Adjustment on / (decrease in) capital reserve	<u>18,984,521.31</u>

78.6 Acquisition of non-controlling interests by JJ Hotels

Pursuant to the equity transfer agreement relating to Keystone signed among JJ Hotels, Fortune New International Limited ("Fortune", which is ultimately wholly owned by Zheng Nanyan) and Mr. Zheng in previous years, JJ Hotels entered into an equity transfer agreement with Fortune on 29 June 2021, pursuant to which JJ Hotels acquired 3.49825% of the equity interest in Keystone held by Fortune with a cash consideration of RMB351,216,077.14. Upon the completion of the transaction, JJ Hotels' shareholding in Keystone will increase from 96.50175% to 100%. As at 31 December 2021, RMB31,372,015.18 of the above cash consideration was still outstanding.

Impact from transactions with non-controlling interests and equity attributable to the owners of the Company:

	<i>Keystone</i> RMB
Consideration of the grant of drag-along right	351,216,077.14
Less: Net assets in subsidiaries based on the % of shares acquired	<u>189,058,291.14</u>
Difference	<u>162,157,786.00</u>
Less: Share of net assets in subsidiaries based on the shares disposed	<u>54,789,061.94</u>

79. Segment reporting

According to the Group's internal organisation 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.

Segment information is disclosed in accordance with the accounting policies and measurement standards adopted by all segment when they report to management. These measurement bases are consistent with the accounting and measurement bases adopted in the preparation of financial statements.

	Hotel rooms and catering		Tourism		Passenger transportation and logistics		Urban services		Trading		Finance		Unallocated items		Elimination among segments		Total	
	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB
Operating income																		
Operating income from external customers	18,303,434,351.23	14,952,264,439.79	860,387,717.38	869,379,370.09	7,670,192,004.39	5,423,907,808.28	298,644,424.21	218,848,662.84	319,348,249.43	152,141,304.34	126,733,280.50	112,217,914.33	199,033,881.06	76,189,781.22	-	-	27,777,773,908.20	21,804,949,280.89
Inter-segment operating income	122,987,697.66	433,277,502.94	41,440,605.39	142,520,378.97	-	-	58,599,614.80	52,644,066.39	-	-	-	-	53,441,447.13	17,122,852.96	(276,479,384.9 8)	(645,564,801.2 6)	-	-
Total operating income	18,426,422,048.89	15,385,541,942.73	901,828,322.77	1,011,899,749.06	7,670,192,004.39	5,423,907,808.28	357,244,039.01	271,492,729.23	319,348,249.43	152,141,304.34	126,733,280.50	112,217,914.33	252,475,328.19	93,312,634.18	(276,479,384.9 8)	(645,564,801.2 6)	27,777,773,908.20	21,804,949,280.89
Operating costs																		
Operating costs from external customers	13,488,259,880.89	5,868,764,861.46	539,808,889.26	1,503,774,533.11	6,996,016,303.48	4,859,274,469.90	208,133,843.53	141,244,935.58	193,910,402.54	119,178,487.65	106,455,983.29	16,730,378.15	28,412,960.09	12,723,769.97	-	-	21,560,988,043.08	12,521,691,455.82
Inter-segment operating costs	21,530,936.24	2,196,488.11	528,091.00	34,293,301.73	-	-	292,000.00	277,864.00	-	-	-	-	-	333,333.34	(22,351,027.24)	(37,100,987.18)	-	-
Total operating costs	13,509,790,797.13	5,870,961,349.57	540,336,980.26	1,538,067,834.84	6,996,016,303.48	4,859,274,469.90	208,425,843.53	141,522,799.58	193,910,402.54	119,178,487.65	106,455,983.29	16,730,378.15	28,412,960.09	13,057,103.31	(22,351,027.24)	(37,100,987.18)	21,560,988,043.08	12,521,691,455.82
Reconciliation:																		
Taxes and surcharges	293,135,068.54	302,636,673.63	20,122,028.76	16,980,172.93	15,203,731.38	16,878,483.44	9,882,805.62	7,370,871.78	5,492,574.62	3,314,041.26	4,592,392.32	2,324,676.38	27,849,123.30	14,370,005.26	-	-	378,237,754.54	363,875,224.68
Selling and distribution expenses	1,591,766,389.51	8,358,701,646.69	213,176,064.69	154,739,533.56	410,738,677.57	422,130,431.94	25,493,395.86	30,763,214.59	72,357,351.94	17,007,247.97	656,449.09	1,522,316.91	10,917,217.53	21,199,405.09	(1,322,517.56)	-	2,323,783,006.63	9,006,063,796.75
General and administrative expenses	4,252,185,829.69	3,961,694,223.78	135,950,089.17	192,561,667.37	205,666,594.60	150,982,229.04	76,741,223.29	74,387,900.79	45,724,229.18	22,187,148.56	203,420,993.67	177,812,654.80	566,468,347.67	554,091,394.84	(157,930,637.1 3)	(665,372,818.5 8)	5,328,226,670.34	4,567,944,400.60
Research and development expenses	17,966,761.76	25,908,688.42	14,809,800.67	39,125,551.85	16,606,942.24	-	-	-	-	-	-	-	1,818,006.47	1,717,691.05	-	-	51,001,601.14	68,751,911.32
Financial expenses (including exchange gains and losses of the finance company)	1,314,730,684.54	1,011,776,285.65	(12,425,757.76)	(85,138,586.82)	7,971,421.88	(1,282,063.55)	(46,045,925.20)	(36,337,653.10)	(25,168,136.12)	(18,209,846.44)	(3,082,323.92)	(16,088,718.45)	341,470,011.50	516,249,335.92	(165,672,343.9 4)	96,987,022.06	1,411,786,621.38	1,457,955,775.17
Impairment loss	(103,170,748.6 5)	609,708,183.95	-	108,395,462.68	-	16,307,437.72	(72,397.76)	858,713,938.98	2,312,967.33	(63,641.72)	-	-	(3,508,340.09)	161,149.59	-	-	(128,178,519.1 9)	1,569,222,531.20
Credit losses	(94,569,924.10)	-	(2,582,415.56)	-	(6,736,774.70)	-	(162,069.97)	-	(166,797.22)	-	(4,430,338.72)	-	44,498,823.28	-	81,161,921.94	-	17,010,424.95	-
Gains / losses from changes in fair value	(315,493,518.8 5)	289,873,888.74	(2,475.85)	2,475.85	(7,657,103.62)	(18,734,891.5 6)	-	-	(2,475.85)	2,475.85	-	-	33,413,979.00	-	-	-	(286,741,595.1 7)	271,143,928.86
Investment income	200,501,423.40	980,591,555.92	78,939,392.98	28,838,601.76	133,644,626.41	132,940,858.91	14,579,746.99	2,537,437,940.12	11,302,571.57	64,907,944.53	1,372,496,122.63	432,196,613.35	354,043,948.24	1,523,762,490.51	(70,787,180.89)	(53,896,026.9 6)	2,104,880,673.33	5,646,779,978.54
Gains from asset disposals	18,023,385.96	(20,989,025.53)	(1,010,180.16)	(14,295.78)	56,748,519.78	372,483,434.31	(6,019.31)	401,655.72	4,022,100.00	50,267,586.00	0.00	80,383.70	75,446,264.13	348,147,308.91	-	-	153,223,070.40	750,367,027.33
Other income	437,186,071.33	512,482,533.47	14,921,423.28	15,529,407.40	12,124,939.93	18,988,352.44	1,415,333.13	11,443,929.96	1,098,157.31	3,822,912.69	1,099,674.47	1,548,789.19	62,010,986.43	7,377,636.95	-	-	593,656,691.88	571,183,552.00

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	Hotel rooms and catering		Tourism		Passenger transportation and logistics		Urban services		Trading		Finance		Unallocated items		Elimination among segments		Total	
	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB	2021 RMB	2020 RMB
Operating profit	(2,410,866,803.19)	(2,993,896,199.26)	60,554,867.67	(898,495,696.12)	206,112,543.04	465,704,583.89	98,498,496.97	1,744,355,182.41	45,598,350.41	127,728,786.03	1,183,895,444.23	363,742,062.78	(148,563,867.78)	851,753,965.49	81,161,921.94	(193,974,044.12)	(883,409,044.71)	(533,081,327.90)
Non-operating income	62,043,862.81	78,415,207.80	1,952,456.98	2,941,794.93	12,628,921.72	9,552,831.18	24,088,272.54	1,843,151.23	22,730,890.56	6,343,529.88	7,541,194.06	2,331,687.03	36,676,429.22	(5,985,710.23)	(23,895,000.00)	-	143,746,827.89	95,442,491.82
Non-operating expenses	54,965,932.81	50,197,551.49	142,273.54	255,662.91	837,216.65	4,196,017.85	11,216,242.68	16,437,154.56	18,375,676.78	68,349,354.01	514,374.75	325,822.97	42,514,830.85	(348,799.21)	(23,895,000.00)	-	104,671,548.06	139,411,764.58
Profit before income tax	(2,403,589,073.19)	(2,965,678,529.95)	62,365,051.11	(895,809,596.10)	217,904,248.11	471,061,397.22	111,350,528.83	1,729,761,179.08	49,953,564.19	65,722,961.90	1,190,922,263.54	365,747,946.84	(154,402,289.41)	846,118,054.47	81,161,921.94	(193,974,044.12)	(844,333,764.86)	(577,050,600.66)
Income tax	(417,694,204.33)	(534,921,746.53)	6,654,812.20	114,742,291.28	40,244,093.72	97,254,400.80	20,270,493.33	16,486,225.60	10,863,806.50	43,578,684.36	(1,691,112.38)	37,451,827.09	164,211,185.22	1,948,451.60	-	-	(177,320,955.74)	(223,459,875.80)
Net profit	(1,985,894,968.96)	(2,430,798,783.42)	55,710,238.91	(1,010,551,847.38)	177,690,194.39	373,806,996.42	91,080,035.50	1,713,274,953.48	39,269,757.69	22,144,277.54	1,192,613,375.92	328,296,119.75	(318,613,454.63)	844,169,602.87	81,161,921.94	(193,974,044.12)	(667,012,809.14)	(353,590,724.86)
Total assets	81,771,053,178.73	81,899,636,785.39	4,496,776,463.35	3,688,688,137.40	6,209,411,960.14	5,840,533,648.30	2,362,199,486.84	3,004,824,337.49	1,923,579,404.22	1,874,941,657.34	23,454,111,759.67	23,095,243,513.61	34,488,479,219.09	34,861,908,750.56	(36,196,174.863.85)	(31,020,699.323.11)	116,505,436,619.21	103,035,114,406.98
Total liabilities	59,000,899,888.79	42,832,577,988.84	1,697,947,691.88	1,232,163,396.61	1,993,595,447.97	1,677,740,823.05	778,889,260.42	561,261,816.58	789,486,164.49	643,072,043.32	17,574,496,947.58	21,272,570,062.83	15,984,364,840.83	16,025,749,905.53	(16,222,397.939.32)	(12,180,961.946.98)	81,597,272,322.64	72,064,174,091.78
Supplementary information																		
Depreciation and amortisation	3,741,100,486.43	2,229,787,901.70	214,691,988.66	220,082,797.57	258,154,004.95	223,958,769.54	22,433,370.34	20,460,977.65	6,155,152.19	5,617,308.02	-	-	12,967,438.88	11,938,265.27	-	-	4,255,502,451.45	2,711,846,019.75
Impairment losses recognised during the period	197,740,672.75	609,706,183.95	22,322,415.56	108,395,462.68	6,736,774.70	16,307,437.72	234,467.75	858,713,938.98	(2,146,170.11)	(63,841.72)	4,430,338.72	-	(40,988,483.19)	161,149.59	(81,161,921.94)	-	107,168,094.24	1,593,222,531.20
Capital expenditure including: Costs of construction in progress	4,323,969,065.59	2,531,496,418.47	38,410,601.92	61,276,964.45	42,416,118.63	12,970,001.74	8,103,063.54	5,648,066.84	106,899.65	31,557.62	-	-	6,202,267.69	1,401,658.59	-	-	4,419,208,037.02	2,612,824,667.71
Expenditure on acquisition of fixed assets	1,372,985,314.84	1,551,561,290.30	33,234,245.06	4,449,974.87	7,034,425.09	8,387,534.82	3,063,292.04	4,359,628.09	17,115.62	-	-	-	760,205.17	(574,842.70)	-	-	1,417,094,597.62	1,568,183,785.38
Expenditure on acquisition of intangible assets	489,203,862.53	215,643,441.59	1,403,067.29	908,773.02	2,644,571.28	4,582,466.92	1,374,645.99	1,288,238.75	-	31,557.62	-	-	(181,246.64)	1,976,501.29	-	-	494,444,900.45	224,430,979.19
Expenditure on acquisition of significant assets	613,523,377.28	764,291,686.58	2,585,534.20	55,918,216.56	13,037,496.35	3,665,145.51	-	89,784.03	-	-	-	-	5,623,309.16	-	-	-	638,524,646.53	820,209,903.14
	1,848,256,510.94	-	1,187,755.37	-	19,699,625.91	-	-	-	-	-	-	-	-	-	-	-	1,869,143,892.22	-

X. Related party relationships and transactions

(1) Nature of major related parties:

<i>Name of related party</i>	<i>Related party relationship</i>
Shanghai Shendi (Group) Co., Ltd.	Associate of the Company
HRG Jin Jiang China	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 Hospital Co., Ltd. (上海质子重离子医院有限公司)	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
Bestech Hotels Private Limited	Associate of Jin Jiang International Investment
Xi'an Jinjiang Star Hotel Co., Ltd.	Associate of Jin Jiang International Investment
Shanghai Jingeng Investment Management Co., Ltd. (上海锦庚投资管理有限公司)	Associate of Jin Jiang International Investment

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

Shanghai Zhendong Automobile Service Co., Ltd.	Joint venture of Jirjiang Capital
Shanghai Jinmao Jinjiang Automobile Services Co., Ltd.	Joint venture of Jirjiang Capital
Shanghai Dazhong Xinya Car Rental Co., Ltd.	Joint venture of Jirjiang Capital
Shanghai Jinjiang Jiayou Automobile Service Co., Ltd.	Joint venture of Jirjiang Capital
Shanghai NISSAN Automobile Maintenance Centre	Joint venture of Jirjiang Capital
Shanghai Motor Vehicle Driver Training Centre Co., Ltd.	Joint venture of Jirjiang Capital
Shanghai Petroleum Group Changle Gas Station Co., Ltd.	Joint venture of Jirjiang Capital
Shanghai Jinjiang Sheshan Service Co., Ltd.	Joint venture of Jirjiang Capital
Shanghai Yongda Second-Hand Motor Vehicle Sales Co., Ltd.	Joint venture of Jirjiang Capital
IHHC	Joint venture of Jirjiang Capital
Shanghai Jinjiang Tangchen Hotel Co., Ltd. (上海锦江汤臣大酒店有限公司)	Joint venture of Jirjiang Capital
Shanghai Jinjiang Fairmont Hotel Management Co., Ltd. (上海锦江费尔蒙酒店管理有限公司)	Joint venture of Jirjiang Capital
Shanghai Thayer Jin Jiang Interactive Corporation	Joint venture of Jirjiang Capital
Shanghai Centre Tower Jinjiang Hotel Asset Management Co., Ltd. (上海中心大厦锦江酒店资产管理有限公司)	Joint venture of Jirjiang Capital
Shanghai Yinhe Hotel	Joint venture of Jirjiang Capital
Shanghai Jinjiang 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 Jirjiang Capital
Shanghai Wubei Parking Garage Co., Ltd. (上海乌北停车库有限公司)	Joint venture of Jirjiang Capital

<i>Name of related party</i>	<i>Related party relationship</i>
Wuxi Jinjiang Hotel	Associate of Jinjiang Capital
Jiangsu Jinjiang Nanjing Restaurant Co., Ltd.	Associate of Jinjiang Capital
Shanghai KFC Co., Ltd.	Associate of Jinjiang Capital
Shanghai Xinya Fulihua Catering Co., Ltd.	Associate of Jinjiang Capital
Shanghai Jiyejia Fast Food Co., Ltd.	Associate of Jinjiang Capital
Les Roches Jin Jiang International 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.	Associate of Jinjiang Capital
Shanghai Jinjiang Passenger Transport Co., Ltd. (上海锦江客运有限公司)	Associate of Jinjiang Capital
Shanghai Yongda Fengdu Automobile Sales Service Co., Ltd. (上海永达风度汽车销售服务有限公司)	Associate of Jinjiang Capital
Shanghai Pujiang Visit Co., Ltd.	Associate of Jinjiang Capital
Shanghai Juxing Real Estate Management Co., Ltd.	Associate of Jinjiang Capital
Shanghai Fasco International Tour & Travel Co., Ltd.	Associate of Jinjiang Capital
Shanghai Xinjin Hotel Management Co., Ltd. (上海新锦酒店管理有限公司)	Associate of Jinjiang Capital
Shanghai Eastern Airlines International Tourism Transportation Co., Ltd.	Associate of Jinjiang Capital
Shanghai Yiri Travel Agency Co., Ltd.	Associate of Jinjiang Capital

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

Associate of Food Group

Shanghai NEW-SOURCE International Trading Co., Ltd.

The above company is referred to as associate of Food Group.

(2) Significant related party transactions and the amounts

(a) Sales and purchase

	2021 RMB	2020 RMB
<u>Revenue from sales</u>		
Joint ventures and associates of Jinjiang Capital	14,792,463.55	6,388,681.19
Total	<u>14,792,463.55</u>	<u>6,388,681.19</u>
<u>Revenue from rendering of services</u>		
Associate of the Company	-	2,607,972.03
Associate of Food Group	14,941,941.32	-
Total	<u>14,941,941.32</u>	<u>2,607,972.03</u>

	2021 RMB	2020 RMB
<u>Revenue from vehicle operation</u>		
Associate of the Company	40,872,379.75	34,001,124.42
Joint ventures and associates of Jinjiang Capital	<u>2,881,992.50</u>	<u>577,462.85</u>
Total	<u><u>43,754,372.25</u></u>	<u><u>34,578,587.27</u></u>
<u>Cost of purchase of goods</u>		
Joint ventures and associates of Jinjiang Capital	352,316.50	499,430.29
Associate of the Company	142,521.83	136,724.06
Associate of Food Group	<u>22,407,418.83</u>	<u>16,259,921.09</u>
Total	<u><u>22,902,257.16</u></u>	<u><u>16,896,075.44</u></u>
<u>Cost of receiving services</u>		
Joint ventures and associates of Jinjiang Capital	<u>89,403.40</u>	<u>11,859.80</u>
Total	<u><u>89,403.40</u></u>	<u><u>11,859.80</u></u>
(b) Other operating activities		
	2021 RMB	2020 RMB
<u>Lease income</u>		
Associate of Jin Jiang International Investment	15,386,753.04	11,540,064.78
Joint ventures and associates of Jinjiang Capital	1,176,000.00	1,176,000.00
Associate of the Company	<u>1,688,714.97</u>	<u>-</u>
Total	<u><u>18,251,468.01</u></u>	<u><u>12,716,064.78</u></u>
<u>Management fee income</u>		
Joint ventures and associates of Jinjiang Capital	<u>705,051.13</u>	<u>1,090,834.06</u>
<u>Lease expenses</u>		
Associate of Jin Jiang International Investment	<u>-</u>	<u>399,102.87</u>
<u>Interest income</u>		
Joint ventures and associates of Jinjiang Capital	<u>2,521,350.77</u>	<u>2,687,660.90</u>
<u>Interest expense</u>		
Joint ventures and associates of Jinjiang Capital	8,318,011.16	7,776,205.85
Associate of Jin Jiang International Investment	<u>2,443.44</u>	<u>2,307.28</u>
Total	<u><u>8,320,454.60</u></u>	<u><u>7,778,513.13</u></u>

(c) External debt guarantees

	2021 RMB	2020 RMB
<u>Guarantees</u>		
Associate of the Company	254,390,430.00	130,494,737.55
Joint ventures and associates of Jinjiang Capital	-	-
Total	254,390,430.00	130,494,737.55

(d) Balances due from/to related parties

<i>Item and name of related party</i>	2021 RMB	2020 RMB
<u>Accounts receivable</u>		
Associate of the Company	7,631,499.87	8,226,622.67
Joint ventures and associates of Jinjiang Capital	4,516,942.66	4,218,501.19
Total	12,148,442.53	12,445,123.86
<u>Loans and advances</u>		
Joint ventures and associates of Jinjiang Capital	54,850,000.00	54,950,000.00
Less: Provision for impairment	21,988,500.00	22,029,750.00
Net amount	32,861,500.00	32,920,250.00
<u>Other current assets</u>		
Joint ventures and associates of Jinjiang Capital	33,756,680.00	32,000,000.00

<i>Item and name of related party</i>	<i>2021</i> RMB	<i>2020</i> RMB
<u>Other non-current assets</u>		
Joint ventures and associates of Jinjiang Capital	-	4,625,200.00
Associate of Jin Jiang International Investment	<u>49,133,669.80</u>	<u>28,793,700.00</u>
Sub-total	49,133,669.80	33,418,900.00
Less: Provision for impairment	<u>28,273,394.55</u>	<u>24,781,200.00</u>
Net amount	<u><u>20,860,275.25</u></u>	<u><u>8,637,700.00</u></u>
<u>Prepayments</u>		
Joint ventures and associates of Jinjiang Capital	<u>1,000,000.00</u>	<u>1,000,000.00</u>
<u>Interest payable</u>		
Joint ventures and associates of Jinjiang Capital	<u>-</u>	<u>12,052,066.18</u>
<u>Dividends receivable</u>		
Joint ventures and associates of Jinjiang Capital	38,863,651.08	3,795,000.00
Joint ventures and associates of the Company	<u>-</u>	<u>9,800,000.00</u>
Total	<u><u>38,863,651.08</u></u>	<u><u>13,595,000.00</u></u>
<u>Accounts payable</u>		
Associate of Food Group	8,793,398.64	5,012,318.97
Associate of the Company	<u>36,557.90</u>	<u>22,029.70</u>
Total	<u><u>8,829,956.54</u></u>	<u><u>5,034,348.67</u></u>
<u>Other receivables</u>		
Joint ventures and associates of Jinjiang Capital	50,445,376.42	45,364,367.40
Associate of the Company	<u>131,780.22</u>	<u>8,407,861.43</u>
Total	<u><u>50,577,156.64</u></u>	<u><u>53,772,228.83</u></u>

<i>Item and name of related party</i>	<i>2021</i> RMB	<i>2020</i> RMB
<u>Other payables</u>		
Joint ventures and associates of Jinjiang Capital	63,545,238.61	80,693,133.78
Associate of the Company	273,764.00	273,764.00
Joint ventures and associates of Food Group	<u>1,790,000.00</u>	<u>-</u>
Total	<u><u>65,609,002.61</u></u>	<u><u>80,966,897.78</u></u>
<u>Customer deposits and deposits from banks and other financial institutions</u>		
Joint ventures and associates of Jinjiang Capital	<u>245,289,803.70</u>	<u>292,491,835.62</u>

(e) Funding from related party

The Company's funding with related parties are detailed as follows:

	<i>Accrued in 2021</i> RMB	<i>Balance at the end of 2021</i> RMB	<i>Accrued in 2020</i> RMB	<i>Balance at the end of 2020</i> RMB
(Repayment) / receipt of loans				
Joint ventures and associates of Jinjiang Capital	<u>(10,000,000.00)</u>	<u>10,000,000.00</u>	<u>(21,000,000.00)</u>	<u>20,000,000.00</u>
Total	<u><u>(10,000,000.00)</u></u>	<u><u>10,000,000.00</u></u>	<u><u>(21,000,000.00)</u></u>	<u><u>20,000,000.00</u></u>

XI. Financial instruments and risk management

1. Risk analysis and sensitivity analysis for financial instruments

The Group has exposure to the following main risks from its use of financial instruments in the normal course of the Group's operations:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Other price risks

The following mainly presents information about the Group's exposure to each of the above risks and their sources, their changes during the year, and the Group's objectives, policies and processes for measuring and managing risks, and their changes during the year.

The Group aims to seek appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

1.1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank, receivables, contract assets, debt investments and derivative financial instruments entered into for hedging purposes and other financial assets. Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet. Except for the financial guarantees given by the Group as set out in Note XIV, the Group does not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in Note XIV.

1.1.1. Accounts receivable and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country/region in which the customers operate. Therefore, significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. As at the balance sheet date, 5.14% (2020: 3.41%) of total accounts receivable and contract assets were due from the Group's five largest customers.

In respect of accounts receivable, the finance departments of the Group and its subsidiaries have established a credit policy under which individual credit evaluations are performed on all customers to determine the credit limit and terms applicable to the customers. These evaluations focus on the customers' financial position, the external ratings of the customers and their bank credit records where available. Receivables are due within certain days from the date of billing. Debtors with balances that are more than certain day past due are requested to settle all outstanding balances before any further credit is granted or will receive written notification requesting payment, have their credit terms shortened or credit limits cancelled. Normally, the Group does not obtain collateral from customers.

For details of accounts receivable and contract assets, refer to Notes IV.5 and IV.10.

1.1.2. Derivatives

The Group enters into derivative contracts with counterparties such as banks and financial institutions. The counterparty is required to have a good credit rating and sign a net settlement agreement with the Group. Given the good credit rating of the counterparty, the Group's management believes that the counterparty will not default on its obligation.

1.2. Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash, readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables set out the remaining contractual maturities at the balance sheet date of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group can be required to pay:

	<i>2021 Contractual undiscounted cash flow</i>					<i>Total</i>	<i>Carrying amount</i>
	<i>Within 1 year or on demand</i>	<i>More than 1 year but less than 2 years</i>	<i>More than 2 years but less than 5 years</i>	<i>More than 5 years</i>			
Short-term loans	5,722,676,747.31	-	-	-	5,722,676,747.31	5,722,676,747.31	
Customer deposits and deposits from banks and other financial institutions	98,693,752.31	-	-	-	98,693,752.31	98,693,752.31	
Deposits from customers	-	210,500,000.00	-	-	210,500,000.00	210,500,000.00	
Bills payable	79,050,000.00	-	-	-	79,050,000.00	79,050,000.00	
Accounts payable	2,582,966,678.65	-	-	-	2,582,966,678.65	2,582,966,678.65	
Other payables	3,806,036,881.48	-	-	-	3,806,036,881.48	3,806,036,881.48	
Long-term loans / long-term loans due within one year	11,434,220,587.87	8,681,524,160.30	17,811,472,980.19	72,227,000.00	37,999,444,728.36	35,414,129,042.90	
Debentures payable	181,357,500.00	3,184,357,500.00	6,067,054,870.12	-	9,432,769,870.12	8,905,108,945.60	
Lease liabilities / lease liabilities due within 1 year	2,163,372,796.45	2,033,675,298.75	4,646,667,091.98	7,439,867,234.99	16,283,582,422.16	13,255,341,495.68	
Long-term payables / long-term payables due within one year	374,951,866.26	444,722,820.46	-	15,498,861.43	835,173,548.15	792,321,632.47	
Total	<u>26,443,326,810.33</u>	<u>14,554,779,779.51</u>	<u>28,525,194,942.29</u>	<u>7,527,593,096.42</u>	<u>77,050,894,628.54</u>	<u>70,866,825,176.40</u>	

	2020 Contractual undiscounted cash flow				Total	Carrying amount
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
Short-term loans	5,911,966,301.94	-	-	-	5,911,966,301.94	5,911,966,301.94
Customer deposits and deposits from banks and other financial institutions	229,355,448.44	-	-	-	229,355,448.44	229,355,448.44
Deposits from customers	-	-	198,150,000.00	-	198,150,000.00	198,150,000.00
Bills payable	116,350,000.00	-	-	-	116,350,000.00	116,350,000.00
Accounts payable	3,102,679,985.55	-	-	-	3,102,679,985.55	3,102,679,985.55
Other payables	2,797,147,547.54	-	-	-	2,797,147,547.54	2,797,147,547.54
Long-term loans / long-term loans due within one year	1,486,875,937.85	16,537,681,761.52	11,380,616,889.56	454,854,927.49	29,860,029,516.42	28,679,306,211.98
Debentures payable / debentures payable due within one year	9,004,696,424.63	121,650,000.00	7,619,338,118.99	-	16,745,684,543.62	16,382,264,211.10
Long-term payables / long-term payables due within one year	1,794,711,104.51	513,694,647.06	303,401,776.15	19,653,861.43	2,631,461,389.15	2,416,001,177.97
Total	<u>24,443,782,750.46</u>	<u>17,173,026,408.58</u>	<u>19,501,506,784.70</u>	<u>474,508,788.92</u>	<u>61,592,824,732.66</u>	<u>59,833,220,884.52</u>

1.3. Interest rate risk

Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure.

1.3.1. Sensitivity analysis

The sensitivity analysis of interest risk is on the basis of 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	Changes in interest rate	2021		2020	
		Effect on profit RMB'000	Effect on equity RMB'000	Effect on profit RMB'000	Effect on equity RMB'000
Bank loans - variable rate	Increase 50 basis points	(46,632)	(46,632)	(59,392)	(59,392)
Bank loans - variable rate	Decrease 50 basis points	46,632	46,632	59,392	59,392

The sensitivity analysis above indicates the instantaneous change in the net profit and equity that would arise assuming that the change in interest rates had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the previous year.

1.4. Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. In respect of cash at bank and on hand, accounts receivable and payable, short-term loans denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

1.4.1. Operations in China

The Company and its subsidiaries in Mainland China operate primarily in Mainland China and its principal business activities are denominated and settled in RMB, therefore most of its transactions, assets and liabilities are denominated in RMB. As at 31 December 2021 and 31 December 2020, the Company and its domestic subsidiaries are exposed to foreign exchange risk mainly in relation to USD and EUR.

- (i) As at 31 December, the Group's exposure to currency risk arising from recognised assets or liabilities denominated in foreign currencies is presented in the following tables (not including translation differences arising from translation of foreign currency financial statements). For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date. Of these, apart from the foreign exchange exposure corresponding to the currency swap agreement derivative financial instruments purchased by the Group during the year in relation to EUR borrowings (see Note IX.2 for details), the Group is not currently taking other measures to hedge exchange rate risk for its operations in China.

(Expressed in RMB'000)

	2021			2020		
	USD	Other foreign currencies	Total	USD	Other foreign currencies	Total
Cash at bank and on hand	261,326	396,865	658,191	162,932	38,685	201,617
Accounts receivable	359,283	249	359,532	190,714	249	190,964
Other receivables	88,148	271	88,419	90,211	301	90,512
Accounts payable	(235,552)	(393,452)	(629,003)	(50,034)	(8,364)	(58,399)
Other payables	(165)	(1,085)	(1,251)	(5,882)	(6,684)	(12,566)
Gross balance sheet exposure	<u>473,040</u>	<u>2,848</u>	<u>475,888</u>	<u>387,941</u>	<u>24,187</u>	<u>412,128</u>

- (ii) The following are the exchange rates for Renminbi against foreign currencies applied by the Group:

	Average rate		Balance sheet date mid-spot rate	
	2021	2020	2021	2020
USD	<u>6.4503</u>	<u>6.7506</u>	<u>6.4601</u>	<u>7.0795</u>

(iii) Sensitivity analysis

Assuming all other risk variables remained constant, a 5% strengthening of the RMB against the USD at 31 December would have decreased equity and net loss by the amount shown below.

(Expressed in RMB'000)

	31 December 2021		31 December 2020	
	Owners' equity	Net loss	Owners' equity	Net loss
USD	(23,652)	(23,652)	(19,397)	(19,397)

A 5% weakening of the RMB against the USD at 31 December would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remained constant.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date. The analysis excludes translation differences arising from translation of foreign currency financial statements. The analysis is performed on the same basis for the previous year.

1.4.2. Overseas operation of GDL

GDL, a subsidiary of the Group outside China, mainly operates business in Europe, and its principal business activities are denominated and settled in EUR, so most of its transactions, assets and liabilities are denominated in EUR. As at 31 December 2021, GDL's foreign currency balances are concentrated in certain monetary funds and exposure to foreign exchange risk relates primarily to the PLN. GDL closely monitors the impact of exchange rate movements in the Group's foreign exchange risk, but due to very limited foreign currency settlement business, GDL considers the current foreign exchange risk is insignificant to GDL's operations.

- (i) As at 31 December, GDL operation's exposure to currency risk arising from recognised assets or liabilities denominated in foreign currencies is presented in the following tables. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date. Translation differences arising from translation of foreign currency financial statements are not included:

(Expressed in RMB'000)

	2021			2020		
	PLN	Other foreign currencies	Total	PLN	Other foreign currencies	Total
Cash at bank and on hand	18,050	22,073	40,123	72,837	21,778	94,615
Accounts receivable	17,319	31,115	48,434	10,214	30,648	40,862
Other receivables	3,446	1,805	5,251	20,478	29,787	50,265
Short-term loans	-	(249)	(249)	-	(505)	(505)
Accounts payable	(28,113)	(34,899)	(63,012)	(36,328)	(25,858)	(62,186)
Other payables	(69,645)	(46,598)	(116,243)	(16,944)	(11,994)	(28,938)
Long-term loans (including long-term loans due within one year)	(39,154)	(5,745)	(44,899)	(122,839)	(40,634)	(163,473)
Gross balance sheet exposure	(98,097)	(32,498)	(130,595)	(72,582)	3,222	(69,360)

- (ii) The following are the exchange rates for Renminbi against EUR applied by the Group's GDL business:

	<i>Average rate</i>		<i>Balance sheet date mid-spot rate</i>	
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
PLN	0.2173	0.2262	0.2183	0.2196

- (iii) Sensitivity analysis

Assuming all other risk variables remained constant, a 5% strengthening of the EUR against the PLN and at 31 December would have increased the Group's owners' equity and decreased the net loss by the amount shown below, whose effect is in Renminbi and translated using the spot rate at the year-end date:

(Expressed in RMB'000)

	<i>31 December 2021</i>		<i>31 December 2020</i>	
	<i>Owners' equity</i>	<i>Net profit</i>	<i>Owners' equity</i>	<i>Net profit</i>
PLN	4,905	4,905	3,629	3,629

A 5% weakening of the EUR against the PLN at 31 December would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remained constant.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date. The analysis excludes translation differences arising from translation of foreign currency financial statements. The analysis is performed on the same basis for the previous year.

1.4.3. Overseas operations of Radisson Hotel

The overseas operations of the Group's Radisson hotel business mainly operate in Europe and the Americas and the principal business activities are denominated and settled in EUR. Accordingly, most of the transactions, assets and liabilities are denominated in EUR. Therefore, the foreign exchange risk of the foreign subsidiaries of this business mainly arises from financial assets and liabilities measured in USD and currencies other than EUR, which is the functional currency of these subsidiaries.

- (i) As at 31 December, the exposure to currency risk of overseas operations of Radisson Hotel arising from recognised assets or liabilities denominated in foreign currencies is presented in the following tables. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date. Translation differences arising from translation of foreign currency financial statements are not included:

(Expressed in RMB'000)

	2021			2020		
	USD	Other foreign currencies	Total	USD	Other foreign currencies	Total
Cash at bank and on hand	300,941	35,431	336,372	55,314	4,901	60,215
Other receivables	639,268	903	640,171	654,042	1,258	655,300
Other payables	(686,316)	(41,939)	(728,256)	(742,701)	1,574	(741,127)
Gross balance sheet exposure	253,893	(5,605)	248,287	(33,345)	7,733	(25,612)

- (ii) An analysis of the exchange rates applied to the Group's Radisson Hotel overseas operations against the EUR is as follows:

	Average rate		Balance sheet date mid-spot rate	
	2021	2020	2021	2020
USD	0.8426	0.8489	0.8108	0.8745

- (iii) Sensitivity analysis

Assuming all other risk variables remained constant, a 5% strengthening of the EUR against USD at 31 December would have decreased the Group's equity and increased the net loss by the amount shown below, whose effect is in Renminbi and translated using the spot rate at the year-end date:

(Expressed in RMB'000)

	31 December 2021		31 December 2020	
	Owners' equity	Net loss	Owners' equity	Net loss
USD	(12,695)	(12,695)	1,667	1,667

A 5% weakening of the EUR against USD at 31 December would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remained constant.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date. The analysis excludes translation differences arising from translation of foreign currency financial statements. The analysis is performed on the same basis for the previous year.

1.5. Other price risks

The Group's investments in other equity instruments and FVTPL financial assets are measured at fair value at each balance sheet date. Therefore, the Group is exposed to the risks of changes in the stock prices. The Group minimises the stock price risks by holding a portfolio of equity securities with different risks.

1.5.1 Sensitivity analysis

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	Changes in price	2021		2020	
		Effect on profit RMB'000	Effect on equity RMB'000	Effect on profit RMB'000	Effect on equity RMB'000
Financial assets at FVTPL	Increase by 10%	-	-	118,805	118,805
Financial assets at FVTPL	Decrease by 10%	-	-	(118,805)	(118,805)
Financial assets held for trading	Increase by 10%	101,316	101,316	-	-
Financial assets held for trading	Decrease by 10%	(101,316)	(101,316)	-	-
Investments in other equity instruments	Increase by 10%	-	941,942	-	-
Investments in other equity instruments	Decrease by 10%	-	(941,942)	-	-
Available-for-sale financial assets	Increase by 10%	-	-	750,120.00	750,120
Available-for-sale financial assets	Decrease by 10%	-	-	(750,120.00)	(750,120)

2. Transfer of financial assets

Transferred financial assets that have been derecognised, but the transferring party continues to be involved in

During the year, the Group discounted bank acceptance bills of RMB22,509,030.64 (2020: RMB17,706,180.42) to banks. As the main risks and rewards such as interest rate risk associated with these bank acceptance bills have been transferred to banks, the Group derecognised the discounted bank acceptances that have not matured. According to the discount agreement, if the bank acceptance bills 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 bills. As at 31 December 2021, the discounted bank acceptance bills that have not matured were RMB2,559,265.12 (2020: RMB7,526,237.52).

XII. Capital management

The Group's primary objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for owners, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group defines “capital” as including all components of equity less unaccrued proposed dividends. The balances of related party transactions are not regarded by the Group as capital.

The Group’s capital structure is regularly reviewed and managed to achieve an optimal structure and return for owners. Factors for the Group’s consideration include: its future funding requirements, capital efficiency, actual and expected profitability, expected cash flows, and expected capital expenditure. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group.

The Group’s capital structure is monitored on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes short-term and long-term loans, debentures payable, and obligations under lease liabilities) plus unaccrued proposed distributions of profit, less related party loans with no fixed repayment terms and cash and cash equivalents.

During 2021, the Group’s strategy, which was unchanged from 2020, was to maintain an asset-liability ratio of no more than 70%. In order to maintain or adjust the ratio, the Group may adjust the amount of profit paid to owners, request new loans, reduce capital, or sell assets to reduce liabilities.

The Group is not subject to any externally imposed capital requirements.

XIII. Fair value

1. Assets and liabilities measured at fair value

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Group’s assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

- Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;
 Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;
 Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

	31 December 2021				1 January 2021			
	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	Total	Level 1 Fair value measurement	Level 2 Fair value measurement	Level 3 Fair value measurement	Total
Recurring fair value measurements								
I. Financial assets at FVTPL								
1. Financial assets held for trading	1,013,159,629.95	365,036,118.81	-	1,378,195,748.76	1,138,829,158.46	236,301,249.82	-	1,375,130,408.30
2. Derivative financial assets	-	86,274,298.15	-	86,274,298.15	-	-	-	-
II. Receivables under financing	-	-	4,015,299.25	4,015,299.25	-	-	2,854,632.04	2,854,632.04
III. Investments in other equity instruments								
1. Stock investments	9,496,133,039.82	-	-	9,496,133,039.82	10,114,314,071.96	-	-	9,864,063,890.99
2. Equity investments	-	-	1,640,911,031.70	1,640,911,031.70	-	-	1,678,475,057.59	1,678,475,057.59
IV. Other non-current financial assets	-	61,523,366.02	522,207,568.00	583,730,934.02	-	145,824,169.56	523,290,180.55	669,114,350.11
Total assets measured at fair value on a recurring basis	10,509,292,669.77	512,833,782.98	2,167,133,898.95	13,189,260,351.70	11,253,143,230.47	382,125,419.38	2,204,619,870.18	13,839,888,520.03
V. Long-term payables relating to drag-along right	-	-	761,585,599.60	761,585,599.60	-	-	818,344,563.42	818,344,563.42
Total liabilities measured at fair value on a recurring basis	-	-	761,585,599.60	761,585,599.60	-	-	818,344,563.42	818,344,563.42

	31 December 2020			Total
	Level 1	Level 2	Level 3	
	Fair value measurement	Fair value measurement	Fair value measurement	
Recurring fair value measurements				
I. Financial assets at FVTPL				
1. Financial assets at FVTPL	1,188,049,609.19	-	-	1,188,049,609.19
II. Available-for-sale financial assets				
1. Investments in equity instruments	9,942,807,665.23	-	58,656,115.10	10,001,463,780.33
Total assets measured at fair value on a recurring basis	11,130,857,274.42	-	58,656,115.10	11,189,513,389.52
III. Long-term payables relating to drag-along right	-	-	818,344,563.42	818,344,563.42
Total liabilities measured at fair value on a recurring basis	-	-	818,344,563.42	818,344,563.42

During 2021, there were no transfers, between Level 1 and Level 2, of the Group's above assets and liabilities which are measured at fair value on a recurring basis. The Group recognises transfers between different levels at the end of the current reporting period during which such transfers are made.

1.1. Level 1 fair value measurements

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

1.2. Level 2 fair value measurement

The fair value of currency swaps included in derivative financial assets is the estimated amount that would be received or paid to transfer the swap at the end of the reporting period, taking into account current interest rates and the current creditworthiness of the swap counterparties.

During the year ended 31 December 2021, there were no changes in valuation techniques for the recurring and non-recurring Level 2 fair value measurements.

1.3. Level 3 fair value measurement

The Group has a specific team headed by the finance manager performing valuations of assets and liabilities of recurring and non-recurring Level 3 fair value measurements. The team reports directly to the chief financial officer and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the team at each interim and annual balance sheet dates and is reviewed and approved by the chief financial officer. Discussion of the valuation process and results with the chief financial officer and the audit committee is held at interim and annual period ends.

Quantitative information about Level 3 fair value measurements is as follows:

The Group	Fair value at 31 December 2021	Valuation techniques	Unobservable inputs	Range (Weighted average)
Unlisted equity instruments investment	1,407,710,871.13	Discounted cash flow model	Pre-tax discount rate	9.90% ~ 13.00%
			Revenue growth rate	0.65% ~ 13.91%
Unlisted equity instruments investment	755,407,728.57	Market comparison approach	Discount for lack of marketability	26.00% ~ 50.00%

<i>The Group</i>	<i>Fair value at 1 January 2021</i>	<i>Valuation techniques</i>	<i>Unobservable inputs</i>	<i>Range (Weighted average)</i>
Unlisted equity instruments investment	1,433,011,552.61	Discounted cash flow model	Pre-tax discount rate	10.00% ~ 13.00%
			Revenue growth rate	0.65% ~ 13.91%
Unlisted equity instruments investment	768,753,685.53	Market comparison approach	Discount for lack of marketability	26.00% ~ 50.00%

The fair value of certain unlisted equity instruments investment is determined using the price/earning ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. Some of the Company's investments in unlisted equity instruments use discounted cash flows to determine the fair value of investments in unlisted equity instruments. The fair value measurement is negatively correlated to the discount rate and is positively correlated to the revenue growth rate. The correlation between the liquidity discount, discount rate and revenue growth rate on the fair value of investments in unlisted equity instruments in 2021 remains consistent with that in 2020.

During 2021, there were no changes in valuation techniques for the recurring and non-recurring Level 3 fair value measurements.

2. Fair value of other financial instruments (items not measured at fair value at the end of the year)

All financial instruments are carried at amounts not materially different from their fair value as at 31 December 2021 and 2020.

XIV. Contingencies

As at 31 December 2021, the Group provided guarantee for Shanghai Overseas Joint-Investment Co., Ltd. regarding its bank borrowings of USD39,900,000.00 (equivalent to RMB254,390,430.00) (2020: USD19,999,500.00, equivalent to RMB130,494,737.55).

XV. Commitments

(1) Capital commitments

	2021 RMB'000	2020 RMB'000
Contracted but not recognised in the financial statements		
Commitment for acquisition and construction of long-term assets	3,504	54,900

(2) Operating lease commitments

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

		2020 RMB'000
Minimum lease payments under non-cancellable operating leases:		
1st year subsequent to the balance sheet date	2,529,411	
2nd year subsequent to the balance sheet date	2,065,322	
3rd year subsequent to the balance sheet date	339,503	
Future years	<u>15,640,651</u>	
 Total		 <u><u>20,574,887</u></u>

(3) Others

	2021 RMB'000	2020 RMB'000
Contracted but not recognised in the financial statements:		
 Irrevocable loan commitment	 <u>12,425</u>	 <u>88,644</u>

XIV. Non-adjusting post balance sheet date events

1. Absorption merger with Jinjiang Capital

According to the announcement and notice issued by Jinjiang Capital, a subsidiary of the Company, on 24 November 2021, the Company, as the offeror, entered into a merger agreement with Jinjiang Capital ("Merger Agreement"). Pursuant to the Merger Agreement, the offeror will implement the merger with Jinjiang Capital in accordance with terms and conditions (including preconditions and such conditions) set out in the Merger Agreement. After the merger, Jinjiang Capital will be merged by the offeror based on the PRC Corporate Law and other applicable PRC laws. Upon the satisfaction (or waiver, as applicable) of such conditions (including preconditions) under the Merger Agreement, the Company will pay the cancellation price of HKD3.10 per H Share in cash to shareholders of Jinjiang Capital. However, no considerations are payable in respect of the domestic shares for the Company as the sole domestic shareholder. Upon the completion of the merger, the Company, as the offeror, will assume all the assets, liabilities, equities, businesses, employees, contracts and all other rights and obligations of Jinjiang Capital, and Jinjiang Capital will eventually be deregistered. As at the date when the financial statements are authorized, the Company has not completed the merger with Jinjiang Capital in light of relevant terms in the Merger Agreement.

2. Property expropriation of JJ Hotels

According to the Housing Expropriation Decision dated on 18 November 2021 received by Dongfeng Hotel, a subsidiary of JJ Hotels (a subsidiary of the Company), which was made by the People's Government of Huangpu District, Shanghai, some of the properties of JJ Hotels fall within the scope of expropriation under the aforementioned expropriation decision. In March 2022, Dongfeng Hotel signed Agreement on Compensation for Expropriation of Houses on State-owned Land of Shanghai, pursuant to which Dongfeng Hotel will receive compensation with a total amount of RMB84,306,000.

3. Property expropriation of Jinjiang Online

Shanghai Shanghai Food Co., Ltd. ("Shanghai Food"), a subsidiary of Jin Jiang Online (a subsidiary of the Company), signed the "Shanghai Municipal Housing Expropriation Agreement on State-owned Land" and the "*Settlement of Nanpu Land (Unit) in Huangpu District*" in relation to the building at No.1218 Waima Road. In the first quarter of 2022, the remaining property at No.1218 Wai Ma Road with a net book value of RMB18,726,900 had been handed over by Shanghai Food to the government, and the corresponding consideration was RMB786,881,300.